

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2628

SENATE FINANCE COMMITTEE

March 13, 1974

11:00 a.m.

Present:

Senators Groh, Ray, Palmer, Butrovich, Poland, Lewis

Senators T. Miller, Kerttula, Representatives Willie Hensley, Oral Freeman, Frank Ferguson;

Jim Cameron, Executive Secretary, APEA; Elaine Mitchell, Alaska Educational Broadcasting; John Greely, Associated Press; Don Smith, Anchorage Legislative Reporting Service.

State
Employees
Pay Raise
SB 448 -
SB 454

Senator Groh called the meeting to order and announced that the committee will discuss the employees pay raise bill. He also stated that the committee will meet at 11:30 today with representatives from the Division of Buildings and S.O.S. concerning the Deering School.

SB 450

Senator Ray moved and asked unanimous consent that Senate Bill 450 (retroactive pay authorization) be passed from committee with individual recommendations.

Senator Palmer said he would like to have a written opinion from the AG's office as to whether or not this legislation is necessary. Senator Ray felt that this should not hold up action on the bill-- if it isn't necessary, it won't make any difference if they pass it.

Amendment by Palmer. Senator Palmer moved to amend the title of Senate Bill 450 to read "An Act relating to retroactive pay for State employees". (new material underlined).

Senator Groh announced that he has received a letter from the Governor's office which recommends certain amendments to Senate Bill 450. He stated that one suggested amendment was to change line 11 to read "earned by the officer or employee" rather than paid to the officer or employee".

Other suggested amendments to the bill would be to add a paragraph (5) between lines 21 and 22 to exclude elected officials from receiving the pay and to add a section to allow that permanent employees of the legislative branch shall receive pay comparable to the classified and partially exempt employees.

Senator Palmer repeated his motion to change the title to insert the word "retroactive". There being no objection, it was so ordered.

Senator Ray moved that Senate Bill 450 be amended, to change the 11th line to read "earned by the officer or employee from the State during the period July 16, 1973,"

There being no objection, it was so ordered.

Senator Ray moved that Senate Bill 450 be amended to add a new sub-section (5), between lines 21 and 22, to read:

"(5) persons elected to public office by popular vote or appointed to fill vacancies in elected office."

There being no objection, it was so ordered.

Senator Ray moved and asked unanimous consent that a section be added to SB 450, as recommended by the Governor's office, to read:

"It is the intent of the legislature that the permanent employees of the legislative branch receive pay comparable to the pay received by classified and partially exempt employees under AS 39.27.010, 39.27.015 and 39.27.020."

Senator Palmer wanted to know how the pay of these employees compares with pay of other State employees. Senator Groh said it is comparable. In the past the Legislature has included a provision to give them increases whenever other state employees received an increase. Senator Ray said legislative employees are in the merit system.

Senator Groh announced that, in re-reading the letter from the Governor's office, he noticed that they intended for the last amendment concerning legislative employees be included in SB 449, rather than SB 450. Senator Ray withdrew his motion.

Senator Palmer stated that all state employees will get 6% retroactively. Will the legislative employees get the retroactive 6%. Senator Groh said his guess would be that the answer is "yes."

Senator Palmer moved that the committee state that it is its intent that legislative employees get the retroactive 6%.

Senator Groh stated that the motion on the floor is to pass Senate Bill 450 from committee with individual recommendations. A majority of the members being in favor of the motion, it was so ordered.

The committee report was not signed by members at this time. It is to be signed once the amendments to SB 450 are prepared.

SB 452

The committee began discussing Senate Bill 452 relating to group insurance. Senator Groh explained that \$1,148,000 will be the cost to the State. It will cost \$223,400 a month. He stated that under the existing law, the employees have the right to get this insurance. Those who have paid the premiums for dependents from January 19 of this year will receive a refund. Total refunds will be about \$150,000. This is reimbursement for premiums paid for their dependents from that date.

Senator Ray moved that Senate Bill 452 be passed from committee with individual recommendations. Senators Ray and Poland favored the motion. The motion failed.

SB 451

Senator Ray moved that Senate Bill 451 be passed from committee with individual recommendations.

Amendment by Groh: That items below line 16 (Employee Health Insurance, Employee Travel Accident Insurance, Employee Life Insurance, Per Diem, Employee Overtime) be deleted. Senator Groh said it is his intent to merely delete the numbers by substituting "0" in the amounts, not to delete the items altogether.

Amendment by Ray: Delete the amounts in lines 16 through 20, and substitute the total of \$12,057,500 on line 21 (This is the sum total of \$3,386,600 for the 6% retroactive pay and \$8,660,900 for the employee general pay increase).

Senator Ray explained that this will tell the State employees that the Legislature recognizes that they have a bonafide agreement and we are funding that agreement on a pro rata basis. (in lieu of deleting the benefits contained in lines 16 through 20).

Senator Groh called for a two minute recess for an informal discussion outside the committee room.

11:32 a.m.: The meeting reconvened.

Senator Butrovich moved that we hold SB 451 over until tomorrow morning. He said he wants time to prepare an amendment. Senator Ray withdrew his "call of the question", pointing out that he is not withdrawing his amendment.

Senator Groh assured Senator Ray that they will take up right where they left off tomorrow--the motion will remain on the floor.

SB 320
Supp. Appr.
for Deering
School

Senator Groh announced that the committee will now meet with representatives from the Division of Buildings and State Operated Schools concerning Deering School.

Present were: Senator Hensley, Representative Ferguson, Senator Kerttula; Robert Dwyre, Acting Commissioner of Public Works; John Benson, Director, Division of Buildings, Frank Nyman, consultant; Homer Marshall, Plant Facilities Director, SOS; Bob Verusti, architect, Division of Buildings; Stan Friese, Superintendent, State-Operated School System.

Mr. Friese explained that a recent fire at Deering destroyed the teachers quarters, a classroom, a generator and a water storage plant. The building was insured for \$171,000 less 10% deductible.

Mr. Friese said there are 32 students in the Deering school.

Senator Groh noted that SB 320 requests a supplemental appropriation of \$400,000 for construction of a classroom at \$100,000; teachers quarters (\$100,000); restrooms, storage facilities, etc. at about \$200,000. Senator Groh questioned paying \$100,000 for teachers' quarters in Deering. Mr. Dwyre stated that the architect has prepared a computation of the cost of this proposed facility and they have several copies of it. He read from the report, which is attached to these minutes. The total cost for construction would be \$561,000, plus \$35,000 for equipment for a total cost of \$696,000. Subtracting insurance receipts, \$525,000 is required.

Mr. Dwyre pointed out that two corrections would be necessary to SB 320 in order to proceed with the project: (1) change the effective date to May 1 and (2) change the amount to \$525,000.

Mr. Dwyre said he has personally argued to try to economize on this structure. He said they anticipate they may rehabilitate the water facility in Deering rather than building a facility. If they do that, they will not spend all the monies requested in this appropriation. They further anticipate using a simplified sewer disposal system, so they could improve a little on their costs in that regard. He said it is their intent to keep this project as simple and low cost an operation as is consistent with maintenance problems that will ensue if they do not build it right.

Mr. Wellenstein, architect, told Senator Groh that the project includes construction of one classroom that was destroyed. There are two classrooms in the school. Two buildings are involved: the classroom and teachers quarters and a room for housing the generator and sewerage disposal plant.

