

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2621

General Procedures

AFTER RECESS
SENATE FINANCE COMMITTEE
January 9, 1973
9:20 a.m.

Present: Senator Clifford J. Groh, Chairman, Senator C. R. Lewis, Vice Chairman, Senator Kay Poland, and Senator John Sackett. Also present were staff members J. H. Hogan, Director of Legislative Finance, and Rich Guthrie, Senate Fiscal Analyst. Senator Ray was also present.

Senator Groh called the meeting to order and stated that the purpose of the meeting was to provide Finance Committee members with a preliminary review of this year's operation. He then turned the meeting over to Mr. Hogan.

Mr. Hogan requested that Senate Finance Committee members decide upon a seating arrangement in the committee.

Mr. Hogan also informed the Committee that the Governor's Budget Message would be delivered to the houses this Thursday, January 11, but the specific time had not yet been disclosed. He added that a letter prepared for Chairman Groh's signature would be delivered to Myrt Charney, Director of Budget and Management, requesting that the budget request workbooks be sent to this Committee on that particular day.

Mr. Hogan explained that the fiscal staff has been working on background material for the budget document during the last three months. He stated that the figures already printed on the shortforms were Actual FY 72, Authorized FY 73, Maintenance FY 74, and Request FY 74 figures. Once the Governor's figures are received, the figures will be added to the shortforms and will be distributed to the members. Mr. Hogan spoke briefly of addition of narrative (or brief descriptions for each page of figures) this year which will facilitate any changes or deletions in positions, etc.

Mr. Hogan then informed the Committee members that he now served as supervisor for the fiscal staff for both Finance Committees. He added that the professional staff had been broken down into five people, each having reviewed his respective program category. Mr. Hogan stated that he hoped both Finance Committees will see fit to make use of that staff.

Mr. Hogan stated that it was his hope to have both Finance Committees concur on the following format for the current session: diligent subcommittee work; a minimum of hearings; a maximum of thorough questioning of the various agencies, with written responses from the agencies (signed by the head of the department) to those questions. He emphasized that both Finance Committees remaining mutually exclusive would handicap the eventual product of an effective budget document. Mr. Hogan said that much time had been wasted during previous sessions while both Finance Committees worked separately on figures and policies that they mutually agreed upon. He said he hoped the Committees would explore the possibility of joint, cooperative subcommittee work. Once their differences were determined, they could then concentrate on those differences in their respective committees. Mr. Hogan said this would prevent much of the major difficulty arising during the Free Conference Committee meetings. He stressed the importance of uniformity in approach in order to produce a good budget document which will effectively make known to the Executive branch the Legislature's will.

[Mr. Joe LaRocca of the press entered the meeting at 9:30 a.m.]

Mr. Hogan then cited an example of the problems caused by lack of effective preparation prior to the meeting of the Free Conference Committee. He stated that during FCC last session an argument developed over Educational Broadcasting. The result was intent appropriating for three specific grants (to Tanana Chiefs, etc.) which totaled \$30,000 more than the appropriation for grants to Educational Broadcasting. Mr. Hogan said it was necessary to make the budget document intent clear and exact. This would enable the Legislature to keep track of the agency's use of funds and force the departments to defend what they have done should the Legislature take issue over a particular matter.

In response to Senator Sackett, Mr. Hogan said that Senate and House joint subcommittee work was simply an area he thought the committees might like to explore, but said that the main thrust of a new format in preparing the budget document would be to have the Finance Committee review carefully the budgets in subcommittee and make their wishes known to the staff of various comparisons, policy alternatives, etc., which they might need. Mr. Hogan said he hoped that long and needless hours of testimony from the agencies would be avoided until the Committee had specific questions to ask.

Senator Lewis stated that a total budget figure should be pre-set, and the Finance Committees would then have to work with that figure and not go beyond it. •

Chairman Groh then stated that an attempt would be made to improve the budget preparation this year. He said that members of the Committee who had areas of interest in which they wish to work in sub-committee should inform him.

Senator Groh then requested that the fiscal staff do an analysis regarding the lack of correlation and the over-abundance of administrative sub-units in each agency. He stated that it would be a step forward economically to force these people into one administrative set-up on a state-wide basis. . .

[Senator Ray entered the meeting at 9:45 a.m.]

Senator Groh also emphasized the issue of performance evaluation. He said that once "X" amount of dollars are appropriated, the Legislature should look to see that the agencies are spending the money intelligently.

Mr. Hogan then gave an example of when steps in analysis of the Department of Economic Development had taken place two years ago. Some members of the Finance Committee had felt that the Department "was not necessary".

Adjournment:

There being no further business to discuss, the meeting adjourned at 9:50 a.m.

AFTER RECESS
SENATE FINANCE COMMITTEE
January 11, 1973
9:55 a.m.

Present: All members with the exception of Senator Butrovich. Rich Guthrie, Senate Fiscal Analyst, was also present.

BUDGET REVISIONS
FY - 72

Mr. Guthrie called the members' attention to the report containing listings of the 231 budget revisions made during FY 1972. A chronological listing of Revised Programs was also included. Mr. Guthrie pointed out those figures on Pages 5 and 6 which showed the differences between those Revised Programs requested, and what the Budget & Audit Committee had actually approved.

Adjourned: There being no further business, the meeting was adjourned at 10:00 a.m.

SENATE FINANCE COMMITTEE

January 16, 1973

9:05 a.m.

Present: All members with the exception of Senators Ray and Butrovich.

Chairman Groh called the meeting to order and stated that the committee would discuss and decide upon assignments to the budget categories. The following assignments to categories were made:

NAT RES MGMT & ENV CON	-	Senators Poland and Palmer
SOCIAL SERVICES and HEALTH	-	Senators Ray and Butrovich
PUBLIC PROTECTION	-	Senators Lewis, Groh and Palmer
ADMIN OF JUSTICE	-	Senators Groh and Ray
DEVELOPMENT	-	Senators Sackett and Poland
TRANSPORTATION	-	Senators Palmer and Lewis
GENERAL GOVERNMENT	-	Senators Ray, Groh and Poland
EDUCATION and S.O.S.	-	Senators Sackett and Palmer
UNIVERSITY OF ALASKA	-	Senators Lewis and Sackett

Chairman Groh then stated that it had been suggested that file holders be put on the committee table and asked if the members were in favor of the idea; the members said that they would like to have the file holders at their places on the committee table.

Senator Groh asked for further discussion. Senator Sackett asked when the balance of the budget books would be sent to the committee and Mr. Guthrie replied that Budget and Management would send them over by the beginning of next week.

Senator Palmer stated that he had heard intent from the House Finance Committee that they would bring their budget down in approximately 65 days and stated that he would hope that the Senate Finance Committee put together some sort of schedule of events to stick to for expedition of the budget. Senator Groh said that he would get together with the staff and prepare such a schedule. He also stated that Chairman Hillstrand of the House committee had no objection to the concept of joint committee work and that if there was cooperation among the members they would probably be able to agree on at least 60% or 75% of the budget to carry it through in a successful manner.

Adjourn: The meeting adjourned at 9:20 a.m.

SENATE FINANCE COMMITTEE
February 19, 1973
9:05 a.m.

Present: All members with the exception of Senators Sackett, Lewis and Ray. Staff member Rich Guthrie was present, and Steve Weiner, AP, was present.

Gen. Chairman Groh called the meeting to order and stated that
Proced. the committee would discuss expedition of the budget. General discussion followed. It was decided that the budget category Public Protection, would be covered the next day. No further action was taken.

Adjourn: The meeting adjourned at 9:30 a.m.

Special

Projects

SENATE FINANCE COMMITTEE

January 9, 1973

9:15 a.m.

Present: Senator Groh, Senator Lewis, Senator Poland, and Senators Sackett and Ray. Also present were staff members J. H. Hogan and Rich Guthrie.

REGIONALIZATION
OF STATE AGEN-
CIES' ADMINI-
STRATIVE
SUB-UNITS

Chairman Groh requested that the fiscal staff do an analysis regarding the lack of correlation and the over-abundance of administrative sub-units in each agency. He stated that it would be a step forward economically to force these people into one administrative set-up on a state-wide basis.

Recess: The Committee then moved on to other discussion.
(See General Procedures 1/9/73)

1/9/73

1/9/73

AFTER RECESS
SENATE FINANCE COMMITTEE
January 11, 1973

9:50 a.m.

Present: All members, with the exception of Senator Butrovich. Rich Guthrie, Senate Fiscal Analyst, was also present.

REGIONALI-
ZATION OF
STATE
AGENCIES'
ADMINISTRATIVE
SUB-UNITS

The subject of regionalization of administrative sub-units of State agencies was brought to the Committee members' attention by Chairman Groh. He referred to a memorandum (see Page 2 of these minutes), which was prepared by Mr. Robert L. Grogan, Fiscal Analyst, in which it was explained that the Division of Planning and Research (Office of the Governor), in cooperation with the Raytheon Corporation, had developed a complex plan for regionalization. Senator Groh said he had discussed this issue with the fiscal staff, and that if the form of administrative sub-units can be regionalized, and the establishment of such be satisfactory to most departments, a greater amount of efficiency and economy can be obtained.

Chairman Groh stated that the Division of Planning and Research was ready to present its plan to the Finance Committee at 8:30 a.m., Tuesday, January 16. In the meantime, the staff would go through the budget and try to estimate what kind of regionalization presently exists.

Recess: The committee moved on to other business (see General Procedures, 1/11/73).

1/11/73

MEMORANDUM

TO: The Honorable Clifford Groh
Chairman
Senate Finance Committee

DATE: January 10, 1973

FROM: Robert L. Grogan *RLG*
Fiscal Analyst
Legislative Finance

SUBJ: Efforts to Construct
a State-wide Concept
of Regionalization

For the past several years the Office of the Governor, Division of Planning and Research, has been involved in the development of a regionalization plan which would fulfill the administrative needs of all state agencies.

The solution to this problem required the use of a common bond which would permit the various agencies to regionalize in the manner best suited to their individual operations, yet be reconciled or aggregated on other scales. The township unit was considered to be the "least common denominator" and was therefore adopted to become the common bond. The township unit is small enough to allow great flexibility to agency users and, in aggregate, will provide for analytical overview. It is, presumably, through this capability that an agency's budgetary data could be reconciled to standard regional units.

The Division of Planning and Research, in cooperation with the Raytheon Corporation, has such a system in first-stage development. This project will be comprehensive and complex in nature--encompassing the regionalization of all state agencies. The system is manually operable but; due to large amounts of data to be manipulated, data processing support will be desired if not required.

The Division is eager to present the details of the proposal to the Legislature.

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SENATE FINANCE COMMITTEE

January 18, 1973

9:10 a.m.

Present: All members with the exception of Senator Butrovich. Also present were: Fiscal Analyst Rich Guthrie, Mr. Bob Pavitt, Director, Division of Planning and Research, Mr. Tom Davis, State Development Planner, and Mr. Gene Walsh, Senior Planner of the Division of Planning and Research.

Senator Lewis, acting Chairman during the opening of the meeting, called the meeting to order. Senator Groh, Chairman, entered the meeting at 9:15 a.m.

REGIONALIZATION
OF
ADMINISTRATIVE
SUB-UNITS

Senator Lewis introduced Mr. Pavitt and turned the meeting over to those representatives from the Division of Planning and Research for the purpose of discussing the regionalization of administrative sub-units.

Mr. Pavitt stated that in other states, the basic units were counties which were then lumped into regions. Due to Alaska's size, topography, and traditional cultures, there has been, prior to this time, great difficulty establishing regional uniformity. Mr. Pavitt said that the first type of regional breakdown in the state was done by judicial districts formed many years ago.

Mr. Pavitt said that in 1963 and 1964, the first and best statistical compilation of Alaska was done by Dr. George Rogers and Dr. Richard Cooley. Their study included information regarding region methods used by various state agencies. The result was the "natural region concept" which divides Alaska into areas of Southcentral, Southeast, Interior, etc. Mr. Pavitt emphasized the fact that some agencies' methods of breaking the state into their own regional concepts were quite logical (example: Department of Natural Resources, Department of Fish & Game); others, however, were arbitrary.

Mr. Pavitt then presented to the committee members various agencies' overviews of regionalization upon a map of the State of Alaska. The overlays included those of the Department of Highways, Department of Fish & Game, the Census Divisions, and Civil Defense. Mr. Pavitt commented that there was absolutely no conformity in the regional breakdowns

shown.

Mr. Pavitt stated that the Division of Planning and Research had several approaches to the regionalization problem. He then referred to the handout distributed to the members (see Pages 3 and 4 of these minutes) showing the geo-coding or cellulary approach. This method would provide a geographical code for each permanent full-time employee with the state. Statistics can be aggregated through cross tabulations. Corrections and new information can be fed into this approach; therefore, allowing a constant updating of the system.

Mr. Pavitt again referred to the Rogers and Cooley approach and stated that there was no reason why the Division of Planning and Research could not standardize regions for several agencies, thus creating an approach similar to the Rogers and Cooley method.

Senator Groh told Mr. Pavitt that the major hope regarding regionalization concerned the budgeting to various agencies. Senator Groh said that if regions are standardized, it would benefit the economy of the State because departments ask for money on a complex (and arbitrary) regional basis.

Senator Groh then asked Mr. Pavitt what recommendations his Division has made to get the idea of regionalization off the ground. Senator Groh stated that if the Division of Planning and Research has not made specific recommendations, then perhaps the Legislature should.

In response to Senator Groh, Mr. Pavitt said that when the division had tried to determine why agencies had different reporting methods as far back as 1966, Mr. Pavitt's thought at that time was that the Executive and Legislative branches would give the final divisions to the agencies.

In addition, Mr Pavitt said his division could make such recommendations in a few months. He stated that with the cooperation of the Division of Budget and Management, a map code could be inserted into the budget instructions document; however, the regionalization concept could not be implemented until the next budget cycle.

There being no further business, the meeting adjourned at 9:45 a.m.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

ALASKA

GEOGRAPHIC DIVISION
BUREAU OF MINERAL AND
HYDROLOGICAL SURVEY

SHOWN MATERIAL IS AS SHOWN
AND IS NOT TO BE CONSIDERED
WARRANTY FOR ANY PURPOSE
DATE OF PUBLICATION APRIL 1, 1921

1:50,000 DIAPHRAGM SCALE

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Notes:
1. Material published from aerial photographs are accurate
as shown, unless otherwise stated, and are not
larger than available at a scale of 1:50,000.

2. First drafting completed. Edited and revised drawings
on the basis of aerial photographs and other data
available at the time of publication. The work
was completed in 1920.

3. Maps published since the publication of this map
may contain more recent information.

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1/18/73

by township

Figure 15 shows 1:50,000 scale quadrangle layout
covering the entire State of Alaska. The letters
indicate the township and range numbers.
15 Miles Example - Matanuska Island A.S., Alaska.

-6-

ALASKA LOCATION CODES - SECTION I
(alphabetical listing)

Adak - - - - -	BCA	Aniak- - - - -	EQB
Afognak- - - - -	CMA	Annette- - - - -	ACQ
Akhiok (Alitak)- - - - -	BYB	Anvik- - - - -	EXB
Akiachak - - - - -	DKB	Arctic Village - - - - -	LHA
Akiak- - - - -	DKF	Atka - - - - -	BDA
Akolmiut - -(Nunapitchuk)-	DJA	Atkasuk (Meade River)- - -	LYB
Akularak - - - - -	DJG	Atmautluak - - - - -	DJN
Akutan - - - - -	BLB	Attu- - - - -	AYA
Alakanuk - - - - -	EWB	Auke Bay- - - - -	AWD
Alatna - - - - -	KEC	Aurora - - - - -	JBW
Aleknagik- - - - -	DAB	Aurora Lodge (Salcha)- - -	JJH
Aleknagik Mission- - - - -	DAC	Axel Lind Island - - - - -	DTE
Aleknagik North Shore- - -	DAM		
Alexander Creek- - - - -	EKD	Badger - - - - -	JJI
Alitak - see Akhiok		Baranof- - - - -	ARF
Allakaket- - - - -	KEB	Barrow - - - - -	MEA
Alvin Bay- - - - -	AKL	Barter Island- - - - -	NDA
Ambler - - - - -	KTA	Bartlett - - - - -	JBG
Amchitka - - - - -	BAA	Bartlett Cove- - - - -	AWK
Anaktuvuk Pass - - - - -	LDA	Beaver - - - - -	KHA
Anchor Point - - - - -	CYD	Beaver Creek - - - - -	HWI
Anchorage- - - - -	EBA	Beechey Point- - - - -	NBA
Anchorage Bay- - - - -	BWE	Belkofski- - - - -	BSC
Anchorage Intl. Airport- -	EBF	Bell Island- - - - -	ACT
Anderson Village - - - - -	JBB	Beluga Lake- - - - -	EKE
Andreafski - see Saint Mary's		Berg - - - - -	JBL
Angoon - - - - -	ARD		

SENATE FINANCE COMMITTEE

January 19, 1973

9:05 a.m.

Present: All members with the exception of Senator Ray, who arrived at 9:30 a.m; Bob Gates, Benefits Administrator of Alaska Longevity Bonus Program; Rose Palmquist, Alaska Longevity Bonus Program; Senator Lowell Thomas, and Steve Weiner, Associated Press. Staff members, Rich Guthrie and Bob Grogan, were also present.

Longevity
Bonus
Program
Staff
Analysis

Chairman Groh called the meeting to order and stated that the committee would discuss with members of the Administration the effect of SB 211 on the Alaska Longevity Program, and the approximate cost for the program. He then gave a short history of the Alaska Longevity Program, saying that the program was put into effect during the last session and that one million dollars had been budgeted and that grants were to be paid in full and not pro-rated. He asked Mr. Gates to tell the committee how many people there are in the program, what it costs, and what he anticipates in the future.

Mr. Gates passed out two sheets of information and explained the figures therein. He stated that of the 3,834 eligibles to present, 40 checks were either returned or not sent due to deaths, and people traveling out-of-state who are taken off the list until their return to Alaska. Mr. Gates stated that the estimated total by June would be 4,300 eligibles. He wanted to say that this is a most conservative estimate. He said that currently, they have about 40 additional applicants per week, making about 100 new applicants per month as a minimum forecast.

Senator Groh asked, on the basis of the second handout, if it would cost \$5,000,000 for a full year, and Mr. Gates answered yes. Senator Groh asked if Mr. Gates had tried to forecast what the program would cost altogether, and Mr. Gates answered that they had not done such a study to date. He said that there are some figures that are difficult to get as there are some people who are residents of the state, but it is hard to say if they will complete their 25 year residency to become eligible for the program. He said however, that it would be well in excess of \$500,000,000. Senator Groh asked what he would estimate for FY 74 and Mr. Gates answered that he did not have a firm figure on that at the present time as so many of their eligibles came in in December and January and they are waiting until they know when the majority of the eligible people have applied. He said that in Bethel, for example, only 3 people have applied so far and it is known that in places like Bethel and Kotzebue there might be at least 100 eligible people.

Discussion followed between Senator Sackett and Mr. Gates concerning a past census in relation to the number of possible eligibles. Mr. Gates stated that if there is a residency requirement, census information is not very useful.

Senator Sackett asked what type of proof the Longevity Program required for the 25 year requirement for eligibility. Ms. Palmquist stated that everything must be in writing and Mr. Gates added that there are several methods for deriving proof: driver's license, 3 references, social security information, archives, etc. He also said that Ms. Palmquist has been in the state for some time and verifies by way of being familiar with many of the references.

Senator Groh asked that if the Administration says it will cost \$5,000,000 per year, would they expect more than 4,300 eligibles by the end of FY 74 and Mr. Gates said yes, but that mortality rates and unknown deaths make a difference. He continued saying that when they reach the point of knowing the number of new additions there will probably be a net increase of at least 50 people for some time. In 1974 and later years there will be a boom as those people with residency from 1946 - 1953 have yet to get into the program.

Senator Sackett asked how much would be lost in federal matching funds if the waiver to exclude the bonus as income for Longevity Bonus recipients is lost. Mr. Grogan answered that with 3,600 claimants (20% of whom also receive Old Age Assistance) there would be a federal fund forfeit of \$216,000 between now and the end of June.

Senator Groh asked Mr. Grogan on the basis of his mortality table, what the estimated total cost of the program would be. Mr. Grogan answered that if the cut-off date is changed from what it is now to January, 1942, the projected estimated total cost would reduce from \$983,000,000 to \$418,000,000. Another alternative, changing the cut-off date from 1940 to 1937, would reduce the estimated total cost from \$400,000,000 to \$326,000,000 respectively. Mr. Guthrie pointed out that the study was done in a conservative manner. Members of the committee asked that a study be done using figures of various conservatism. Senator Groh asked that Mr. Grogan do further overviews.

Senator Groh asked the committee to digress to Senator Sackett's question on eligibility requirements and proof, and asked Mr. Gates to expound on the reasons why there were only 2 declinations and the reasons for them. Ms. Palmquist stated that the first declination was living in low-cost housing and the rent could go up. He was on welfare, so it was the rent and income tax. The other was in Fairbanks and was a woman who had a lot of medical care and did not want to lose it. Senator Butrovich stated that he would expect many more declinations.

Senator Palmer asked if the Alaska Longevity Program had a representative to reach those places like Bethel with only 3 applicants, to inform possible eligibles of the program. Ms. Palmquist said that they are relying on the native corporations to help and added that she was sure there are still many small villages who do not yet even know of the program. Senator Palmer asked if they had a breakdown showing the districts and Mr. Gates answered yes, by area. He added that up until now, with the large number of applicants coming in, he did not think it a priority to start searching for unknowns. But now he thought a pretty close look ought to be taken at these areas which have no applicants, or very few.

Senator Ray and Senator Groh discussed the validity of the \$983,000,000 figure and the desire to get the right information. It was stressed that this is a projected and estimated figure and that it must be dealt with as such. Senator Butrovich added that he felt it difficult to try to analyze something that has been in effect only a very short time. Discussion followed as to other appropriated monies that could be added to the program - \$2,000,000 from H. & SS.

Senator Groh stated that he was prepared to have the analyst do a study with the maximum figures and then they would have to make a policy decision on where to go from there.

Senator Palmer asked what portion of the estimated \$2,000,000 savings per year would be federal and what portion state. Senator Ray said that the federal participation is over-blown; they are putting \$5.00 of state money to every \$1.00 of federal money. It is a very complicated set of facts as the funds are juggled around in so many ways. The Old Age Assistance grants are about \$89.00 per month; there are a lot of people who are changing from that to get the Longevity Bonus which is \$100 per month. He continued by saying that irrespective of what anybody else believes, the idea of the Longevity Bonus is to help those people who are not getting welfare now and who are too proud to get welfare. Senator Butrovich added that the program is also meant to get people off welfare.

Senator Groh asked the committee to give further direction to the staff for their analysis. Senator Butrovich said that he felt the Longevity Program should be allowed to continue for awhile longer to see how it goes before an analysis is made. Senator Palmer said he hoped the Pioneer's Home would be included in the analysis. Senator Sackett was concerned about how far off the first analysis was to the number of actual recipients. Ms. Palmquist answered that it was not the rate of application. 4,000 applied almost at once, so it was the rate at which the applications could be handled that was incorrect. Senator Ray stated that he felt the staff should go into the welfare program and see how many people are changing from welfare to the Longevity Bonus Program.

Senator Lewis said he could see no harm in the staff projecting an estimate for next year. More than \$5,000,000 could be a significant factor.

Chairman Groh asked for further questions or discussion, and there being none, the meeting was adjourned.

Adjourn: The meeting adjourned at 9:50 a.m.

LONGEVITY BONUS PROGRAM

CASE COUNT AS OF 1/18/73

Checks in January	3,641
Out of state	27
Declinations	2
Deaths	9
Balance	<u>3,603</u>

January checks issued in February	<u>35</u>
	3,638

February approvals to date	<u>231</u>
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Total estimate eligible for February as of 1/18/73	3,834
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Disapproved	21
Pending further information	57

ALASKA LONGEVITY BONUS PROGRAM

\$1,500,000 Supplemental Appropriation Request

Number of recipients for January, 1973	3,700
Number of recipients for February, 1973	3,900
Number of recipients expected for March, 1973	4,000
Number of recipients expected for April, 1973	4,100
Number of recipients expected for May, 1973	4,200
Number of recipients expected for June, 1973	<u>4,300</u>
TOTAL NUMBER OF BONUS CHECKS F. Y. '73	24,200 / @ \$100
BUDGET REQUIREMENT FOR BONUSES	\$2,420,000
BUDGET REQUIREMENT FOR ADMINISTRATION	<u>\$ 80,000</u>
TOTAL APPROPRIATION REQUIRED	\$2,500,000
LESS: ORIGINAL APPROPRIATION	<u>\$1,000,000</u>
SUPPLEMENTAL REQUIRED	<u><u>\$1,500,000</u></u>

SENATE FINANCE COMMITTEE

February 12, 1973

9:05 a.m.

Present: All members; Senator Ray arrived at 9:25 a.m. Staff member Rich Guthrie was also present.

Pipeline Chairman Groh called the meeting to order and stated that
Impact due to the message over the weekend that the pipeline pro-
on State posals had been sent back from the federal appeals courts
Funds for more study, there would have to be further revision on
the state budget. He suggested that the committee write a
letter to the Governor asking for his recommendations
regarding proposed budget cuts due to this cutback in
federal funding. The committee concurred.

General discussion followed concerning obvious and possible cuts in the state budget. Senator Groh read from page 385 of the administration's budget book concerning primary assumptions on which the budget was passed and Senator Butrovich suggested that this section be quoted in the letter to the Governor.

Senator Lewis asked to take up his prior suggestion to set a "top limit" on the state budget. He said he had talked to Chairman Hillstrand of the House Finance Committee and he said that if a policy committee were formed he would be glad to set a "top limit". The committee discussed that as one possibility.

Senator Butrovich stated that he felt there is only one way that the pipeline will go through, and that is by Presidential order. And he did not feel that would happen either.

Senator Palmer said that bond issues that were already passed ought to be closely looked at also, to see if they should be spent.

Senator Butrovich stated that he felt funding of inevitable programs, like highways and airports, should be funded during a slack period. The committee discussed the necessity of certain highways, roads and airports.

Further discussion followed on superfluous requests in various budget categories.

The committee again discussed the business of sending a letter to the Governor and asking him his recommendations in view of the present situation.

Adjourn: The meeting adjourned at 9:40 a.m.

SENATE FINANCE COMMITTEE

February 23, 1973

9:10 a.m.

Present: All members with the exception of Senator Ray. Also present were Mr. George C. Silides and Mr. Harold Galliett, Registered Civil Engineers from Fairbanks and Anchorage.

PIPELINE Chairman Groh called the meeting to order. The purpose of the meeting was to listen to a report given by Mr. Silides and Mr. Galliett regarding oil and gas development on the North Slope--a contingency plan which consisted of acquiring the Alaska Railroad as a means of transport.

Mr. Silides and Mr. Galliett distributed copies of their report to the committee members.

Recess Brief, general discussion followed the presentation. There being no further business, the meeting recessed at 9:55 a.m.

Bills

SENATE FINANCE COMMITTEE

January 11, 1973

9:45 a.m.