Mr. Wellenstein gave an example of contracts that were let for high schools last year which ran around \$102 per sq. ft. They estimate, on the strength of that, that it will cost \$115 per sq. ft. to build this. The structure is 4,000 sq. ft. He noted that you do not get a big response from contractors because of the small size of the facility.

The committee discussed the fact that Deering's population has declined 10.5% since 1960. According to the 1970 census, there are 84 residents in Deering. Senator Hensley felt that the population of Deering and surrounding villages will stabilize or grow.

At Senator Palmer's request, Mr. Wellenstein gave a breakdown on the size of the various components: Teaching area is 1680 sq. ft. and the teachers' quarters are 1200 sq. ft. There are two teachers (a man and wife team). Senator Palmer thought the size of the classroom is tremendously large. He asked if they will continue to use the existing classroom. Mr. Wellenstein replied "yes". The other classroom is small.

Senator Hensley pointed out that this is one of the few schools in the area that will have been constructed with State funds. Most of the others have been built by the BIA. He told the committee that they are constructing 8 or 10 homes in Deering with ASHA funds.

Answering Senator Palmer, Mr. Wallenstein said the square footage of the new classroom will be the same size as the one destroyed. Mr. Friese said this school became an S.O.S. school in 1970-71.

Bob Venusti told Senator Palmer that the classroom to be constructed will be 36 x 23 feet. Mr. Dwyre said the school was built in 1929 and remodeled in 1967.

Representative Ferguson told the committee that the Fish and Game Department is doing a study and is proposing to have a limited fishery there for the community. He felt the population has stabilized. He said he knew of four people who are moving back to the village from Kotzebue. Also because of the price of gold, he expected more gold mining activity in Deering. He also noted that they have their own native land claims corporation, so he did not see the population declining.

Representative Ferguson explained to Senator Lewis that the study Fish and Game will be doing is to determine which way the fish are running.

Senator Groh stated that although he believes we have an obligation to provide a school, he is appalled by the cost of the facility. He remarked that the State will go broke at this rate.

Senator Poland asked if anybody had considered portable classrooms and insulated trailers for teachers quarters. Mr. Wellenstein replied that you can no longer provide schools without sewerage disposal plants. Mr. Dwyre felt that trailers were undesirable for several reasons and he really does not want in the trailer business. He said they turn out to be much more expensive than anticipated to set up, and maintenance and insurance are high. He said they have had very bad experiences with trailers. Senator Palmer agreed that trailers are not suitable for classrooms.

Mr. Nyman said one way they could economize is to use the type of toilets that are used in aircraft; however, they would need a large lagoon area for this. Also, the State might consider lowering its standards for toilets by accepting "privies" or a bucket water system. Mr. Nyman felt the cost (\$55,000) for sewage could be cut in half by using aircraft-type toilets, but the lagoon area will be needed. He didn't think it could drain underground because of permafrost.

Mr. Dwyre pointed out that the high cost, which appalls him too, is not all related to general inflation--it is OSHA and EEO standards and many other things. Also, the contractor will have to move a camp in to build the school, which will probably cost him \$400,000. He said he would like to see many of the State's

standards analyzed to see if they are in line with our objectives, asking "Is it worth it to have the contractor fill out forms and go to big expense to comply with something not applicable to our particular circumstance?"

Another point Mr. Dwyre wanted to make is the fact that they are not making their estimate of cost deceptively low. In this case, they do not intend to come back to the Legislature later with a higher estimate.

Senator Groh said he is concerned that no one in the organization is willing to say "no" on these matters. He felt the cost is outrageously high.

Senator Butrovich questioned whether the insurance proceeds might not be available because they go into the general fund. Mr. Benson explained that they have never been turned down yet on insurance receipts. It does go back into the general fund and is appropriated by executive order.

Senator Butrovich felt that 1200 sq. ft. is quite large for teachers quarters. He also suggested that they use monomatic toilets to save money.

Senator Palmer wanted to know if there is a possibility that this village would consolidate the use of its facilities with another nearby village. Senator Hensley did not feel this would be feasible.

Senator Groh thanked the group for their presentation and said the committee will reach a decision on SB 320 when all its members are present.

Recess

The committee recessed at 12:25 p.m.

Date 13 Mar 74

ARCHITECT/ENGINEER CONTRACT

A/E _____

Project _____ Name Deering School

Code _____ Approp. General Fund

Basis _____ Dept. Insurance Receipts

COMPUTATION DATA

SCHEDULE						
ITEM	ORIGINAL	REV. #1	REV. #2			
Site data	500				const	436,000
Clean site	3,000				sewer	55,500
Construction	572,500				water	36,000
A-E fee	40,000			2/35	elec gen	45,000
Inspection	10,000					572,500
Contingencies	35,000					
Total const	661,000					
Equipment	35,000					
Total cost	696,000					
Insurance receipts	171,000					
Funds required	525,000					

Mr. Homer Marshall
Plant Facilities Director
Alaska State Operated Schools

March 6, 1974

586-2186

Merv Griggs
Loss Control Manager
Division of General Services/Supply
Department of Administration

02-19-F-74-0036
Deering School Fire
D/L 12/29/73

During our meeting at Division of Buildings, Juneau, on March 5, 1974, you expressed a desire to have a memo from this office outlining the State of Alaska's property coverages, and the probable settlement from the insurers concerning the captioned matter. Please accept this memo and its content as the answer to your request.

To paraphrase the policy, it covers: all real and personal property, extra expense, rental income, rental value, and includes all A.S.M.A. property on a replacement value basis. Each occurrence of loss on State-covered property is subject to a deductible of \$10,000.

The underwriter's liability for loss or damage shall not exceed the least of the following:

- (1) The limit of liability provided for in this policy.
- (2) A. The expenditure for repairs or replacement of the damaged or destroyed property; B. The replacement cost of property identical to the damaged or destroyed property.

The destroyed properties at the Deering School are identified as State buildings 212-112-771 and 212-112-501. Their respective replacement values were established at \$82,500 and \$88,900 as of July 1, 1973, by an independent appraiser through division of buildings. It is assumed these values are reasonably accurate and for practical purposes it is further assumed that settlement will be reasonably close to these figures. Upon receipt of the insurance adjuster's recommended settlement of this loss, we will contact your agency for further discussions.

Should you have any further questions or should you desire to review the subject policies, please feel free to contact this office.

cc: State Operated Schools
Stanley Griggs, and Lea Hayes
Division of Buildings, John P. Olson

DEPT. OF...

* Total = \$171,400

MAR 7 74

DIVISION OF BUILDINGS

DEFERRED SCHEDULE PROGRAMS SCHEDULE

	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
	4 11 18 25 31	1 8 15 22 29	6 13 20 27 31	10 17 24 31	1 8 15 22 29 31	5 12 19 26 31
SCHEMATIC						
APPROVAL						
DESIGN DEV.						
APPROVAL						
PRELIM CONST.						
CONC. CONST. DVS.						
ADVERTISE						
AWARD						
DELIVER OF KITS TO ROCK						
ARRIVE AT KUTZBOG						

DEFERRED JUNE 30TH

1955 JULY? UNIT COMPLETED

1955 AUG. 1

3/11/74

JOINT HOUSE AND SENATE FINANCE COMMITTEE
Wednesday, March 13, 1974
1:30 p.m.

Senator Groh, Representatives Freeman, Ferguson, Haugen, and Warwick were present. Also present were Dr. Frederick, Executive Director, Alaska Historical Commission, and Commission members, Evangeline Atwood, Emily Ivanoff Brown, and Bob DeArmond, Alaska Historical Society President Bill Jorgenson, representation from Budget and Management, and members of the staff, press and public.

EDUCATION
OFFICE OF
GOVERNOR

Alaska
Historical
Commission

Chairman Groh called the meeting to order at 1:30, explaining that the purpose of the meeting was to hear the budget review for the Alaska Historical Commission. By way of introduction, he noted that the Commission was created by the 1972 legislature. The 1973 budget was \$11,900. The 1974 budget was \$37,400 plus an additional \$5,000 making the actual for 1974 \$42,400. Their maintenance level request is \$37,900; the request they made, \$88,500; and the Governor's Allowance, \$66,900. This allows one permanent full time position and one permanent part time position.

The Chairman then introduced Dr. Frederick, Executive Director of the Commission. Dr. Frederick introduced the commission members who were present along with Mr. Jorgenson, President of the Alaska Historical Society.

Dr. Frederick said that the Commission requested a hearing before the joint committees this year because they felt their budget needed some explanation inasmuch as they are requesting a 75% increase in a year when the Governor has requested all programs be held to a maintenance level, for obvious reasons. The commission wanted to explain that this increased request comes in large part for two reasons. One is that the Governor has approved a reclassification of the position of Executive Director from a Step 21 to a Step 26. The other is that the Governor has also approved a Contractual Services element designed to initiate the commission's research and publication program. It is the commission's intent if this is approved now by the legislature to take the \$15,000 in Contractual Services and to get matching funds from the National Endowment for Humanities and the Rockefeller-Ford Foundations, as they are interested in specific projects the Commission would be interested in. Thus they hope that this \$15,000 will act as seed money and will substantially increase the funds that they have to work with.

Dr. Frederick referred to a publication, The Alaska History News, which he passed out to the committee, which contains a list of the Commission's priority projects. This was prepared in December. Yesterday the Commission met and reaffirmed their commitment to these priorities plus an additional one which is not mentioned in

3/13/74

the News. That is a Historical Dictionary of Alaskan Political Personalities. This is already in progress and will include 1,000 biographies.

The other priorities include:

Ricks' Bibliography -- This bibliography will update Wickersham's, bringing it up to the early 1960's.

Encyclopedia Alaskana -- This will be a compendium and will be a means by which current research can be made readily available.

Statewide Study for Publication Plan -- This will be a comprehensive plan for publication of Alaska's past. The project would be coordinated with the national foundations, utilizing the contractual services seed money as the state's share.

[Representatives Ose, Saylor, Meekins and Specking entered the meeting at this time.]

Dr. Frederick continued, stating that the 6th Session of the Legislature had passed a resolution relating to the poor condition of state of Alaska history in the schools. He said that out of that concern by the legislature, the administration and the Historical Society came the push toward improvement of Alaska's historiography, partially in the creation of the commission. The commission's burden and responsibility is to stimulate, coordinate and sponsor research on Alaska's past. It is their feeling that this statewide study will fit right into the National Endowment's policy toward multi-volume sets. A few years ago National Endowment had said that they could not commit themselves to a multi-volume work, but could only go one volume at a time. Their position has now switched and they are very favorably inclined toward this type of multi-volume work.

Mr. Saylor asked about a bill that he has in involving a historical record of pipeline activity, and he wondered what Dr. Frederick's response to that is. Dr. Frederick said that he is certain that the pipeline, native land claims, and many other current topics would be of merit for historical documentation, and he would expect that the commission feels the same. They are, however, working on priorities now as they see them. He mentioned that a few years ago the Bureau of Land Management employed a man who is now the Air Force historian. He had 55 thousand cards on the pipeline. However, his work ceased when pipeline activity ceased, and he is now employed with the Air Force and his work has not been continued.

[Mr. Wright entered the meeting.]

Mr. Saylor said that he feels the pipeline is going to develop into the largest project that has ever been undertaken in the world, and he

feels that having a record of this for future generations will be important. He has, however, discussed the matter with a couple of the oil companies and believes that the funding for this may come through them.

Mr. Frederick said that he thinks one of the short points of Alaska's historiography is in the business field, and that histories of the businesses in Alaska is an area that could very much use research and study.

Senator Groh made mention of the fact that one of the things in the legislature that they have come to watch out for is possible areas of overlap between programs. From that standpoint, he asked Dr. Frederick what the relationship between the Historical Commission and the Bicentennial Commission is.

Dr. Frederick said that the Bicentennial Commission was created in the same year as the Historical Commission. He said that a main difference is that that commission is directed toward a particular celebration, and that perhaps had the Historical Commission been established earlier, the Bicentennial Commission would have been established as a subcommittee of the Historical Commission. The two commissions do work in cooperation with each other, transferring projects to the other when it seems more appropriate. As far as funding goes, there is considerably more federal money going into the Bicentennial Commission and so their administrative budget alone is around \$50,000.

[Senator Poland entered the meeting.]
Mr. Specking asked for more information about Ricks' Bibliography. Dr. Frederick referred the question to Mr. DeArmond. Mr. DeArmond said that Mr. Ricks was a probation officer in Los Angeles for years, but that Alaska was his "real love" and that in 1963 he came to Alaska as a probation officer and was later the first curator of the Anchorage Historical Museum. He started where Wickersham left off, and compiled voluminous notes on index cards which were then typed up in rough manuscript form. Being multilingual, Mr. Ricks was able to discover references on Alaska in different languages that had been previously overlooked. In addition, he went into a couple large Catholic university libraries finding references that were heretofore unknown except in those archives. Thus his work provides an invaluable addition to the bibliography of Alaskan works. The bibliography is updated to the early 1960's. Mr. DeArmond mentioned that there are three of the typewritten rough manuscripts -- one is at the University of Alaska, one is at the Consortium in Anchorage, and one at the Historical Library in Juneau. He emphasized that the volumes are rough and require editing and reworking in order to be of greater usefulness.

Mr. Specking mentioned that the Hudson Bay Archives are now in Canada and so more accessible. Mr. DeArmond said that although they are in Canada they are not too much more accessible than when they were in London. However, a professor in Ashland, Oregon, has obtained permission

to put them on microfilm so they will be available on microfilm in Ashland.

Dr. Frederick stated that the Commission does feel as if they have accomplished something since May. The Commission came on board in February, and the office was started in May. He noted that in 1973 the commission was alive only a couple months and tried to use their money for equipment as wisely as possible. However, they feel they suffered from the 1974 appropriation and had they not had a lower appropriation then, there would not be such a large percentage increase requested for next year. What they have accomplished this year is that they received a grant, through the Alaska Division of Parks, from the National Park Service, Office of the ~~the~~ Keeper of Historic Places. This grant of \$11,100 made possible a two volume set, now in draft form, of Alaska's heritage resources. The first volume is a historic background. The second is a compilation of 3,000 prehistoric and historic sites in Alaska in two lists -- one is a thematic list and the other an address list by quadrangles. This is to be submitted when approved to the National Park Service and will be the basis for continuing grants on an approximately 4.19 to 1 federal/state ratio. He mentioned that this relates to Historic Preservation, but this is an interest-wise relationship and not, he noted, an administrative one. The work was primarily carried out by 35 undergraduate students in Alaska.