Present: All members, with the exception of Senator Butrovich. Rich Guthrie, Senate Fiscal Analyst, was also present.

Chairman Groh called the meeting to order.

First on the agenda was discussion of SENATE BILL NO. 31 (An Act relating to the Tourism Revolving Fund).

SB 31

Senator Groh read the requirements of the law to the committee members and stated that the main question stemmed from the interpretation of the amount \$1,000,000. He said the Attorney General's Office interprets that amount as the total loan, while the original legislative intent had been for the amount to represent only the State's participation. Senator Palmer stated that the impact of the bill is to increase the State's participation from what had erroneously been interpreted as \$800,000 to \$1,000,000.

Senator Sackett then moved and asked unanimous consent that SENATE BILL NO. 31 be reported from committee with a "do pass" recommendation. There being no objection, it was so ordered.

Recess: The Committee then moved on to other business. (See Special Projects, 1/11/73, Regionalization of State Agencies' Administrative Sub-units; also General Procedures, 1/11/73)

SENATE FINANCE COMMITTEE

January 15, 1973

9:00 a.m.

Present: All members with the exception of Senators Poland and Butrovich. Rich Guthrie, Senate Fiscal Analyst, was also present.

Chairman Groh called the meeting to order.

The subject of the meeting was the Governor's supplementals for Fiscal Year 1973.

The following sub-committee assignments were made:

- HB 54 Special appropriation of \$200,000 to lieutenant governor for special congressional election--Senator Palmer
- HB 60 Supplemental appropriation to Department of Public Works, Division of Communications, \$40,000--Senator Ray
- HB 61 Supplemental appropriation to Department of Administration, Labor Relations Agency, \$55,600--Senator Sackett
- HB 62 Supplemental appropriation to Department of Public Works, Marine Transportation, \$719,800--Senator Lewis
- HB 63 Supplemental appropriation to Department of Administration for the teachers' retirement system, \$524,200--Senator Palmer
- HB 64 Supplemental appropriation to University of Alaska, \$1,668,000--Joint House and Senate Finance Committees
- HB 65 Supplemental appropriations to Alaska State-Operated School System, \$661,600 and \$1,351,400--Senator Sackett
- HB 66 Supplemental appropriations to Department of Military Affairs, \$112,000--Senator Lewis
- HB 67 Supplemental appropriation to Department of Administration, Alaska longevity bonus program, \$1,500,000--Senator Ray

The Chairman then announced there would be a meeting January 19, Friday at 9:00 a.m. regarding HOUSE BILL NO. 67 (ALASKA LONGEVITY BONUS PROGRAM). Mr. Bob Gates, Director of the program, is to be present. Specific discussion will concern application forms and mortality rates.

Adjournment: The meeting adjourned at 9:20 a.m.

SENATE FINANCE COMMITTEE
January 22, 1973
10:25 a.m.

Present: All members with the exception of Senator Lewis; Steve Weiner, AP.

SB 62

Chairman Groh called the meeting to order and presented SENATE BILL NO. 62 (An Act providing for the issuance of general obligation bonds in the amount of \$11,500,000 for the purpose of paying the cost of capital improvements for civic, convention and community recreation centers) to the committee for consideration.

Senator Groh stated that there was a proposed amendment to the bill which would correct an error pertaining to the 30% figure on line 29. He continued that last year SB 62 and SB 63 were combined, but this year they were separated into these two bills and the 30% figure no longer applied and should be removed.

Discussion followed on SB 62 and Senator Palmer asked if study had been given to the idea that \$11,500,000 would do the same thing as the former figure of \$14,500,000. Senator Groh agreed that there was a definite difference in the figures but stated that he was not aware of the reasoning behind them. He said that the House ruled that the \$11,500,000 would be adequate.

Senator Butrovich asked who pays what portion of the project and Senator Groh answered that in the Alaska Statutes 43.18.300 it says that the State of Alaska pays not more than 50% of the total figure. Senator Palmer then asked if the debt service would be included in the cost to the state, to which Senator Groh responded that the statute does not mention the debt service, but that in a court of law it could be said that the debt service would be included.

There being no further discussion, Senator Groh asked for a movement on the bill. Senator Sackett asked that SB 62 be returned to the file. Senator Ray moved that it be put out with individual recommendations and Senator Sackett had no objection; it was so moved. Senator Groh asked about the amendment and Senator Ray moved and asked unanimous consent that the amendment be adopted. No objections, so moved. The votes on the passage of the bill were as follows: Do Pass, Senators Groh and Ray; Do not Pass, Senator Butrovich; No Recommendation, Senators Sackett, Palmer and Poland

SB 63

Chairman Groh then presented to the committee for consideration SENATE BILL NO. 63 (An Act providing for the issuance of general obligation bonds in the amount of \$11,500,000 for the purpose of paying the cost of capital improvements for the all-weather sports facilities) and stated that the amendment for SB 62 also applied to this bill.

Senator Ray moved and asked unanimous consent for the adoption of the amendment. No objection, so moved. Senator Groh asked for a movement on the bill and Senator Ray moved and asked unanimous consent that the bill be put out with individual recommendations. The votes on the passage of the bill were as follows: Do Pass, Senator Groh; Do Not Pass, all other members present.

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

SENATE FINANCE COMMITTEE
January 24, 1973
10:15 a.m.

Present: All members with the exception of Senator Butrovich. Also present were Rich Guthrie, Senate Fiscal Analyst, and Steve Weiner of the Associated Press.

Chairman Groh called the meeting to order.

HB 8(am) The subject of the meeting was HOUSE BILL NO. 8(am) - (G.O. Bonds \$11,500,000 for cost of capital improvements for CIVIC CENTERS civic, convention, and community recreation centers).

Senator Groh stated that the Governor wanted this placed on the Special Election ballot of March 6, 1973.

Senator Ray moved and asked unanimous consent that HB 8(am) be passed from committee with "individual recommendations". No objection, so ordered. Members signed the Committee Report as follows:

"Do Pass"	Senator Groh Senator Ray
"Do Not Pass"	Senator Poland Senator Sackett
"No Recommendation"	Senator Palmer Senator Lewis

Adjourn: There being no further business, the meeting adjourned at 10:25 a.m.

SENATE FINANCE COMMITTEE
January 31, 1973
9:15 a.m.

Present: All members with the exception of Senator Ray, who arrived at 9:35 a.m., and Senator Butrovich. Rich Guthrie, Fiscal Analyst, was also present.

Chairman Groh called the meeting to order and stated that discussion would follow concerning bills in the Senate Finance Committee file.

SB 13

SENATE BILL NO. 13 (An Act relating to the Executive Budget Act) was presented to the committee for discussion. Senator Groh stated that the purpose of this bill was to require consent by the Budget and Audit Committee for any transfers of monies within departments. He continued that the concept is that there should be no transfers of monies without legislative knowledge and consent. He said that at present any intent given by the legislature concerning state monies can be overridden by the Governor. This lack of legislative control also provides an avenue for the departments to make supplemental requests. Senator Groh also stated that last year when the bill was before the Senate Finance Committee, the committee had gone before the Governor and he said he would let the Budget and Audit Committee know within 30 days when transfers were to take place. Senator Groh asked the members what they wished to do. Senator Palmer stated that he felt restraints should be put on the administration. After some discussion the committee decided to vote on the bill at a later time and the bill was returned to the file.

SB 22

SENATE BILL NO. 22 (An Act making a special appropriation to the Department of Natural Resources, cold weather botonist positions) was presented to the committee members. Senator Groh asked that Senate Poland do some research on the bill independently of the sponsor.

SB 55

SENATE BILL NO. 55 (An Act making a special appropriation to the Department of Education for a shop at the Seward Skill Center) was presented to the committee. Senator Groh asked that Senator Sackett do some research on this bill and report back to the committee.

HB 67

HOUSE BILL NO. 67 (An Act making a supplemental appropriation to the Department of Administration, Alaska Longevity Bonus Program) was put before the committee. Senator Groh explained that the possible supplemental would amount to \$1,500,000 to allow the Longevity Bonus Program to continue for the remainder of this fiscal year. He stated that he was having the staff do some long range projections to see if the program could be

modified in any way. He felt that if the program were going to be modified, they had better do it soon. If the program is allowed to run until the year 2039, the cost will be out of the ordinary as the population boom of 1942 would then be picked up. Senator Groh continued by explaining that a change of date to end the program would be arbitrary, but that it would not require cutting people out who now qualify. They could say that anyone who qualifies by 1980 would be eligible for the bonus, and it would allow the program to phase out before the population jump in 1942. He reiterated that this was only a consideration.

Recess: The committee then turned to other business. (See minutes under Alaska Court System, 1/31/73.)

SENATE FINANCE COMMITTEE

February 2, 1973

9:15 a.m.

Present: All members with the exception of Senator Butrovich. Also present were Rich Guthrie, Senate Fiscal Analyst, and Robert Grogan, Legislative Finance Fiscal Analyst.

Chairman Groh called the meeting to order. The purpose of the meeting was to listen to sub-committee reports by Senator Lewis on HOUSE BILL NO. 62 (Supplemental appropriation to the Department of Public Works, Marine Transportation - \$719,800) and HOUSE BILL NO. 66 (Supplemental appropriations to the Department of Military Affairs - \$112,000: Civil Air Patrol \$12,000; Re-enlistment bonuses, National Guard \$40,000; Workmen's compensation and liability insurance, National Guard \$60,000). The two bills had not yet been referred to the Senate Finance Committee.

HB 66

Senator Lewis said he recommended an appropriation of \$55,000 instead of \$40,000 for the re-enlistment bonuses for the National Guard for HB 66. He stated that the Division of Budget and Management had made a mistake in the \$40,000 appropriation figure; re-enlistment bonuses that must be paid will total \$55,000.

Senator Sackett asked if the recent "cease fire" in Viet Nam will affect the re-enlistment status in the National Guard. Senator Lewis said he did not know, but that when he had talked with the National Guard officials, they had said that they are having trouble getting young men to enlist. Senator Sackett then said that the appropriation should remain at the \$40,000 level.

Senator Lewis then explained that the \$12,000 appropriation to the Civil Air Patrol was to cover cost or repair for two CAP airplanes which went out in flight during the Begich search of October, 1972.

Senator Lewis said he had received opinions from the Office of the Attorney General and Mr. Frank Doogan (Juneau attorney) regarding the third appropriation in the bill of \$60,000 for Workmens' compensation and liability insurance (National Guard); there was no question that the State is liable for the National Guardsmen, and there was no choice but to cover them with workmen's compensation. Senator Lewis added that there was a chance of recovering some of this from the Federal Government; Joe Henri, Commissioner of the Department of Administration, is now

looking into the matter. Senator Lewis said that all State employees except those in that National Guard, are covered by workmen's compensation. Only in active duty are National Guardsmen covered by military liability insurance.

Senator Groh then stated that the National Guard must receive free medical care, and thus the amount of the premium for the military would be less than that for a civilian.

Senator Lewis said that Major General Elmore and Mr. Doogan left him with the conviction that the State should cover the National Guardsmen. He stated that the State has already paid several losses already, and two of the cases were settled out of court. He emphasized that the State is liable.

Senator Groh asked why these employees were not under general liability insurance if they are State employees. Senator Lewis replied that they will be if the State pays the premiums. Senator Poland then asked how many of these employees were to be covered under the \$60,000. Robert Grogan, Fiscal Analyst, stated that the \$60,000 was a cost for a three-year period. The average would therefore be approximately \$20,000 per year. He explained that the State would be paying for the past two years and the current year.

Senator Palmer moved and asked unanimous consent that the committee pass out HB 66 with a "do pass" recommendation when it arrives in committee. (\$112,000 total appropriation: Civil Air Patrol - \$12,000; Re-enlistment bonuses - \$40,000; Workmen's Compensation and liability insurance for National Guard - \$60,000. No objection, so ordered.

HB 62 The committee then moved on to HOUSE BILL NO. 62 (Supplemental appropriation to the Department of Public Works, Marine Transportation). Senator Lewis explained that his report was not yet complete, but he would provide the members with a breakdown of the \$719,800, and furnish them with further information at a later date. (See Pages 3-6 of these minutes for the breakdown of the supplemental appropriation.)

Senator Lewis stated that the expanded Malaspina was still inadequate in providing necessary facilities for its passengers. He added that legislative intent during the 1972 session specified a five-month lay-up of the Wickersham. However, the Governor decided to let the Wickersham run through the winter; this was in direct conflict with the decision made by the Free Conference Committee.

Adjourn: There being no further discussion, the meeting adjourned at 9:45 a.m.

EXPLANATION

27

Y 28 73

FY-73 Supplemental Budget Request
Division of Marine Transportation

Summary

Personal Services
Contractual Services
Commodities

Total Supplemental Request

AGENCY	CATEGORY	8	Transportation
Public Works	PROGRAM	B	Marine Trans.
DIVISION	SUB PROGRAM		
Marine Transportation	ELEMENT		
	SUB-ELEMENT		

\$619,836
 75,000
170,300

\$865,136

2/2/73

EXPLANATION

27 []

FY 73

FY-73 Supplemental Budget Request.
Division of Marine Transportation

AGENCY	CATEGORY	Code	
Public Works	PROGRAM	8	Transportatio
		B	Marine Trans
DIVISION	SUB-PROGRAM		
Marine Transportation	ELEMENT		
	SUB-ELEMENT		

The FY-73 budget request for the Division of Marine Transportation was submitted by the Division on the basis of operating all major vessels of the fleet for a full 12 months less the usual two months overhaul period. During the budget review process the determination was made to lay-up one major vessel for a period of 4 to 5 months for an estimated savings of approximately \$600,000.00. On this assumption and that there was some duplication of budgeting for vacation pay a number of reductions were made to the Division's budget request level.

These reductions were:

1- Personal services for crew wages	\$614,000
2- Insurance	30,000
3- Fuel Oil	100,000
4- Food	2,800
Total Reduction	\$746,800

In August of 1972 a series of meetings took place to review the impact on the State funds, services to Southeast Alaska communities, loss of wages to crew members and general impact on the State's economy if a major vessel was removed from active service for a period of five months. It was agreed by all concerned such action should not take place and that all major vessels should continue to operate in a normal fashion.

This supplemental request is to provide the funding to operate all major vessels in regularly scheduled service during FY-73.

Note: This supplemental request may be reduced by \$81,240 if the funds budgeted for vessel Hull & P&I insurance over and above actual premium cost and taken by the Department of Administration to fund their Division of Risk Management are restored to the Division of Marine Transportation's current operating budget.

-12- 2/2/73

EXPLANATION

FY-73 Supplemental Budget Request
Division of Marine Transportation

AGENCY	CATEGORY	8	Transportation
Public Works	PROGRAM	B	Marine Trans
DIVISION	SUB PROGRAM		
Marine Transportation	ELEMENT		
	SUB-ELEMENT		

Personal Services

- 1- Restore wages for vessel crews, adjusted for vacation allowances for crew men on vacation during overhaul periods. \$361,400

- 2- Additional crewmen above budget request level to properly man the MALASPINA after lengthening and modification and to handle increased traffic aboard the WICKERSHAM after receiving the waiver of the "Jones Act.", six positions per crew times two crews for five months times average \$850.00 per month plus benefits. 74,500

- 3- Increased rate of pay for MALASPINA Officers to equal rate paid on WICKERSHAM. 27,000

- 4- Excess wages paid to crews of MALASPINA and TAKU due to emergency repairs to MALASPINA during October 1972. 13,000

- 5- Increased rate of contribution for licensed engineering officers pension fund from budgeted amount of \$8,815 per day to \$15.97 per day and increase minimum contribution from 200 days per year to 210 days per year, 36 men X 210 days plus 7 men times 365 days, budget amount \$85,680, actual amount \$161,233. 75,600

- 6- Retroactive contributions to Marine Engineers Pension fund for the period June 16, 1969 through June 30, 1972. During this period the daily contribution rate per man was increased from \$8.815 to \$14.94. The pension fund administrators failed to notify the state of the intervening rate increases nor take exception to our reports submitted of the incorrect rate. The Attorney General issued an opinion the state is liable for the retroactive payment by contractual agreement.

EXPLANATION

FY-73 Supplemental Budget Request
Division of Marine Transportation

AGENCY	CATEGORY	8	Transportation
PUBLIC WORKS	PROGRAM	B	Marine Trans
DIVISION	SUB-PROGRAM		
Marine Transportation	ELEMENT		
	SUB-ELEMENT		

Personal Services (Continued)

Total Personal Services

\$619,836

Contractual Services

1- Unbudgeted repair cost in replacing main reduction bull gear on MALASPINA and repairing bull gear on WICKERSHAM

\$ 30,000

2- Installation and delivery of new crank shaft for starboard main engine of TAKU.

45,000

Total Contractual Services

75,000

Commodities

1- Purchase of new crank shaft for TAKU starboard main engine.

52,500

2- Purchase of replacement bull gear for MALASPINA class reduction gears.

15,000

3- Restore appropriation for vessel fuel purchases deleted during budget review.

100,000

4- Restore appropriation for food purchases deleted during budget review.

2,800

Total Commodities

\$170,300

2/2/73

-14-

SENATE FINANCE COMMITTEE
February 5, 1973
9:20 a.m.

Present: All members with the exception of Senators Ray and Butrovich. Staff members Rich Guthrie and Bob Grogan were also present.

HB 67 Chairman Groh brought the meeting to order and stated to the committee that they would be discussing HOUSE BILL NO. 67 (An Act making a supplemental appropriation to the Department of Administration, Alaska Longevity Bonus Program). He explained that the bill is for a supplemental appropriation of \$1.5 million to carry out the program through July of this year. He said that their proposed budget for next year is \$5 million. He then requested that Bob Grogan report on his research of the program to the committee.

Mr. Grogan passed out graphs and other material which showed the state of the present program as compared to other possible alternatives, and presented an explanation of the material. (See information at end of minutes.)

Senator Groh asked the committee to consider passing an amendment to the effect that if one has been in Alaska since before January, 1959, has been here for the required number of years, and can be eligible before January 1, 1980 (an arbitrary date which could be made different), then one can qualify for the longevity program. He stated that he felt if the program were going to be modified, it should be done now. From the standpoint of the State, as the program continues, there may not be enough money to support it. He asked for comments from the members.

Senator Lewis stated that he thought there should be a "brake" put on the program, but asked for further explanation of alternatives. Senator Groh explained the present situation and stated that the three criteria for eligibility would be left in so as not to cut any people out of the program who are now eligible and/or are receiving the bonus. But he stated that a fourth criteria would be inserted which would say that one has to be eligible by January 1, 1980.

Senator Lewis pointed out that the people who came to Alaska in 1959 were really not those who built the country as the war was over at that time. He asked why not put the requirement date at 1959. Senator Groh replied that this procedure again, would cut people out of the program who are already in it. By just setting the closing date at 1980, this would not happen.

Senator Lewis wished to add something that he felt was another stickler - the fact that all eligibles would be cut off from the bonus in 1980. He felt that perhaps it would not be fair not to give these people a lifelong bonus even though it would cost an extra-ordinary amount of money.

The committee then moved to discussing the appropriateness of setting the arbitrary closing date at 1975, 1976 or 1977, etc. Questions were posed concerning these dates and Mr. Grogan again referred to his graphs for explanation. He added that if they go back too far, the program would be covering people who are actively in our work force now and who will be covered by additional pension plans, etc. Senator Groh also pointed out that the way the program stands now, people who are 14 years old now will be eligible for the program at a future time. He felt that this really made no sense.

Senator Sackett stated that he felt the program should be cut off. Senator Palmer also agreed but added that he hated to see people who are just 2 or 3 years away from being eligible for the program be told that they will no longer qualify. He stated that he wished to think on the matter before voting on the bill.

Senator Groh said that he definitely did not want to push it through; however, he said that the cost of the program with a closing date of 1980 would be much less than if it is left as it stands. He again stated that he felt that any modification should take place soon.

Discussion followed on the committee schedule for the week.

Adjourn: The meeting adjourned at 9:40 a.m.

CLAIMANT ENTRY

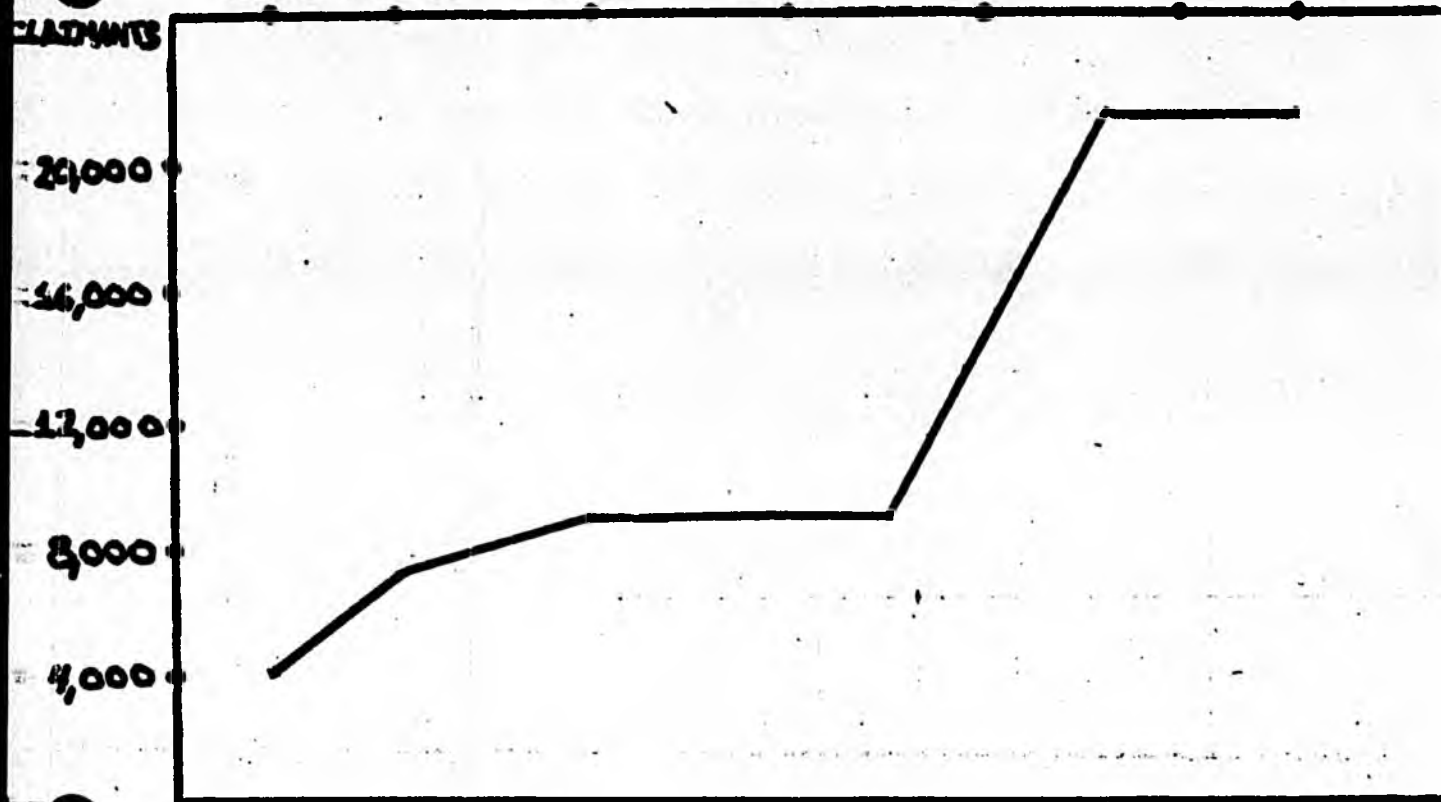
PRESENT AGE OF CLAIMANT

65 58 48 38 28 18 14

ENTRY YEARS

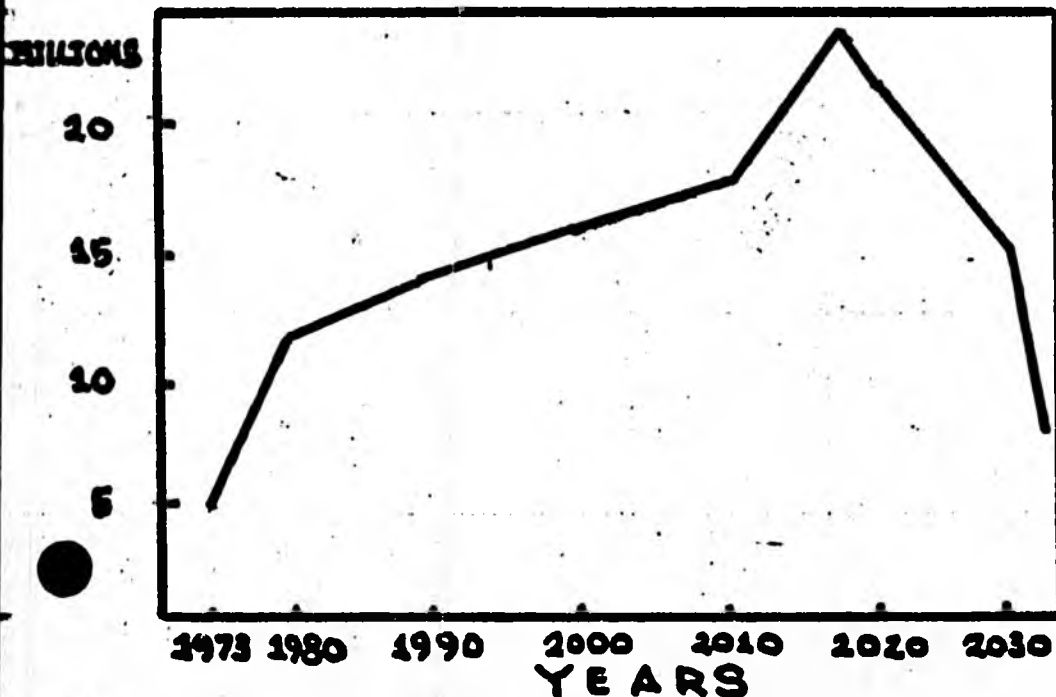
1973 1980 1990 2000 2030 2020 2024

CLAIMANTS



PROJECTED ANNUAL COST

BILLIONS



YEAR	ANNUAL COST
1973	\$ 5,000,000
1980	11,696,256
1990	13,940,160
2000	17,442,000
2010	18,720,000
2020	23,712,000
2030	15,724,800
2040	- 0 -

* PROJECTIONS BASED ON PRESENT NUMBER OF CLAIMANTS FROM TOTAL NUMBER OF POTENTIALLY ELIGIBLE PERSONS OF 1960 CENSUS.

TOTAL COST OF PROGRAM AT VARIOUS TERMINATION DATES

ELIGIBILITY TERMINATION DATE	PRESENT MINIMUM AGE TO QUALIFY	LIFE OF PROGRAM	TOTAL COST OF PROGRAM	AVERAGE ANNUAL COST
DEC. 31, 1975	63	17 YEARS	\$ 82,735,424	\$ 4,866,790
DEC. 31, 1977	61	19 YEARS	\$ 101,724,992	\$ 5,353,946
DEC. 31, 1979	59	21 YEARS	\$ 120,836,784	\$ 5,756,513

SENATE FINANCE COMMITTEE

February 7, 1973

9:15 a.m.