Mr. DeArmond noted, with reference to the dictionary of political figures that had been earlier mentioned as a commission priority, that it would be prepared without cost to the commission and will be published through private grant to the commission.

Speaking of the upgrading of the Executive Director position, Mrs. Atwood noted that Dr. Frederick is really serving as a courtesy at the salary provided and that should the salary not be increased commensurate with the kind of expertise that they feel the commission needs and that a person, such as Dr. Frederick but not necessarily being him, could afford to work at, there would be little point in having a commission. The members feel very strongly that this increase is important.

Mr. Jorgenson stated at this point that the Historical Society fully endorses the efforts of the Commission and commends their work.

There being no further questions, Chairman Groh thanked those testifying and adjourned the meeting at 2:15 p.m.

AFTER RECESS
2:45 P.M.

Present: Senators Groh, Butrovich, Palmer and Poland
Michael R. Peterson, Deputy Attorney General; Robert F. Schroeder,
Legal Administrator, Department of Law. Myrton R. Charney, Director,
Division of Budget & Management.

ADMINISTRATION
OF JUSTICE

Dept. of Law Sen. Groh called the meeting to order for the purpose of discussing
the budget request from the Department of Law.

Prosecution Under the BRU Prosecution, the First Judicial District requested
one Attorney V and one Legal Secretary I, both located in Juneau.
The Second Judicial District increased slightly due to inflation.

One Attorney V was requested for the Third Judicial District, to
be stationed in Anchorage but serve Bethel and Kodiak. Sen. Poland
said there was no attorney in Kodiak and they shared one with
Kenai, making both communities unhappy. The attorney would fly to
Kodiak the night before a case and be unprepared. Sen. Poland
added she had received resolutions from Kenai supporting the
addition of an attorney in Kodiak, and with Kodiak Western Airlines
the attorney would be available to Bethel also. A District Judge
is stationed in Kodiak full time and a Superior Court Judge flies
in once a week, continued Sen. Poland. Mr. Peterson agreed that the
current Kenai/Kodiak arrangement was not acceptable. Sen. Groh
noted there were 776 cases in Juneau and the Kenai/Kodiak office
handled 746; therefore, on a cases filed basis there was as much
business in this region as in Juneau.

Sen. Groh stated the bulk of problems due to pipeline impact would
be in the South Central District and this portion of the budget
should be increased. Mr. Peterson said the impact budget requested
four additional attorneys; one for Anchorage, two for Fairbanks,
and one for Valdez, in addition to the two attorney positions
requested in the regular budget.

Sen. Poland returned to the question of an additional position for
Kodiak, and said she would not be satisfied until a District
Attorney was stationed there. It was her belief that fishing
fines would more than pay for his salary. Mr. Schroeder said one
of the problems with stationing an attorney in Kodiak would be the
need to set up an office with clerical help. In talking with the
Division of Buildings and the Space Allocation Manager, Mr. Schroeder
was not aware of any available office, even in the new building.

Referring to the Fourth Judicial District, the budget request was \$334,800 and the committee had no questions. Sen. Palmer asked the reaction of the Dept. of Law to the creation of a Fifth Judicial District, to which Mr. Schroeder replied a fiscal note had not been requested and he was unprepared to discuss at this time.

GENERAL
GOVERNMENT

The committee referred to Legal Services, in the program category General Government

Legal
Services

Sen. Groh questioned the increase in Personal Services for new positions to carry out the Uniform Reciprocal Enforcement of Support Act, to which Mr. Peterson replied the department currently had one attorney handling the workload and he was swamped. The department has drafted legislation with the hope that the jury trial could be eliminated under URESA, as one attorney could not handle 50 to 100 jury trials which could occur under the present statute. Discussing the program, Mr. Peterson said the amount of money involved was not that much, but for a woman and family depending on the support money it was essential. The state was the only party that had responsibility for appropriate action. Mr. Schroeder added the act included an interstate agreement to handle cases where the father leaves the state. Other states can thus enforce the support order. Replying to questions, Mr. Peterson said the department attempted to screen applicants under this program, and had never received court appointed fees for their efforts. Sen. Poland noted Mr. Yankee from West Virginia had testified on reducing welfare, and he had stated families would be off welfare roles if the father paid the support.

Sen. Groh questioned the request for \$38,400 for post Native Land Claims litigation. Mr. Peterson said the department had an attorney in the Anchorage office for Native Land Claim questions and they expected litigation in this field, particularly with the pipeline problems which will develop. He added this would be litigation between the state and the natives over land problems and selection.

\$70,000 was requested for contractual services for legal counsel in Washington, D. C., and Mr. Peterson explained the attorney in Washington was Mr. Guy Martin, representing the state.

Sen. Groh noted the \$200,000 requested for a gas line study and said everybody was doing a gas line study. Mr. Peterson stated there was now a tremendous furor shaping up on the subject of a gas pipeline and the study would approach the problems the state will be facing with natural gas. He added that if the state was

going to the FPC to argue about the transportation corridor, they would need information and professional work not available within the department now. Mr. Schroeder noted the request was under Contractual Services rather than Personal Services, which would allow the department to get results without adding permanent employees.

Sen. Groh referred to statistical information published showing employees and expenses of the Attorney Generals' offices throughout the western states based on population, with Alaska ranking very high on the lists. Mr. Peterson said a possible explanation would be that other states may have solicitor arrangements within the departments; however, Mr. Schroeder received a copy of the book and tables and would report back to the committee.

The meeting recessed at 3:30 P.M.

AFTER RECESS
4:10 p.m.

Present: Senator Groh, Senator Palmer and Senator Poland. Senator Silides was also present.

From the Department of Highways, Commissioner Bruce Campbell, Tom Johnson, Bruce Freitag, and Dick Chitty; Myrt Charney, Budget & Management, were also present.

GENERAL GOVERNMENT

Dept. of
Highways Senator Groh called the meeting to order and said the committee
Highways would consider the budget for the Highways Working Capital
Working Fund.
Capital
Fund Senator Palmer asked why this budget should not be cut 15%.
Commissioner Campbell said this is a "slave budget." Whatever
is cut would have to be reflected back into the operating
budget.

Operations

Central Mr. Freitag explained that they had initiated a parts program.
District They now need two additional people for this program
(Equipment Partsman II in Anchorage and a Partsman I in
Juneau).

Mr. Freitag stated that the increase in contractual services,
code 300, is for additional vehicles for FY 75.

There was some confusion in working from the shortforms
and Senator Palmer suggested that the agencies be given
copies of the shortforms before their presentations to
the committee.

Interior Senator Palmer pointed out that commodities had taken a
District large jump (FY 74 Authorized 665.1; Governor's Request
FY 75 787.3). Commissioner Campbell said this is due to
fuel and parts prices. He added that the Governor's
Request is not adequate. Fuel prices are going up and
the prices of parts are going out of sight. He said when
this budget was prepared they were not aware of the fact
there would be such a huge increase.

Southeastern There were three new positions which were allowed by
District the Governor -- Auto Partsman I (Juneau); Auto Mechanic II
(Petersburg); and Bldg. Maint. Foreman (Juneau).