Present: All members with the exception of Senator Butrovich, and Senator Ray (who arrived at 9:35 a.m.). Staff member Rich Guthrie was also present.

SB 111

Chairman Groh called the meeting to order and presented to the committee for discussion SENATE BILL NO. 111 (An Act making a special appropriation as a loan to the 1972 Flood Control and Small Boat Harbor Projects Fund). He explained that a legislator pointed out that this may violate the "two-subject" law in the constitution. As a result, the bonds have been passed by the voters, but they have not been issued because of this opinion. So, now the Administration is proposing that a special appropriation be made from this money to be used only for the flood control project in Fairbanks. Apparently, this project is included in the national budget, but they need state matching funds.

Discussion followed and Senator Palmer stated that at a meeting Commissioner Kadow of the Department of Commerce had also said that the funds would only be used for the flood control project. He continued that if this is backtracked, the two projects will have to be separated, by constitution, and voted on again.

Senator Poland said that under the federal government, they are both considered waters and resources. She said she had talked with them and they would rather pass another bill than to delay things. It was her understanding that the funds would cover both projects.

Mr. Guthrie stated that a fiscal note had been requested from the Attorney General on this and he was expecting a reply at any time. Senator Poland said that she understood that the Attorney General said that the projects could be left together. Senator Groh pointed out that that is not what the bill says. Senator Palmer stated that he felt if they could not do it with bond money, they should not do it at all.

Senator Groh asked the committee members if they wished to speak with the Attorney General about it; the members responded affirmative.

SB 114

A short discussion on SENATE BILL NO. 114 (An Act relating to state school building aid) followed and it was concluded that the committee would try to get Jack Baker and someone from the Department of Education in for a hearing the next morning.

Recess: The committee recessed at 9:20 a.m. in order to locate the Attorney General for questioning.

AFTER RECESS
February 7, 1973
9:35 a.m.

Present: All members with the exception of Senator Butrovich. Staff member Rich Guthrie was also present.

SB 111 Chairman Groh brought the meeting to order and stated that in regard to SENATE BILL NO. 111 (An Act making a special appropriation as a loan to the 1972 Flood Control and Small Boat Harbor Projects Fund), he had spoken with Attorney General Havelock and Mr. Havelock had told Senator Groh that he was writing a letter to the committee that had bearing on SB 111.

A short discussion followed concerning the idea for a once-a-week run by the ferry MV Tustamina between Homer and Anchorage. Senator Groh asked Senator Palmer to look into the situation and report to the committee.

Adjourn: There being no further business, the meeting adjourned at 9:45 a.m.

SENATE FINANCE COMMITTEE

February 8, 1973

9:15 a.m.

Present: All members with the exception of Senator Sackett. Also present were Commissioner George Easley, Department of Public Works, and Mr. Don Statter, Director of the Division of Water & Harbors, Department of Public Works. Rich Guthrie, Senate Fiscal Analyst, was also present.

SB 111

Chairman Groh called the meeting to order. The purpose of the meeting was to discuss SENATE BILL NO. 111 (An Act making a special appropriation as a loan to the 1972 Flood Control and Small Boat Harbor Projects Fund - \$9,839,500).

Chairman Groh explained that the reason for the bill was to specify that the money would go to flood control projects only. SB 278 (am) from the 1972 legislative session issued general obligation bonds in the amount of \$20,000,000 for the purpose of paying the cost of capital improvements for flood control and small boat harbor projects. Although the bonds were passed in an election, they have not yet been sold due to an Attorney General's opinion that this might violate the "dual-subject" rule in the Constitution.

Chairman Groh read the letter from the Attorney General (copy attached to minutes) to the committee members. He then referred to the hand-out distributed by Commissioner Easley which listed the location, type of improvement, cost, etc. of the \$10,000,000 Small Boat Harbor Bond Proposition (copy attached to the minutes).

In response to Senator Palmer, Commissioner Easley stated that the costs shown in the list were simply estimates. He added that the projects will be completed over a nine-year period (1974-1982), and the estimates of cost could change radically during that time. Senator Palmer said he was worried about the possible transference of funds by the Administration which could be in direct conflict with legislative intent. Commissioner Easley stated that SB 278 (am) had been very specific with regard to locations and costs of the projects.

Speaking only of flood control, Commissioner Easley stated that the first phase of the project (levee construction) is ready to begin, but the land must be acquired for the project before the Corps of Engineers can award the contract. Funds are to be authorized by Congress for construction; once received, a contract will be awarded. The total cost will be \$125 million, while the first phase will cost \$5 - \$6 million. In response to Senator Groh, Commissioner Easley said that approximately \$9.8 million of the total cost

will be State money for the acquisition of land. He explained that the Borough will be responsible for 10% of the land acquisition, while the State is responsible for the remaining 90%.

Senator Palmer said that the money for the Small Boat Harbor projects should be brought out now, and not be shoved into the background. Senator Poland concurred. Senator Groh said that because the boat harbor projects won't begin until 1974, it wasn't necessary to have the money on hand now.

Commissioner Easley stated that everything listed in the bond issue is a project of the Corps of Engineers (with one exception). He said that the State will be doing the dredging and harbor work, but it must wait until the Corps of Engineers completes the breakwater.

Senator Butrovich moved that SB 111 be reported out of committee with individual recommendations. Senators Ray, Palmer; Poland and Lewis signed the Committee majority report "no recommendation". Senators Groh and Butrovich voted "do pass".

Adjourned: There being no further business, the meeting adjourned at 9:30 a.m.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

WILLIAM A. EGAN, GOVERNOR

POUCH K — STATE CAPITOL
JUNEAU 99801

February 7, 1973

Mr. Jay Hogan, Fiscal Analyst
Division of Legislative Finance
Alaska State Legislature
Juneau, Alaska

Re: S.B. 111

Dear Mr. Hogan:

I am writing in response to your request for additional information expanding on the remarks of the Governor in his cover letter to the Legislature in connection with S.B. 111.

Independent bond counsel retained by the State Bond Committee has indicated that a legal question exists regarding the validity of Ch. 201, SLA 1972 (S.B. 278). Under §13, Art. II, Alaska Constitution, S.B. 278 is required to be confined to one subject. Chapter 201 provides for the issuance of general obligation bonds for capital improvements for flood control and for small boat harbor projects. The "dual proposition" issue is a matter that has been contested in a number of other states but upon which there is no ruling case law in Alaska.

Because a substantial question is involved, bond counsel for the State Bond Committee cannot approve the bonds for sale without test litigation in our courts. Other bond counsel share this view. A favorable decision by the Alaska Supreme Court approving the constitutionality of Ch. 201 would make sale of the bonds possible.

Bond counsel for the State Bond Committee has also indicated to the Attorney General's office that repayment of the special appropriation of \$9.8 million for a loan to the 1972 Flood Control and Small Boat Harbor Projects Fund from the proceeds of the bonds authorized by Ch. 201, assuming a favorable outcome of the test litigation on Ch. 201, poses no such legal problems. Bond counsel has stated there

Mr. Jay Hogan
Juneau, Alaska

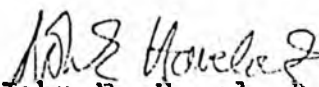
February 7, 1973
- 2 -

is sufficient precedent for and acceptance of this practice for the application of bond proceeds. If the outcome of the test litigation is not favorable to the State, bond counsel for the State Bond Committee believes that a subsequent authorization of general obligation bonds by the voters of the State for the purpose of repaying the loan for capital construction flood control projects would be lawful and valid. It is our understanding that, absent an independent legal challenge to the validity of the procedure, the bond counsel could and would approve such bonds for sale.

According to Commissioner Easley, the appropriation for a loan for flood control projects is needed at this time since the Corps of Engineers is ready to immediately proceed with the Chena River project. Without the proposed loan the project would have to be indefinitely postponed.

On the other hand, Commissioner Easley notes that the portion of the bond issue for boat harbor projects is designed for use in matching Corps of Engineers projects which have not yet been undertaken. According to Commissioner Easley, the first of these projects is not scheduled until 1974. If, as a result of the litigation, the bonds cannot be issued, he states that it may also be necessary to seek a new bond authorization for boat harbors from the next session of the Legislature.

Sincerely,


John E. Havelock
Attorney General

JEH:jt

CHAPTER 201 - SLA 1972

\$10,000,000 SMALL BOAT HARBOR BOND PROPOSITION

<u>LOCATION</u>	<u>TYPE OF IMPROVEMENT</u>		<u>APPROXIMATE BOAT CAPACITY</u>	<u>FEDERAL COST 1/</u>	<u>BASIN DREDGING</u>	<u>HARBOR & DOCK FACILITIES</u>
King Cove	New Harbor	(1974)	100	\$1,000,000	---	\$ 300,000
Sand Point	New Harbor	(1974)	250	2,400,000	\$ 400,000	450,000
Hoonah	New Harbor	(1976)	225	2,600,000	450,000	400,000
Kake	New Harbor	(1975)	150	2,200,000	---	300,000
Wrangell	New Harbor	(1974)	150	1,000,000	400,000	300,000
Bethel	New Dock	(1974)	---	1,000,000	---	500,000
Metlakatla	New Harbor	(1976)	100	2,000,000	400,000	300,000
Haines	Expansion	(1974)	150	1,000,000	500,000	300,000
Kodiak	New Harbor	(1978)	230	6,000,000	400,000	600,000
Unalaska	Dock & Harbor	(1978)	50	600,000	---	400,000
Ketchikan	Expansion	(1975)	200	5,750,000 ^{2/}	2,100,000 ^{2/}	1,500,000 ^{2/}
Anchorage	New Harbor	(1982)	250			
Kenai	New Harbor	(1982)	200			
St. Paul	New Harbor	(1980)	100			
Port Lions	New Harbor	(1979)	100			
				\$25,550,000	\$4,650,000	\$5,350,000
				\$10,000,000		

1/ Federal costs are based on estimates furnished by the Alaska District Corps of Engineers.

2/ Detailed cost estimates for individual projects are not available at this time pending completion of comprehensive feasibility studies by the Corps of Engineers and the Division of Water and Harbors.

February 2, 1973

The Honorable Terry Miller
President of the Senate
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. President:

Pursuant to the Uniform Rules of the Legislature I am transmitting a bill which appropriates \$9,839,500 as a loan to the 1972 Flood Control and Small Boat Harbor Projects Fund. The money will be available only for flood control projects and will be repaid to the general fund from the proceeds of the bonds authorized by ch. 201, SLA 1972 and approved by the voters or from the proceeds of bonds subsequently authorized for flood control purposes.

With the enactment of this legislation the necessary funding will be immediately available for the Chena River flood control project. Without the legislation the project would be delayed during the expected pendency of test litigation on the bond issue.

Sincerely,

William A. Egan
Governor

SENATE FINANCE COMMITTEE

February 9, 1973

9:15 a.m.

Present: All members with the exception of Senator Lewis. Staff member Rich Guthrie was also present.

SB 85

Chairman Groh called the meeting to order and assigned SENATE BILL NO. 85 (An Act making a special appropriation to the Department of Education, Alaska Educational Broadcasting Commission) to Senator Ray for further study.

Senator Palmer said that \$565,000 was before the Free Conference Committee last year and it was settled that if federal matching money came through, the money could be used. He asked if the \$565,000 was still there. Senator Groh asked Mr. Guthrie to check that out.

SB 77
SB 78

Senator Palmer asked to take up discussion on SENATE BILL NO. 77 (An Act providing for the issuance of general obligation bonds in the amount of \$5,000,000 for the purpose of funding production and rehabilitation projects for recreational and commercial fisheries), and SENATE BILL NO. 78 (An Act making a special appropriation to the Department of Fish and Game for a preliminary plan and study in developing recreational and commercial production and rehabilitation projects). Senator Palmer stated that there is a lot of developing pressure all over the state for this type of thing. He continued that there are examples of some programs getting a 10 to 1 return. Senator Groh asked if the administration is supporting this proposal and Senator Palmer answered not that he knew of, but that the Governor is asking for \$600,000. He cited an example of the use of Rotenone in Bear Lake to support his argument. \$35,000 was spent for the Rotenone to kill off the Sticklebacks. There were Reds in the lake with a return of one to one. After a certain period of time, they let the Reds back in the lake, with Silvers, and instead of the usual 4,400 return, there was a return of 400,000, in Reds alone. He said that there is system after system in the state that this could be done to; he added that he felt our renewable resources should be stimulated.

Senator Groh asked what projects would be done specifically. Senator Palmer answered that he did not know yet. FRED has plans for the future, but they don't yet have funding for these long range plans. He cited another example, using "gravel incubation" for salmon that cannot get over the falls, like at Devil's Canyon. He said that the potential is fantastic. Senator Groh asked where the \$5,000,000 figure came from and Senator Palmer answered that it was his own figure,

but he said that there is already far more demand from the \$5,000,000 than they will ever be able to meet. He then cited another example of the need; in Carluck Lake in the late 1880's, they harvested 3,000,000 salmon in a cycle and the run has gone down ever since. Now, there is a possibility to rejuvenate the lake. Senator Palmer urged the members to read the FRED report. He stated again that "gravel incubation" has tremendous potential, and that the Russians are developing 600,000,000 fry with this technique.

Senator Poland asked if they had a pollution problem in Carluck Lake to account for the noticable decline in salmon runs. Senator Groh said that they did; everyone dumps waste in the lake in that area.

Senator Palmer, returning to "gravel incubation", said that now, 5% of the fish develop into a fry, but with this new method, 80 to 95% would develop into a fry. Senator Butrovich agreed that this would be a pretty inexpensive way to produce fish. Senator Palmer said that Oregon is using this method to bring back runs and also, private industry is using the method to bring back Chum runs. He said that if the program goes through, the money for it will be spent statewide. He said that the Department of Fish and Game has just recently been convinced of the worth of the program. Senator Butrovich suggested that Senator Palmer get something in writing from the administration to help sell the bills. Senator Groh asked Senator Palmer to get something from the Governor saying he supports the bills.

Adjourn: There being no further business, the meeting adjourned at 9:45 a.m.

SENATE FINANCE COMMITTEE

February 14, 1973

9:15 a.m.

Present: All members. Also present was Rich Guthrie, Senate Fiscal Analyst.

Chairman Groh called the meeting to order. The purpose of the meeting was to discuss two bills in committee.

HB 75

First on the agenda was HOUSE BILL NO. 75 (An Act relating to the scholarship revolving loan fund). Senator Palmer noted that the language of the bill eliminated "as an account in the general fund". Mr. Guthrie stated that the bill was recommended by the Legislative Auditor. Senator Butrovich then said that once repayments are put back into the revolving fund, those people managing the money will not be coming before the Legislature any longer. They will simply appropriate the money--without any legislative control.

The committee then decided that HB 75 should be set aside and put back in the file until a later date.

SB 107

Senator Groh then referred to SENATE BILL NO. 107 (An Act making a special appropriation to the Department of Public Safety for the establishment of a unit of narcotics and dangerous drugs enforcement - \$500,000).

Senator Palmer asked Senator Lewis to explain the bill to the committee members. Senator Lewis stated that the \$500,000 would include the cost of five undercover agents and five state troopers--all new positions. Senator Butrovich noted that the Commissioner of the Department of Public Safety was taking a courageous step in attempting to handle this money and the drug problem. Mention was made of out-of-state police departments' problems in this type of situation which had resulted in payoffs and graft. Senator Lewis then stated that the money provided for this program will be accounted for to the Budget and Audit Committee.

Senator Palmer said that the cost was relatively small in comparison to the problem; he felt that the bill should be passed.

Senator Sackett stated that he wished to know the location where the mainstream of drugs entered the state. He added that he was concerned that this program might result in the apprehension of many young people who were only in possession of small amounts of marijuana; the more serious cases might slip by. Senator Lewis stated that Commissioner Chapple specifically said that that was not his intention; his goal is to "shoot for the big fellow".

The committee then decided to put the bill back in the file. It would be discussed again after the enabling legislation is brought out.

Adjournment

There being no further business, the meeting adjourned at 9:35 a.m.

SENATE FINANCE COMMITTEE
February 20, 1973
9:00 a.m.

Present: All members with the exception of Senators Lewis and Ray. Senator Thomas was also present. Staff members attending the meeting were Rich Guthrie, Senate Fiscal Analyst, and Bill Miles, Administrative Assistant to the Senate Finance Chairman. Mr. Robert L. Thomas, Deputy Commissioner for the Department of Education, was also present.

SB 114

Chairman Groh called the meeting to order. The purpose of the meeting was to discuss SB 114 (An Act relating to state school building aid).

Following Mr. Thomas's testimony and general discussion of SB 114, Senator Butrovich moved that SB 114 be reported out of committee with attached amendment (see below) with a "do pass" recommendation. No objection, so ordered.

AMENDMENT (Offered in the SENATE) by FINANCE

To: SENATE BILL NO. 114
Page 2, Line 5

After "program.", the following language is inserted:

" The commissioner shall exclude from the total school construction cost of the local district all state and federal funds included in such costs except funds provided under AS 43.50.140 and AS 43.18.100."

Adjourn: There being no further business, the meeting adjourned at 9:15 a.m.

SENATE FINANCE COMMITTEE
February 22, 1973
11:15 a.m.

Present: All committee members. Also present was Mr. Dave Herrnsteen, registered lobbyist.

NEW BILL
(SB 169)

Chairman Groh called the meeting to order. The purpose of the meeting was discussion regarding whether or not the Senate Finance Committee would introduce a bill entitled "An Act relating to fisheries taxes".

SB 169

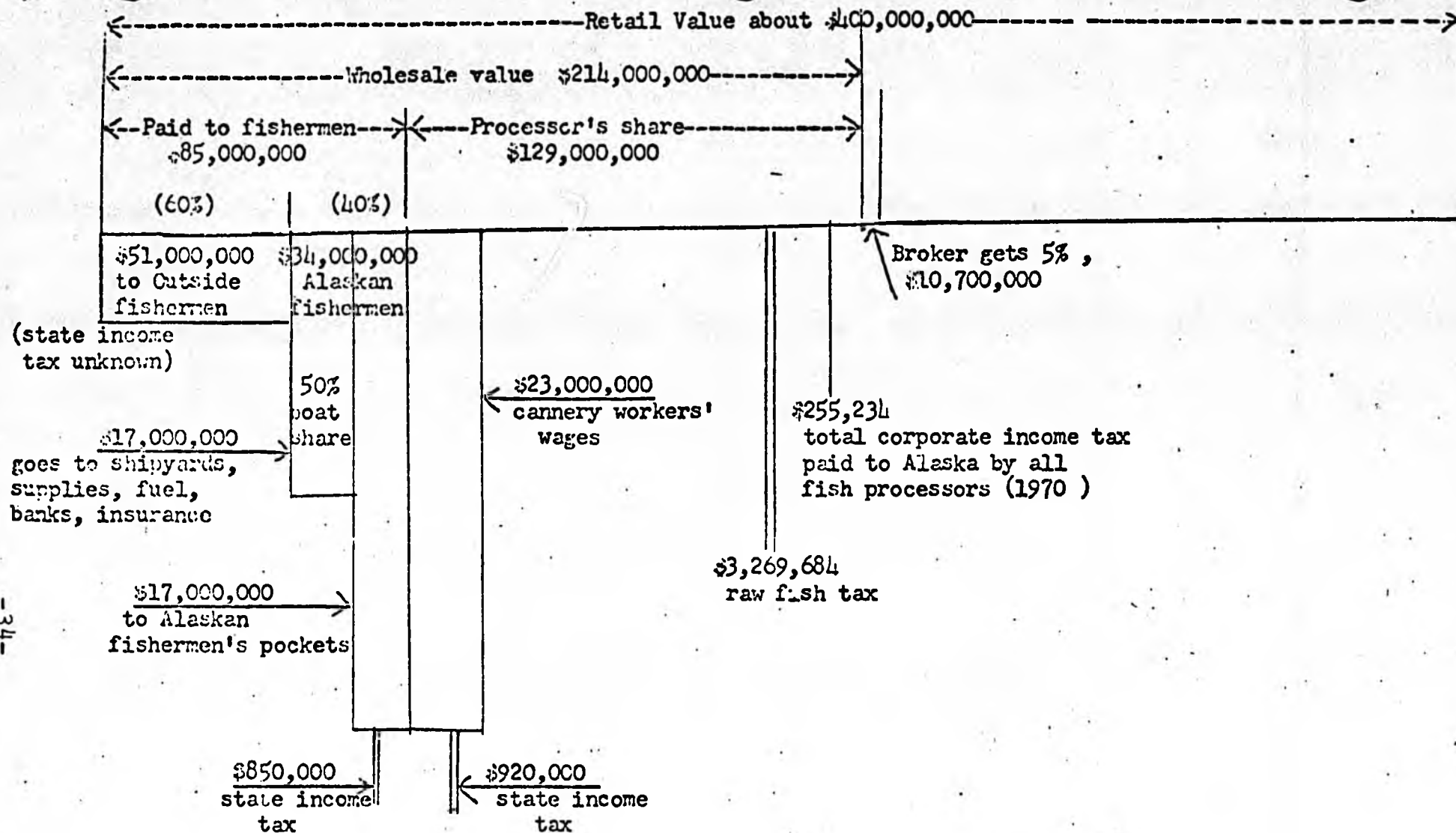
Mr. Herrnsteen referred to a five-page hand-out (copy attached) which he distributed to the committee members. Page 1 presented a "Flow of Funds" chart for the Alaska Seafood Industry during 1971; Page 2 - 1971 Alaska Seafood Values and Tax Revenues; Page 3 - Detail of State Revenues for Fiscal Years 1972-78 (Commercial Fish Taxes); Page 4 - 1973 Projected Fish Tax Revenues; Page 5 - Fish Tax Kodiak Projections - 1973).

Mr. Herrnsteen, speaking in favor of the bill, said his concern was not just to tax, but to get more money into the management of fisheries.

Following Mr. Herrnsteen's testimony and general discussion by the committee on the proposed bill, Senator Lewis moved that it be set aside. Senator Sackett objected. Senator Poland moved that the Senate Finance Committee introduce the bill; the motion passed with five members voting for the introduction of the bill and two members voting against.

There being no further business, the meeting adjourned at 11:45 a.m.

2/22/73



FLOW OF FUNDS ~~IN THE~~ ALASKA SEAFOOD INDUSTRY 1971

Note: The wholesale value may be greater than indicated. Much of the industry is vertically integrated, with many processors having substantial interests at the fishing level as well as in brokering, labeling, and further distribution.

Compiled by Dave Herrnsteen

1973 PROJECTED FISH TAX REVENUES

Revised Budget Estimate		\$2,200,000
20% Revenue Sharing	\$440,000	
Net to State	\$1,760,000	

Proposed Increases

King Crab	2,275,000	
Shrimp	150,000	
Halibut	250,000	
Others	125,000	
Roe (approx.)	<u>1,000,000</u>	
TOTAL INCREASES		<u>\$3,800,000</u>
TOTAL PROPOSED REVENUES		\$6,000,000

40% Revenue Sharing	\$2,000,000
Net to State	4,000,000
Net Increase to State	2,240,000

Less than 40% of fish tax revenues would be actually shared. The \$1,000,000 collected at Adak, for instance, would go solely to the State. In 1971 under 20% revenue sharing only 13% was actually shared with the communities.

1971 ALASKA SEAFOOD VALUES AND TAX REVENUES

	<u>VALUE TO FISHERMEN</u>	<u>FIRST WHOLESALE VALUE</u>	<u>PROCESSOR TAX</u>
Canned salmon	} \$51,411,428 total	\$107,981,152	\$2,670,560
Frozen salmon		11,966,575	} 99,568
Fresh salmon		921,415	
Salmon roe		27,000,000	
<hr/> Salmon Total	\$51,411,428	\$147,869,142	\$2,770,128
King Crab	\$19,077,253	\$32,351,952	\$349,393
Dungeness Crab	609,924	1,478,775	6,099
Tanner Crab	1,368,544	2,893,827	13,685
Shrimp	3,909,045	15,780,163	39,090
Clams	70,152	107,487	701
Scallops (shucked)	990,385	1,206,593	9,903
<hr/> Shellfish Total	\$26,025,303	\$53,818,797	\$418,871
Halibut	\$7,236,812	\$10,178,125	\$72,368
Misc. Fish	831,777	2,169,255	8,317
<hr/> TOTAL SEAFOOD	\$85,505,320	\$214,035,319	\$3,269,684

Compiled from ADF&G and NMFS statistics.

ACTUAL
F.Y. 1972

CODE REVENUE SOURCES

INCOME, EXCISE AND OCCUPATION TAXES

101	Alcoholic Beverage Excise Tax	\$ 4,837.8
102	Cigarette Tax (3c General)	1,209.2
104	Insurance Premium Tax	3,475.9
105	Alaska Business License Tax	6,069.1

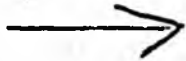
Income Taxes

106	Individual Income Tax	39,076.3
107	Fiduciary Income Tax	47.6
108	Corporation Income Tax	6,458.0
	Total Income Taxes	<u>\$45,581.9</u>
109	Mines and Mining Taxes	30.7
110	Inheritance Tax	59.2
111	Estate Tax	39.3



Commercial Fish Taxes

112	Raw Fish Tax	2,714.4
113	Fish Tax - Cold Storage	339.8
114	Fish Tax - Freezer Ship	228.5
	Total Commercial Fish Taxes	<u>\$3,282.7</u>
117	Disaster Relief Tax	1.8
118	School Tax	1,491.5
120	Electric & Telephone Coop Tax	469.0



Fuel Taxes

131	Highway Fuel Tax	8,898.8
132	Aviation Fuel Tax	1,476.6
133	Watercraft Fuel Tax	1,026.5
	Total Fuel Taxes	<u>\$11,401.9</u>