Western District In answer to Senator Palmer, Mr. Freitag noted that the new positions are needed for the local service road in Nome.

Southcentral District No new positions requested in Southcentral.

Adm. & Support \$4,270,000 is shown for the first time as equipment replacement. This was discussed in detail. Mr. Charney stated that this was a budget decision. The \$4 million establishes the reserve account. Mr. Charney added that this makes "good accounting sense."

Mr. Johnson said that \$409,000 of the working capital funds positions such as supply clerks, accounting clerks, etc. (all the people who conduct the activity relative to the working capital fund).

Senator Groh asked if the new accounting system would result in an increase to the departments. Commissioner Campbell said yes. Senator Groh said that the committee's information is that these billings are too high now.

Discussion then followed on what would happen to the budget if there is a pay increase. Mr. Campbell said if there is a retroactive pay increase they will be short \$365,000 through June 30, 1974 and will be \$700,000 short in the budget for 75.

Commissioner Campbell stated that they had budgeted based on a 5% inflation on equipment. He said their equipment cost has gone up 5 to 10%. The cost of vehicles is going up even faster. He stated that they are anticipating being about \$2 million short in the working capital fund. Mr. Campbell said the inflation and cost of equipment that is occurring is astronomical.

Adjourn: After a brief discussion on salvage, the meeting adjourned at 4:55 p.m.

SENATE FINANCE COMMITTEE

March 14, 1974

11:55 a.m.

Present: Senators Groh, Ray, Lewis, Poland, Palmer, Butrovich

Senators T. Miller, Silides; James Cameron, Executive Secretary, APEA: Bill Boardman; Elaine Mitchell, Alaska Educational Broadcasting.

SB 350 &
SB 351

Port
Facilities

Senator Groh called the meeting to order and announced that he has prepared a proposed committee substitute to this bill which allocates the bond proceeds to cities on a formula based somewhat on population. He ran down the list of some of the changes in amounts for various cities. The total remains the same.

Senator Palmer stated that certain of the cities are connected with road systems and have very extensive use by many people coming in from other populated areas. Therefore, if we are going to allocate on the basis of population, we should do it on population served.

Senator Silides spoke in favor of the original bill, for which he is one of the sponsors. He said the original bill uses convenience and necessity as a criteria, rather than population. He said the division in charge of arriving at the figures tried to relate it closely to need, not population.

Senator Silides said no studies have been made on the exact amounts needed, but studies have been made on convenience and necessity, and the original bill reflects this need. Senator Silides commented that State Affairs considered this bill and made a number of amendments. He said he has assembled all of those amendments into a working draft for this committee.

Senator Groh pointed out that in his proposed committee substitute, there is a \$2.6 million contingency to take care of convenience and necessity.

Senator Poland remarked that one of the changes in the committee substitute showed a big drop in the amount allocated for Haines. She stated that Haines draws a tremendous amount of traffic.

Senators Butrovich and Ray said they liked the original bill better than the committee substitute.

Senator Silides pointed out that the amounts proposed in the original bill have to be approved before a dime of the money can be spent. (cities must file applications and plans).

Senator Palmer remarked that last year \$20,000 was appropriated for a study of the Ninilchik harbor. He asked Senator Silides to tell him the results of that study.

Senator Silides said the study, for which only \$14,000 of the appropriated amount was spent, involved Ninilchik and other nearby towns. It was decided that Ninilchik was the place that would require the greatest expenditure as far as a refuge is concerned. He stated that the money in SB 351 is proposed to be used for ports, not to create small boat harbors. Last year's bond issue allocated \$10 million for construction of boat harbors--this bill has to do with construction of port facilities.

Senator Ray further explained that a normal small boat harbor has pilings and floating stalls. With a dock, we are talking about a commercially-used structure.

Senator Ray moved that SB 351 be passed out of the committee with individual recommendations.

Senator Palmer requested that the bill be held in committee for one more day. He said he would like more time to review the committee substitute.

There being no objection, Senator Groh announced that the committee will take up Senate Bills 350 and 351 tomorrow.

Senator Groh said the committee will consider the state employees' pay bills at 2:00 p.m. today.

The committee recessed at 12:12 p.m.

AFTER RECESS
2:10 P.M.

Present: All members with the exception of Senators Lewis and Sackett.
Senator Terry Miller, Representative Oral Freeman.
Bob Stephens, Executive Director; Jim Cameron, Acting Executive
Secretary, Alaska Public Employees Association.
Joe LaRocca, Elaine Mitchell, reporters.

Senator Groh called the meeting to order for discussion of the
state employees salary increase bills.

SB 450

Referring to Senate Bill No. 450 (relating to pay for state
employees), Sen. Groh noted the committee had voted to report
this bill from committee with an amendment and individual
recommendations. An amendment had been drafted for the committee's
approval, inserting a new Section 2 for a 6% pay increase effective
1/16/74 through 6/30/74. Committee discussion followed, and it
was explained that the 6% would be in lieu of the 7.5% increase
approved in the contract negotiations. It was questioned whether
the date should be extended to 6/30/75.

Sen. Miller questioned the intent of the amendment, and Sen. Groh
explained the committee was attempting to set aside the negotiated
contract and substitute a new salary schedule. Sen. Ray said he
could not be a party to a change to what he considered a legal
agreement between the state employees and the State of Alaska. He
continued by saying it was APEA's understanding that the legislature
could change the funding, but could not change the negotiated
agreement. Sen. Groh said it was his understanding that Mr. Henri
had testified the administration would not pay anything the
legislature did not fund; whereas Sen. Ray said that if the
legislature did underfund it was up to the administration to
eliminate positions so the remainder could be paid 100%. The
administration could ask state employees to pro-rate the agreement;
however, Sen. Ray believed this would result in state employees
seeking an injunction against the state. After further discussion,
Sen. Butrovich asked to withdraw the amendment. Sen. Ray amended
the withdrawal request to eliminate only Section 2 of the amend-
ment and retain the new subsection (5) and the new Section 3.
There was no objection and the revised amendment was unanimously
adopted.

Sen. Ray moved to change the language on line 11 to "earned by the
officer or employee of the state" to which there was no objection.

Sen. Palmer noted the committee had previously approved inserting the word "retroactive" on line 6, after the word "to" and before the word "pay". The committee agreed this should be included in the amendment.

Sen. Butrovich moved and asked unanimous consent to report SB 450 from committee as amended. No objection, so ordered.

SB 451

Senate Bill No. 451 (Supplemental appropriation to Dept. of Administration for employee pay increases) was brought before the committee. Sen. Butrovich moved and asked unanimous consent to delete lines 6 through 10, thereby eliminating employee benefits, and change the funding in Section 2 accordingly. No objection, so ordered. Sen. Palmer moved and asked unanimous consent to report SB 451 as amended from committee with individual recommendations. No objection, so ordered.

SB 449

Senate Bill No. 449 (relating to pay for state employees) was brought before the committee. Sen. Palmer said he believed Sen. Ray had suggested the top funding of \$180 for ranges 24 through 28, and Sen. Ray said these ranges were not part of the negotiations. After discussion, the committee adopted an amendment to add \$180 to the old salary schedule for ranges 24 through 28. Sen. Groh moved and asked unanimous consent to report SB 449 as amended from committee with individual recommendations. No objection, so ordered.