Total Income, Excise and Occupation Taxes

\$77,950.0

OIL & GAS PRODUCTION TAX

115	Oil & Gas Production Tax	<u>11,400.8</u>
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2/22/73

SECTION II

DETAIL OF STATE REVENUES
FISCAL YEARS 1972-78

ESTIMATED						
F.Y. 1973 Budget Estimate	F.Y. 1973 Revised Estimate	F.Y. 1974 Revised Estimate	F.Y. 1975 Revised Estimate	F.Y. 1976 Revised Estimate	F.Y. 1977 Revised Estimate	F.Y. 1978 Estimate
GENERAL FUND - UNRESTRICTED REVENUE						
\$ 6,301.1	\$ 5,124.2	\$ 5,636.7	\$ 5,862.2	\$ 6,069.6	\$ 5,994.7	\$ 6,234.5
1,357.0	1,224.8	1,447.3	1,592.1	1,751.3	1,821.3	1,894.2
4,364.3	3,927.8	4,438.4	5,015.4	5,667.4	6,404.2	7,236.8
6,321.0	6,433.2	7,015.1	8,062.7	8,794.2	9,124.0	8,920.2
42,962.7	41,039.4	49,822.4	57,142.8	59,735.3	55,398.3	55,508.2
40.0	50.0	50.0	55.0	55.0	55.0	60.0
6,906.9	6,886.8	7,594.7	8,007.1	8,643.2	10,673.1	21,160.7
<u>\$49,909.6</u>	<u>\$47,976.2</u>	<u>\$57,467.1</u>	<u>\$65,204.9</u>	<u>\$68,433.5</u>	<u>\$66,126.4</u>	<u>\$76,728.9</u>
17.0	32.0	40.0	40.0	60.0	80.0	80.0
20.0	17.2	10.0	4.0	-0-	-0-	-0-
8.0	42.0	50.0	55.0	60.0	65.0	70.0
2,816.8	1,570.4	1,647.3	2,342.0	2,633.8	3,162.5	2,791.9
305.0	340.0	340.0	350.0	360.0	370.0	380.0
140.0	230.0	230.0	230.0	230.0	239.0	230.0
<u>\$3,261.8</u>	<u>\$2,140.4</u>	<u>\$2,217.3</u>	<u>\$2,922.0</u>	<u>\$3,223.8</u>	<u>\$3,762.5</u>	<u>\$3,401.9</u>
-0-	-0-	-0-	-0-	-0-	-0-	-0-
1,455.3	1,533.9	1,654.3	1,718.1	1,772.5	1,742.8	1,760.2
455.0	500.0	520.0	540.0	570.0	590.0	610.0
9,928.9	9,431.3	10,621.2	11,429.0	11,570.8	12,010.8	12,621.2
1,840.0	1,366.8	1,577.3	1,665.0	1,740.0	1,591.2	1,623.0
1,100.6	1,041.3	1,083.0	1,126.3	1,171.3	1,218.2	1,266.9
<u>\$12,869.5</u>	<u>\$11,839.4</u>	<u>\$13,281.5</u>	<u>\$14,220.3</u>	<u>\$14,482.1</u>	<u>\$14,820.2</u>	<u>\$15,511.1</u>
<u>\$46,339.6</u>	<u>\$46,811.1</u>	<u>\$53,777.7</u>	<u>\$61,026.7</u>	<u>\$62,656.4</u>	<u>\$61,031.1</u>	<u>\$72,447.8</u>
9,535.0	10,947.0	8,826.0	7,989.0	7,269.0	87,593.0	147,934.0

FTSH TAX KODIAK PROJECTIONS 1973

	<u>Value to fishermen</u>	<u>Existing tax</u>	<u>Proposed tax</u>
Halibut (8,000,000 lbs @ \$.70/lb)	\$5,600,000	(1%) \$56,000	(3%) \$168,000
King Crab (15,000,000 lbs @ \$.35/lb)	\$5,250,000	(1%) \$52,500	(5%) \$262,500
Dungeness Crab (2,000,000 lbs @ \$.35/lb)	\$700,000	(1%) \$7,000	(5%) \$35,000
Shrimp (50,000,000 lbs @ \$.06/lb)	\$3,000,000	(1%) \$30,000	(5%) \$150,000
Tanner Crab (15,000,000 lbs @ \$.15/lb)	\$2,250,000	(1%) \$22,500	(5%) \$112,500
TOTAL	\$16,800,000	\$168,000	\$728,000

Canned Salmon tax revenues from Kodiak vary mainly between \$200,000 to \$600,000. 1973 predictions for Kodiak are poor.

	<u>EXISTING TAX</u>		<u>PROPOSED TAX</u>	
168,000		728,000		728,000
200,000		200,000		600,000
368,000	to state	928,000	to state	1,328,000
	20% revenue sharing		40% revenue sharing	
\$73,600	to Kodiak	\$371,200	to Kodiak	\$531,200
\$294,400	net to State	\$556,800	net to state	\$796,800
				IF a good salmon year with proposed tax to Kodiak to state

AFTER RECESS
February 23, 1973
10:45 a.m.

Present: All members. Also present was Mr. Rich Guthrie, Senate Fiscal Analyst.

SB 132 Chairman Groh called the meeting to order. The purpose of the meeting was discussion of SENATE BILL NO. 132 (An Act relating to the basic salary schedule for state employees).

Senator Palmer moved that SB 132 be passed from committee with individual recommendations. No objection, so ordered.

Adjourn: There being no further business, the meeting adjourned at 10:55 a.m.

SENATE FINANCE COMMITTEE

February 26, 1973

9:00 a.m.

Present: All members; Senator Kerttula; Bob Grogan, Senate Fiscal Analyst; Jay Hogan, House Fiscal Analyst.

SB 13

Chairman Groh called the meeting to order and stated that the committee would first consider SENATE BILL NO. 13 (An Act relating to the Executive Budget Act), and that he had a proposed committee substitute to the bill. This would provide an amendment to AS 37.06.060 that would stipulate the the budget documents would be given to the legislature on the same day that the Governor delivers his budget message. General discussion followed concerning the bill as related to legislative process and legislative control. A motion was made to replace SB 13 am with CSSB 13 and that CSSB 13 "do pass". Those voting "do pass" were Senators Groh, Lewis, Palmer and Butrovich. Senators Sackett, Poland and Ray voted "no rec".

HB 54 am

Senator Groh introduced HOUSE BILL NO. 54 am (An Act making a special appropriation to the lt. governor for the special congressional election) and stated that the amended version cut the appropriation from \$200,000 to \$146,200. General discussion followed. Senator Ray left the meeting at 9:25 a.m. Senator Butrovich asked that the bill be moved out with the amended figure of \$146,200. A vote was taken; those voting "do pass" were Senators Groh, Lewis, Palmer, Sackett, Butrovich and Poland.

HB 57 am

Senator Groh put before the committee HOUSE BILL NO. 57 am (An Act relating to the Alaska business license tax on national banks and state banks, trust companies and savings and loan associations). He gave a short history on the bill and general discussion followed. Senator Ray returned to the meeting at 9:30 a.m. After further discussion, the committee decided to wait for action on the bill until someone from the Department of Revenue appeared before the committee after session that morning.

HB 62

Senator Groh presented to the committee HOUSE BILL NO. 62 (An Act making a supplemental appropriation to the Department of Public Works, marine transportation), and asked for comments. General discussion followed. Senator Ray moved that the bill be put out with individual recommendations. Senator Groh asked for a vote; those voting "do pass" were Senator Ray, Poland, Palmer, Groh, Butrovich, Sackett and Lewis.

Senator Groh stated that after the session that day, the committee would take up HB 65, HB 67 and HB 57 am.

There being no further business, the meeting adjourned.

Adjourn: The meeting adjourned at 9:50 a.m.

SENATE FINANCE COMMITTEE

February 26, 1973

10:40 a.m.

Present: All members; L.P. Carroll, Department of Revenue; Rich Guthrie and Milt Barker, staff Fiscal Analysts; Superintendents of Schools, Bill Case (Fairbanks), Hank Bryant (Elmendorf), Jack Hayward (Kenai), Ernest Preshu (Ketchikan), Richard W. Leath (Nenana), W.D. Overstreet (Executive Secretary, School Boards Assoc.), Herman Hutchens (Valdez), D.W. Schultz (Petersburg), and Mr. Joe Montgomery (Anchorage).

HB 57 am Chairman Groh called the meeting to order and stated that Mr. L.P. Carroll was present from the Department of Revenue to speak on the implications of HB 57 am. Mr. Carroll delivered general background information on the bill and general discussion and questioning followed. Senator Groh asked the committee what they wished to do with the bill. After further discussion, Senator Palmer moved that the present bill (HB 57 am) be replaced with a CS for HB 57, changing 8% to 6%, and that CSHB 57 "do pass". A vote was taken with all members signing "do pass".

School Superintendents Senator Groh thanked Mr. Carroll and then stated that the committee would take up discussion with various superintendents of schools. The superintendents were introduced and Mr. Joe Montgomery, Superintendent from Anchorage led the discussion, saying to the committee that they were present to talk about some of the major concerns with their educational programs; he stated that he felt this year would be the most difficult year yet with finances. Various educational programs were discussed, with Mr. Montgomery naming legislative bills that, if passed, would alleviate pressure on the continuance of these programs. Further discussion and questioning followed.

Senator Groh thanked the superintendents for coming and asked them to contact the committee if they could be of assistance in the future.

There being no further business or action, the meeting adjourned.

Adjourn: The meeting adjourned at 11:55 a.m.

SENATE FINANCE COMMITTEE
February 27, 1973
9:00 a.m.

Present: All members with the exception of Senator Palmer. Also present was Rich Guthrie, Senate Fiscal Analyst.

Chairman Groh called the meeting to order. The purpose of the meeting was to discuss three bills in committee.

HB 65(am) The committee then discussed HOUSE BILL 65 am (Supplemental appropriation of \$518,200 and \$1,302,500 to the Alaska State-Operated School System). Senator Sackett stated that he would provide the committee with further back-up relating to this bill during a meeting on February 28. There being no further discussion, HB 65(am) was set aside.

HB 67 The committee then considered HB 67 (Supplemental appropriation to the Department of Administration, Alaska longevity bonus program - \$1,500,000). Following a brief discussion on the bill, Senator Ray moved and asked unanimous consent that HB 67 be passed from committee with a recommendation that it be replaced with a Senate Committee Substitute and that SCS for HB 67 do pass. No objection, so ordered.

NEW
BILL
SB 175

Senator Ray then moved and asked unanimous consent that the Senate Finance Committee introduce a proposed bill (An Act relating to the Alaska longevity bonus program; and providing for an effective date). No objection, so ordered.

(Senator Palmer entered the meeting.)

SB 70 The committee then considered SB 70 (An Act providing dental insurance coverage under the state's group insurance plan). Senator Ray moved that SB 70 be passed out of committee with individual recommendations. No objection, so ordered, with the following recommendations: 2 - do pass; 3 - do not pass; 2 - no recommendation.

Recess: There being no further business, the committee recessed at 10:00 a.m.

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska longevity bonus program;
7 and providing for an effective date."

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

9 * Section 1. AS 47.45.010(a) is amended to read:

10 (a) A person who is 65 years of age or over, who was domiciled in
11 the territory on or before January 1, 1950 [3, 1959] and who has
12 maintained a continuous domicile in the territory or state for 25 years
13 and who satisfies these criteria before January 1, 1975 may apply to the
commissioner of administration for qualification to receive a monthly
bonus of \$100.

* Sec. 2. This Act takes effect on the day after its passage and approval
on the day it becomes law without approval.

SENATE FINANCE COMMITTEE

March 1, 1973

9:10 a.m.

Present: All members. Also present was Mr. Rich Guthrie, Senate Fiscal Analyst.

Chairman Groh called the meeting to order. The purpose of the meeting was the consideration of two bills in committee.

HB 65(am) The committee considered HOUSE BILL NO. 65(am) (An Act making supplemental appropriations to the Alaska State-Operated School System: \$518,200 for the fiscal year ending June 30, 1972; \$1,302,500 for the fiscal year ending June 30, 1973).

Senator Sackett provided the committee with some additional information regarding the present status of State-Operated Schools and the reasons behind their request for this supplemental. Senator Sackett then moved that the committee pass HB 65(am) with the following amendment:

AMENDMENT to HB 65(am)
Page 1, Line 133
Change "\$1,302,500" to "\$1,322,500"

A Finance Committee Report was prepared to read as follows:

"The Finance Committee amendment will provide \$20,000 for multipurpose room floor improvements at Anderson."

Seven members signed the majority report, recommending that HB 65(am) do pass with the attached Senate Amendment. One member signed the minority report with no recommendation.

SB 161 The committee then considered SB 161 (Relating to International Airports--selling of bonds).

Senator Sackett then moved and asked unanimous consent that SB 161 be passed from committee with individual recommendations. No objection, so ordered.

Members of the committee scheduled a meeting for 9:00 a.m., March 5, to hear the sub-committee recommendation on the Public Protection budget.

Adjourn: There being no further business, the meeting adjourned at 9:45 a.m.

SENATE FINANCE COMMITTEE

March 5, 1973

2:20 p.m.

Present: All members with the exception of Senators Ray, Butrovich, and Lewis; Glen Vernon, House Fiscal Analyst; Mr. Melvin Charlie, Director of the Satellite Communications Program; Duncan Reed, past Director of the Satellite Communications Program; Mr. Gordon Johns, Project Coordinator for Family House in Seattle; Mr. Craig Ison from Family House in Seattle.

SB 165

Chairman Groh called the meeting to order and stated that Senator Sackett would conduct the meeting in relation to SENATE BILL NO. 165 (An Act making a special appropriation to the Alaska State-Operated School System for the continuation of the ATS-I experimental satellite program) and to those witnesses present to testify.

Senator Sackett introduced Mr. Melvin Charlie, Director of the Satellite Communications Program and asked him to begin his testimony. Mr. Charlie began by giving a history of the communications program and an idea of locations in which the program is being carried out. The committee discussed the possibility of purchasing a new satellite as opposed to continuing with the use of the present NASA satellite. Mr. Charlie introduced Mr. Duncan Reed, the past Director of the program and stated that Mr. Reed would be able to answer any questions that he could not answer. Further general discussion followed. Senator Groh thanked the witnesses for appearing before the committee.

Family House - Seattle

Senator Groh then introduced Mr. Gordon Johns, Project Coordinator for Family House in Seattle, and Mr. Craig Ison from Family House in Seattle, and stated that these gentlemen would discuss with the committee the feasibility of beginning such a program in Alaska as a method of dealing with the mounting hard-drug problem. Mr. Johns then gave the committee a general background of Family House. Discussion and questioning followed.

There being no further business, the meeting adjourned.

Adjourn: The meeting adjourned at 3:00 p.m.

JOINT SENATE/HOUSE FINANCE COMMITTEES

March 5, 1973

9:05 a.m.

Present: Senators Groh, Sackett, Poland and Palmer. Representatives Hillstrand, Warwick, Freeman, Haugen, Specking, Ose, and Barber. Senator Kerttula, Representatives Beirne, Orsini, Banfield, Dr. Josh Wright, and Dr. Starcher, Higher Education Consultant, were also present.

Representative Hillstrand called the meeting to order and turned the meeting over to Representative Ose for a presentation on Higher Education.

HB 64
HB 130

HB 131
CSHB 37
HB 180
HB 181

Dr. Starcher then discussed HB 64 (making a supplemental appropriation to the University of Alaska - \$1,668,000), HB 130 (establishing a working capital reserve fund for the University of Alaska), HB 131 (appropriating \$1,200,000 for the capital reserve fund), CSHB 37 (appropriating to the University of Alaska \$365,000), HB 180 (creating the Alaska Commission on Postsecondary Education), and HB 181 (relating to student financial aid).

Adjourn: Brief discussion by the committee followed Dr. Starcher's testimony. There being no further business, the meeting adjourned at 10:00 a.m.

SENATE FINANCE COMMITTEE

March 7, 1973

11:35 a.m.

Present: All members (Senator Ray left at 11:45 a.m.); Rich Guthrie, staff Fiscal Analyst.

SB 101 Chairman Groh called the meeting to order and presented to the committee SENATE BILL NO. 101 (An Act relating to years of credibility service under the teachers' retirement system) for consideration. General questioning and discussion followed. Senator Palmer moved that the bill be put out with a "do pass". Those voting "do pass" were Senators Poland, Groh, Palmer and Sackett. Senator Lewis voted "no recommendation".

SB 107 Senator Groh introduced SENATE BILL NO. 107 (An Act making a special appropriation to the Department of Public Safety for the establishment of a unit of narcotics and dangerous drugs enforcement) to the committee and asked for comments. After general questioning and discussion, the committee decided that they wished to have Commissioner Chapple come before them to speak on SB 107. The meeting time was arranged to be at 2:30 in the afternoon. The bill was returned to the file.

SCR 8 Senator Groh put before the committee SENATE CONCURRENT RESOLUTION NO. 8 (Relating to the leasing of space from the Alaska State Housing Authority) for consideration. Discussion followed. Senator Palmer moved that the resolution be put on the floor for a vote with individual recommendations. Those voting "do pass" were Senators Groh and Palmer. Senator Poland voted "no rec" and Senator Lewis signed with "bring to floor for vote".

SB 132
State Senator Groh then asked the committee members for comment
Emp. on the state employees' pay raise. General discussion
Pay Raise followed.

There being no further business, the meeting adjourned.

Adjourn The meeting adjourned at 12:10 p.m.

AFTER RECESS
SENATE FINANCE COMMITTEE
March 7, 1973
2:40 p.m.

Present: All members and Senate Fiscal Analyst, Rich Guthrie. Also present was Representative Helen Beirne, Chairman of the Health, Education, and Social Services Committee. Representing the Department of Public Safety was Deputy Commissioner Pat Wellington.

SB 107 Chairman Groh called the meeting to order. The purpose of the meeting was to discuss SENATE BILL 107 (An Act making a special appropriation to the Department of Public Safety for the establishment of a unit of narcotics and dangerous drugs enforcement - \$500,000).

Following general discussion of several aspects of the program, Senator Ray moved that SB 107 be reported out of committee with a "do pass" recommendation with the following amendment:

AMENDMENT to SENATE BILL 107
Page 1, Line 11
Change "\$500,000" to "\$350,000".

And so, Senate Bill 107 was passed from committee with a "do pass" and a vote of 5 to 2.

Adjourn: There being no further business, the meeting adjourned at 3:20 p.m.

SENATE FINANCE COMMITTEE

March 14, 1973

9:10 a.m.

Present: All members with the exception of Senator Sackett.

Chairman Groh called the meeting to order. The purpose of the meeting was to discuss seven bills in committee.

HB 41

The committee considered HOUSE BILL 41 (Appropriating \$625,000 to the Department of Public Works to fund the state's share of the cost of construction of a Bartlett-class ferry). It was decided that this bill would be set aside until Commissioner George Easley could speak with the committee this afternoon.

HB 60

The committee then considered HOUSE BILL 60 (Supplemental appropriation of \$40,000 to the Department of Public Works, Division of Communications).

Senator Ray moved that HB 60 be reported out of committee with a "do pass" recommendation. And so, HB 60 passed from committee with five members signing the "do pass" Majority Report and Senator Lewis signing "no recommendation".

HB 61

The committee then considered HB 61 (Supplemental appropriation of \$55,600 to the Department of Administration, Labor Relations Agency). Following a brief discussion by members of the committee, HB 61 was set aside.

HB 66(am)

The committee considered HB 66(am) (Supplemental appropriation of \$95,000 to the Department of Military Affairs to be apportioned as follows: Civil Air Patrol - \$12,000; Re-enlistment bonuses, National Guard - \$62,000; Workmens' compensation and liability insurance, National Guard - \$21,000).

Senator Lewis moved and asked unanimous consent that HB 61 be held over until tomorrow's meeting when he would provide the committee with additional information. No objection, so ordered.

HB 75

The committee considered HOUSE BILL 75 (An Act relating to the scholarship revolving loan fund). After brief discussion, the committee decided to set HB 75 aside.

SB 76

The committee then considered SENATE BILL 76 (An Act including service employees under the benefits for policemen and firemen in the public employees' retirement system).

Senator Ray moved and asked unanimous consent that SB 76 be passed from committee with a "do pass" recommendation. No objection, so ordered.

SCR 28

The committee considered SENATE CONCURRENT RESOLUTION 28 (Relating to the leasing of space from the Alaska State Housing Authority).

Senator Groh stated that he had prepared a Committee Substitute to SCR 28 (copy attached).

Senator Ray moved that SCR 28 be replaced with the Committee Substitute and be reported out of committee with a "do pass" recommendation. Five members signed the "do pass" Majority Report; Senator Lewis signed "do not pass".

Senator Groh announced that there would be another bill session upon adjournment from the floor.

Recess: There being no further discussion, the meeting recessed at 9:50 a.m.

Original sponsor: Rules Committee by
request of the Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE CONCURRENT RESOLUTION NO. 28

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

EIGHTH LEGISLATURE - FIRST SESSION

5

Relating to the leasing of space from

6

the Alaska State Housing Authority.

7

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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WHEREAS AS 18.55.010 provides for the construction and acquisition by

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the Alaska State Housing Authority of public buildings for leasing to the

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state; and

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WHEREAS AS 37.05.280 requires that leases of space requiring payments

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in excess of \$12,000 annually be approved by the legislature by concurrent

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resolution; and

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WHEREAS it is in the best interest of the state to enter into the addi-

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tional leases set out in this resolution; and

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WHEREAS the Department of Administration has determined the type and

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amount of state needs in various locations throughout Alaska;

8

BE IT RESOLVED that the use of the space to be provided by leases from

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the Alaska State Housing Authority for state offices, courtrooms or combined

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office and courtroom facilities, as hereinafter enumerated providing for pay-

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ment in excess of \$12,000 annually, is approved in accordance with AS 37.05.-

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280:

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Anchorage

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Labor Building \$ 3,800,000

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Fish and Game 6,100,000

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Juneau

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Parking structure 3,400,000

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Fairbanks

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Parking structure 5,500,000

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Kenai

Kenai Court and Office Building 2,200,000

Seward

Seward Skill Center 400,000

Total \$21,400,000

SENATE FINANCE COMMITTEE

March 14, 1973

11:45 a.m.

Present: All members with the exception of Senator Sackett; Rich Guthrie, staff Fiscal Analyst.

SB 199 Chairman Groh brought the meeting to order and presented SENATE BILL NO. 199 (An Act relating to the basic salary schedule for state employees) for consideration. General discussion followed. The fiscal note accompanying the bill was discussed and since the fiscal note aroused some confusion to the committee, it was decided that Myrt Charney, Director of Budget and Management, would be requested to appear before the committee at 1:30 p.m. this day, to explain the fiscal note.

SB 196 It was also decided that Frederick McGinnis, Commissioner of Health and Social Services, would appear before the committee in representation of SENATE BILL NO. 196 (medical assistance to needy persons) at 2:30 p.m.

Recess: The meeting recessed at 11:55 a.m.

AFTER RECESS
March 14, 1973
1:30 p.m.

Present: All members except Senator Sackett; Senator Terry Miller; Myrt Charney, Director of Budget and Management; Lois Cook, Budget and Management; Joe LaRocca, press; Steve Weiner, AP; Rich Guthrie, staff Fiscal Analyst.

SB 199

Chairman Groh called the meeting to order and presented again to the committee SENATE BILL NO. 199 (An Act relating to the basic salary schedule for state employees) and stated that Myrt Charney and Lois Cook were present to speak on the fiscal note accompanying SB 199. Discussion and questioning followed concerning the fiscal note, the status of University of Alaska employees in relation to the pay raise, State Operated Schools employees in relation to the pay raise, and the 20% benefit for state employees as related to the pay raise.

Senator Ray asked Myrt Charney to find out what the maximum total payroll without benefits would be. Mr. Charney stated that he would have the information available as soon as possible.

The committee asked Myrt Charney to work out a new fiscal note, keeping within the guidelines of the governor's 4% raise, and with the understanding that it would include the negotiated pay raise and the 20% benefits. Mr. Charney said he would have the information available the following morning.

Recess: The meeting recessed at 2:45 p.m.

AFTER RECESS
March 14, 1973
2:50 p.m.

Present: All members with the exception of Senators Sackett and Lewis; Frederick McGinnis, Commissioner of Health and Social Services; Larry Sullivan, Health and Social Services; Representatives Warwick and Freeman; Steve Weiner, AP; Rich Guthrie, staff Fiscal Analyst.

SB 196 Chairman Groh called the meeting to order and stated that Commissioner McGinnis would speak with the committee on SENATE BILL NO. 196 (medical assistance to needy persons). Discussion followed on word changes in the medicaid program, and on the addition of an option concerning types of nursing homes. A letter was passed around to the committee members from Commissioner McGinnis concerning the adoption of the "Intermediate Care Facility" option in the Medicaid Program. (See end of minutes.)

Senator Poland moved that the bill be put out "do pass". Those members signing "do pass" were Senators Groh, Butrovich, Poland and Palmer. Senator Ray signed "no recommendation".

Some further discussion followed on the Medicaid Program.

HB 61 Senator Groh stated that after the recess the committee would take up HOUSE BILL NO. 61 (appropriation to the Department of Administration for the Labor Relations Agency) and requested that Pat Hunt, Director of Personnel, or Marty Behr, Administrative Director of Administration, along with Myrt Charney from Budget and Management, be present to testify.

Recess: The meeting recessed at 3:35 p.m.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

POUCH H — JUNEAU 99801

March 14, 1973

The Honorable Clifford Groh
Chairman, Senate Finance Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99801

SB 196

Dear Senator Groh:

The Department of Health and Social Services recognizes the concern that some Senators have expressed about adopting the Intermediate Care Facility option in the Medicaid Program.

It is our understanding that some concern was expressed about possible over expansion of such facilities and possible pressures brought to bear to fill the institutions.

You will be pleased to know that the Department, too, is aware that such a problem could exist; however, I would point out the following facts which we feel will preclude such expansion.

1. Federal regulations require that the ICF meet the same construction licensing standards as are required for skilled nursing facilities. These regulations are extensive and strict.
2. The facility would have to be certified for the Medicaid Program again extensive and strict regulations.
3. Admission to any nursing facility requires pre authorization for the Division of Medical Assistance. This authorization requires the physician requesting placement to document the need.
4. We have a very limited population eligible for such services. As witness the fact that in the following Nursing Homes we have vacant beds:
 - a. Wesleyan - Seward, 64 bed capacity - total census 25.
 - b. Ridgeview Manor - Anchorage, 75 bed capacity - census 55.
 - c. Carage North - Fairbanks, total capacity 100 beds - census 50.

We are not asking that this option be adopted to provide services to move

March 14, 1973

recipients but rather to provide for increased Federal financial participation as shown by the following table; for example:

<u>Without Intermediate Care</u>	<u>100% State General Fund</u>
42 patients @ \$32.00 per day	\$490,600
33 patients @ \$16.80 per day	<u>202,300</u>
Total State General Fund	<u>\$692,900</u>
<u>With Intermediate Care</u>	<u>50% State General Fund</u>
75 patients @ \$23.00 per day	<u>\$629,600</u>
State General Funds	\$314,800
Federal Funds	\$314,800

In conclusion let me summarize by saying that we have people in Nursing Homes who will not fall into the category of skilled care whose care will be borne by 100% State money. If you pass the option, the cost to the State will be reduced by 50%.

Sincerely,



Frederick McGinnis
Commissioner

FM: LJS: smb

cc: Division of Medical Assistance

AFTER RECESS
March 14, 1973
3:40 p.m.

Present: All members with the exception of Senators Sackett and Lewis; Representative Saylor; Myrt Charney, Director of Budget and Management; Marty Behr, Administrative Director of the Department of Administration; Rich Guthrie, staff Fiscal Analyst.

Pullen Collection
HB 125
(am)

Chairman Groh called the meeting to order and asked Representative Saylor to speak on the Pullen Collection from Skagway. Representative Saylor passed around pictures of the collection and informed the committee the status and content of the collection. Questioning and discussion followed. Senator Groh thanked Representative Saylor for coming before the Senate Finance Committee.

HB 61

Senator Groh then asked the committee members to turn to the question of HOUSE BILL NO. 61 (Appropriation to the Department of Administration for the Labor Relations Agency), and stated that Mr. Marty Behr, Administrative Director for the Department of Administration was present in the place of Mr. Pat Hunt, Director of Personnel in the Department of Administration. Mr. Myrt Charney was also present to testify. Discussion and questioning followed. Senator Groh thanked the gentlemen for appearing before the Senate Finance Committee.

Adjourn: The meeting adjourned at 4:00 p.m.