Recess:

The meeting recessed at 3:00 P.M., to reconvene at 8:30 A.M., March 15, for final approval of the amendments and signing of the committee report.

AFTER RECESS

3:10 p.m.

Present: Senator Groh and Senator Poland. From the Department of Revenue, Commissioner Stevenson, Phil Wall, Charles Pyles, Ken Simpson, and Gerald Heier; and Myrt Charney, Budget and Management, were also present.

GENERAL
GOVERNMENT

Dept. of
Revenue
Motor
Vehicle
Reg.

Senator Groh called the meeting to order and said the committee would consider the budget for the Dept. of Revenue, Motor Vehicle Registration.

Commissioner Stevenson introduced the personnel from the Department of Revenue.

Mr. Charles Pyles, Director of the Division of Motor Vehicles, read a prepared statement on his budget (see Department of Revenue file). Three specific areas of change are: (1) increase in cost of forms for new license plates; (2) postage increase -- the 25% increase will result in a need of an additional \$10.0; and (3) rents and utilities - FY 75 request shows \$59.0 for rent for the Anchorage Motor Vehicle Office - since budget submission this office has been forced to move to a new location -- the rent and utility needs in the new facility are \$71.0.

Mr. Kenneth Simpson, Registrar, gave a presentation on the Abandoned Motor Vehicle Program (filed in the Department of Revenue file).

Senator Groh asked if they pay the Anchorage Borough for this program. Mr. Simpson said if they had the funding they would be paying the amount the Greater Anchorage Borough expends. Mr. Simpson stated that there was more to this program than just picking up abandoned vehicles-- they have to search for the registered owners. Senator Groh asked how much it could cost to enforce, implement and carry out this program for the entire state. Mr. Simpson said what had been requested in earlier legislation (HB 426) was \$450.0. He said this amount would be needed initially and could go downward on a maintenance basis.

Senator Ray entered the meeting.

Mr. Simpson stated that his report on Abandoned Motor Vehicle Program explains the plan and implementation throughout the state.

Senator Groh asked if license plates had ever been made by Alaska's correctional institutions. Mr. Wall stated that they had not -- they are made by a private contractor in Oregon. Mr. Wall said that this costs about \$75.0 a year and if they were manufactured in Alaska they estimated it would cost about half this amount. Senator Groh suggested that a proposal by which this could be done be presented to the committee.

Fiscal Services

Revenue

Collection Mr. Heier explained this BRU. There are 18 positions.

Property The Texas consulting firm has a contract for \$225,000

Tax per year. Senator Groh asked how many pipelines they have to assess. He pointed out that the Kenai pipeline has already been assessed. Mr. Heier stated that they have to make new assessments. The State assesses the property and turns this over to the municipalities. Senator Groh asked then if the State is relieving the municipalities of this. Mr. Heier said yes, on the oil and gas property.

Senator Groh referred to the Texas consulting firm. He asked how much the contract is for this year. Mr. Heier answered "approximately \$110.0." Senator Groh asked how many of the 18 positions will be filled in FY 75. Mr. Heier said this was hard to answer. Part of the contract is for training personnel. Senator Groh asked if we contract with this firm, why do we need the in-house appraisors? Mr. Heier said they would like to phase out the contract so they have in-house capabilities.

Senator Groh questioned the review board being in this budget. Senator Groh asked that the Department propose legislation which would make the review board separate. He did not feel that the review board should be responsible to the director of this program. The person who does the assessment should not have any administrative authority over the person who reviews the assessment. Mr. Heier said that the board would hire the executive director and he would be responsible to them -- not to the director of the program.

Senator Groh pointed out that the program has gone to -0- to \$664.0 in "one swoop." Senator Ray questioned the need for 18 persons in the program. Senator Groh stated that they are bringing all these professional positions in while at the same time they are paying \$225.0 to the Texas firm. He suggested the in-house capabilities could be supplied at a later date when the State could better afford it. Mr. Heier said that the owners of the pipelines have a very strong interest in this -- they have to have people who are qualified.

Senator Groh thanked the personnel from the Department of Revenue for their presentation.

Office of
the Governor Mr. Ed Anders spoke on the budget for the Governor's
 Office. He said the budget is maintenance level. Senator
 Executive Groh said he thought the travel request is too low.
 Direction Mr. Anders said the Governor has a strict policy on
 Executive travel.
 Office
 Executive There were no questions on Executive Mansion.
 Mansion
 Contingency In answer to Senator Groh, Mr. Anders said he thought
 Fund approximately \$24.0 had been spent in the Contingency
 Fund and they would probably lapse well over \$200.0.

Lt. Governor Mr. Larry Jones presented the budget for the Lt. Governor.
 He stated that the main increase is in personal services.
 They are asking for one new position -- an Administrative
 Assistant. He stated that the Lt. Governor operated with
 only 4 clerical position. There is no one with technical
 experience and they feel this new position is necessary.
 Senator Groh asked if this new position is needed for work
 on the Administrative Code. Mr. Jones said yes, and for
 other services. He said this new position is "most important
 when the Lt. Governor is out of town." Senator Ray asked if
 this new position is an attorney. Mr. Jones said they do
 not have anyone in this position -- it would not necessarily
 be an attorney. Senator Ray stated that he thought the
 Administrative Code work should be done by the Attorney
 General's Office. Mr. Jones said there is a matter of
 coordinating efforts of the publishing company and he felt
 this could be best handled by the Lt. Governor's office.
 Mr. Anders pointed out that the work of the Administrative
 Code is not necessarily legal work. Senator Groh asked if
 they had considered having this done by Legislative Affairs
 or the Department of Law. Mr. Anders said this should be
 given some consideration but the Lt. Governor is charged,
 by statute, with this function.

Senator Ray asked if it wouldn't be more correct to say
 the Administrative Assistant would be the Lt. Governor's
 representative when the Lt. Governor is not there. Mr. Anders
 said the AA would take care of the Code plus the other normal
 functions of the office. Mr. Jones pointed out that the Lt.
 Governor is on a number of boards and commissions.

In answer to Senator Groh, it was noted that \$22,100 for
 professional fees funds hearing officers. The Governor
 appoints hearing officers and the Lt. Governor's Office
 pays these fees out of this budget.

Planning Mr. Robert Pavitt and Mr. Jim Wiedeman appeared before
 & the committee for a presentation on the Planning and
 Research Research budget.

Mr. Pavitt gave an overview of the responsibilities of his office. He stated that his budget has no additional personnel; however there is a \$100,000 item to conduct a state employees' rural housing study. Senator Groh felt that there should be five employees (within the system) who could conduct this study. Mr. Pavitt stated that this is not part of their program but it was felt the study was needed and was included in their budget because of their agency's experience in contracting.

There was a detailed discussion on funds that had been transferred to the Department of Community and Regional Affairs. Senator Ray questioned why these HUD funds did not require a match by Planning and Research and the budget for the Dept. of Community and Regional Affairs indicated a match. Mr. Wiedeman explained they receive two sections of funds from HUD -- (1) statewide planning funds and (2) community planning funds. The match always has to be provided for the use of the funds. But on the community planning funds the Planning & Research agency accepts the funds and turns them over to the Department of Community and Regional Affairs and the Department has to provide the match. Senator Ray felt this should be better explained in the budget book.

Senator Poland asked when the recommendations on the rural housing study would be ready. She said there are a lot of problems and many people are unhappy. Some people are paying \$100 a month while other people pay \$300 a month for the same place. Senator Groh agreed that the study was needed but felt it could be done by someone employed by the State.

Public	Mr. Ed Tompko, Executive Secretary of the Alaska
Service	American Revolution Bicentennial Commission spoke
Bicentennial	on his budget. Mr. Tompko said that he had been on
Commission	board since July 1 and has been working throughout
	the State in an effort to generate enthusiasm for this
	program.

In answer to Senator Ray, Mr. Tompko said they are hoping to receive \$220.0 before July 1. He said the federal government has appropriated funds but the State has not received this yet.

Mr. Tompko said that he had asked for two new positions -- an Administrative Assistant III and a Clerk Typist III. The Governor's Budget Review Committee had allowed the Clerk Typist and disallowed the Administrative Assistant.

Mr. Tompko said he had asked for an Assistant because he anticipated doing a better job of covering the entire State. Mr. Tompko said he and his secretary are located in the McKay Bldg. and when they are both gone there is no one to answer phones, etc.

Senator Ray said he felt this was a worthwhile program and he fully supported it.

Police Standards Council Mr. Dick Pegues spoke on the Police Standards Council. In answer to Senator Ray, Mr. Pegues stated that LEAA advances funds to the Police Standards Council. LEAA gave them 48.2 this fiscal year and 30.0 for FY 75.

Senator Groh asked what legislation or recommendations have been made by the Council. Mr. Pegues said, to date, they have not made any.

Elections

Regular Elections Mrs. Dorothy MacKenzie, Director of Elections, appeared before the Committee. She stated that the Division is responsible for the administration of all state and municipal elections.

Mrs. MacKenzie stated that their budget request for FY 75 is 808.3 and they are requesting one new position -- a Clerk III in Fairbanks. She stated that they hope to implement the Data Vote System in Fairbanks, Anchorage and Juneau.

Senator Groh questioned the need for \$22.0 for overtime. Mrs. MacKenzie stated that during an election year the overtime is a necessity. She stated they sometimes work 24 hours straight.

Mrs. MacKenzie noted that there are 433 precincts and each one of these requires a board (consisting of 4 persons). She stated they were paid \$3.50 per hour. This was briefly discussed.

Mr. George Peacock stated that he is on contract with Elections for the installation of the Data Vote System. He spoke on the merits of this system.

Adjourn: Senator Groh thanked Mrs. MacKenzie for her testimony and the meeting adjourned at 4:45 p.m.

SENATE FINANCE COMMITTEE

March 15, 1974

8:55 A. M.

Present: All members with the exception of Senators Lewis and Sackett. Senators Terry Miller, Jalmar Kerttula. Bob Stephens, Executive Director; Jim Cameron, Acting Executive Secretary, Alaska Public Employees Association.

SB 449 Sen. Groh called the meeting to order. Copies of the amendments
SB 450 for Senate Bill No. 449 (relating to pay for state employees),
SB 451 Senate Bill No. 450 (relating to pay for state employees), and
Senate Bill No. 451 (supplemental appropriation to Dept. of
Administration for employee pay increases) were distributed to
committee members.

SB 449 Sen. Groh noted the amendment to SB 449 showed the effect of
the committee's decrease in the salary schedule on ranges 24
through 28. Sen. Groh asked if the amendment had been prepared
in accordance with the committee's desire and the committee
approved it as written.

SB 451 Referring to SB 451, Sen. Groh noted the amendment appropriated
for the retroactive pay increase and the general pay increase
through June 30, 1974. Sen. Ray objected to partial funding
from the PERS excess fund of \$4.5 million and vacancy reserves
of \$2.0 million, and said he was not convinced that this money was
available. He also thought these funds, if available, should be
used in SB 448 rather than SB 451. Sen. Miller's opinion was it
didn't matter where the money was spent, and approved of using it
rather than putting \$4.5 million in the retirement fund. Sen.
Groh asked if these reserves would only exist for FY 74 and would
lapse if not used. After further discussion, the majority of the
committee accepted the amendment and signed the committee report.

SB 450 The amendment for SB 450 was accepted as written and the committee
signed the committee report.

The meeting recessed at 9:10 A.M.

SENATE FINANCE COMMITTEE

March 15, 1974

11:10 a.m.

Present: Senators Groh, Ray, Butrovich, Palmer, Lewis, Poland

Senator Silides, Bill Boardman; Elaine Mitchell, Alaska
Educational Broadcasting; Stuart Hall, Legislative Affairs

SB 350 Senator Groh called the meeting to order and announced that the
& SB 351 committee will be discussing several bills, including Senate
Bills 350 and 351 relating to port facilities.

Port
Facilities Senator Silides distributed copies of a proposed Senate Finance
Committee substitute for SB 351 which provided for a \$25 million,
rather than a \$20 million g.o. bond issue for port facilities.

Senator Groh thought the amount for each community should be
determined using population as a criteria. Senators Palmer,
Ray and Silides felt that the criteria should be based on need
or trade area served.

Bill Boardman, who represents Ketchikan, testified that there is
a statewide need for this type of facility. He said that the
Division of Water and Harbors came up with the figures in the
proposed committee substitute. He said they do not have
detailed engineering feasibility studies on every project, but
they have looked at every one of them, and so the figures are
in the "ballpark." He said the division considered the population
concept, and rejected it. He acknowledged that the figure for
Anchorage (\$2.5 million) is too low. He pointed out that some
of the projects will not get off the ground because of the
matching fund requirements.

Senator Palmer requested that if Ninilchik is removed from this
list, that the Senate Finance Committee write a letter to the
Department of Public Works requesting that Ninilchik's project
be funded out of the \$3.5 million which is unappropriated from
a bond issue passed last year for boat harbor facilities.

Senator Silides explained that last year a \$10 million bond issue
was passed for small boat harbor facilities, of which only \$6.5
million has been obligated. \$3.5 million has never been obli-
gated. This is what Senator Palmer is speaking of.

SB 351 Senator Poland moved that the amount of the bond issue in SB 351
be set at \$25 million. The motion failed.

Senator Groh moved that the amount of the bond issue in SB 351
be set at \$20 million. The motion passed by a vote of 5-1.

Senator Groh noted that Legislative Affairs had suggested that
in Section 2, line 8 of the work draft that the phrase
"notwithstanding the provisions of AS 24.30.037" be inserted
after the word "and" in that line.

There being no objection, the motion was adopted.

Senator Ray moved that the allocation for Anchorage be set at \$4 million. The motion failed.

Senator Groh moved that the allocation for Anchorage be set at \$3.5 million. The motion was adopted by a 4-2 vote.

Nome: There being no objection, Nome's allocation was set at \$2 million.

Ketchikan: There being no objection, Ketchikan's allocation was set at \$1.5 million.

Wrangell: Senator Lewis moved that Wrangell's allocation be set at \$1.5 million. There being no objection, it was so ordered.

Juneau: Senator Ray moved that Juneau's allocation be set at \$1.5 million. The motion was adopted.

Bethel: Senator Ray moved that Bethel's allocation be set at \$1 million. The motion was adopted.

Kodiak: There being no objection, \$1 million was allocated to Kodiak.

Homer: There being no objection, Homer's allocation was set at \$1 million.

Cordova: Senator Poland moved that Cordova's allocation be set at \$1 million. The motion failed by a 3-4 vote. Cordova was deleted from the list.

Ninilchik: Ninilchik was deleted from the list.

Haines: Senator Ray moved that Haines' allocation be set at \$750,000. The motion was adopted.

Unalaska: Senator Poland spoke in favor of the allocation for Unalaska. Senator Silidies explained that the Corps of Engineers is funding this particular project and the amount proposed in this bill for Unalaska would be the city's matching share.

Senator Poland moved that Unalaska's allocation be set at \$750,000. The motion was adopted.

Skagway: Senator Ray moved that Skagway's allocation be set at \$750,000. The motion was adopted.

Dillingham: Mr. Boardman felt that this request could be "trimmed" by a couple of hundred thousand. Senator Butrovich moved that Dillingham's allocation be set at \$250,000. The motion was adopted.

Seward: Senator Ray moved that Seward's allocation be set at \$500,000. The motion was adopted.

Pelican: Senator Groh moved that Pelican's allocation be set at \$100,000.

Amendment by Lewis: Set Pelican's allocation at \$200,000.

Amendment by Ray: Amend motion to set Pelican's allocation at \$250,000. This motion passed by a 4-2 vote.

Kenai: Senator Palmer moved that Kenai's allocation be set at \$700,000. The motion failed by a 3-4 vote.

Senator Ray moved that Kenai's allocation be set at \$500,000.

Senator Lewis moved that we take \$200,000 off of Seward and put in on Kenai.

Senator Poland moved that Kenai be allocated \$500,000.

Amendment by Palmer: Set Kenai's allocation at \$650,000. This amendment by adopted by a 5-1 vote. (No cut for Seward)

Kotzebue: Senator Groh moved that Kotzebue's allocation be set at \$300,000. The motion failed.

Senator Ray moved that Kotzebue's allocation be set at \$350,000. The motion passed by a 4-2 vote.

Angoon: Senator Groh moved that Angoon's allocation be set at \$250,000. Senator Ray objected to this cut. The motion was adopted by a 5-1 vote.

Valdez: Senator Ray moved that \$500,000 be allocated to Valdez. The motion was adopted 5-1.

Tanana: Mr. Boardman stated that he felt that if any of the amounts are too high, it would be St. Marys, Dillingham and Tanana. Senator Groh moved that Tanana's allocation be set at \$150,000. The motion was adopted unanimously.

St. Marys: Senator Groh moved that St. Mary's allocation be set at \$150,000. The motion was adopted unanimously.

At Senator Palmer's request, the committee took a 2 minute recess at this point. 11:56: the meeting reconvened.

Senator Palmer announced that he has no objection to withdrawing Kasilof from the list. There being no objection, Kasilof was deleted from the list.

Sitka: Senator Groh moved that Sitka's allocation be set at \$700,000. Senator Ray objected to this cut. The motion was adopted by a 4-2 vote.

Senator Palmer moved that the Finance Committee write a letter to the Department of Public Works asking that Ninilchik's project be funded out of the remaining funds from last year's bond issue for small boat harbor facilities.

The motion was adopted by a 4-2 vote.

Senator Ray moved and asked unanimous consent that Senate CSSB 351 be passed from committee with a "do pass" recommendation. There being no objection, it was so ordered.

SB 350

Senator Silides recommended a change on the work draft of Senate Committee Substitute for SB 350 in Sec. 30.30.030, sub-paragraphs (1) and (2). He suggested that the population criteria in sub-paragraph (1) be changed from 2,000 to 3,000. In sub-paragraph (2) the population would read "3,000 - 25,000" population. This will allow communities such as Bethel, Seward and Cordova to qualify under the 90% grant.

Mr. Hall recommended that the 5th line of sub-paragraph (b) in Sec. 30.30.020, be changed to delete the words "or may not be". These words are superfluous. There being no objection, the committee agreed to this change.

Senator Ray moved to adopt the language as shown for Sec. 30.30.030 (leaving population figures at 2,000)

Amendment by Palmer: Change sub-paragraphs (1) and (2) from 2,000 to 3,000.

Amendment by Groh: Change the language to read as follows:

"(1) 90 per cent of project costs for municipalities under 3,000 population;

(2) 80 per cent of project costs for municipalities of over 3,000 population."

DELETE sub-paragraph (3) which reads:

(3) 70 per cent of project costs for municipalities over 25,000 population."

Senator Ray called for the question. Senator Groh's amendment failed by a vote of 3-4.

The motion of Senator Palmer to change the figures from 2,000 to 3,000 was adopted by a 5-1 vote.

Senator Ray moved and asked unanimous consent that the committee put out Senate CSSB, as amended, with individual recommendations. The motion was adopted unanimously.

Members signed the committee reports as follows:

SB 351:

"Do Pass"

Senators Ray, Poland, Butrovich,
Palmer, Groh, Lewis

SB 350:

"Do Pass"

Senators Ray, Poland, Butrovich,
Palmer, Groh, Lewis

SB 400 The committee, at Mr. Carlson's request, deferred consideration of SB 400 until later next week.

SB 466 SB 466 is an act making a special appropriation of \$100,000 to the Governor's office for a study of the capital move issue.

Senator Ray moved that SB 466 be passed from committee with individual recommendations.

Senator Butrovich asked if the capital move issue will appear on the primary ballot. Senator Groh replied that if the Legislature adjourns before April 27 or 28, it will be. If not, it will appear on the General Election ballot. The effective date of the bill is the day after it passes.

Senator Groh stated that there is \$100,000 in the Planning and Research budget request for a rural housing study. It is possible to eliminate that and have the money for this study.

Senator Ray's motion passed by a 4-2 vote. Members signed the committee report as follows:

"Do Pass"

Senators Ray, Poland, Butrovich,
Palmer, Groh, Lewis

CSSB 267
(am)

CSSB 267(am)(Rules) is an act relating to health education.

Senator Ray moved that CSSB 267(am) be reported out of committee with individual recommendations. The motion was adopted.

Members signed the committee report as follows:

"Do Pass"

Senator Poland

"Do not Pass"

Senators Lewis, Butrovich

"No Recommendation"

Senators Groh, Ray, Palmer

Recess

The committee recessed at 12:20 p.m.

AFTER RECESS

1:40 p.m.

Present: Senator Groh, Senator Poland and Senator Butrovich. From the Department of Administration, Commissioner Joe Henri, Deputy Commissioner Dick Freer, and Myrt Charney were also present.

Joe LaRocca, news reporter, was also present.

GENERAL GOVERNMENT

Dept. of
Administration Senator Groh stated that the big increase in the
Exec. Admin. Commissioner's Office is for rental (ASHA Debt
Exec. Dir. Service) and Insurance. Commissioner Henri pointed
Off of out that the new State Office Bldg. is being paid
Comm. Admin. off in 11 years. Senator Groh said they had discussed
the possibility of refinancing this and it was his understanding
Commissioner Henri is checking into this.

Internal There were nine new positions requested in Internal Audit.
Audit (The shortform noted that five of these positions had been
added by the Governor.) Commissioner Henri stated that
"a lot of these are funded by federal receipts." The federal
programs they have going require these, he added. Mr. Henri
said that the Budget Review Committee had made the decision
to audit the school foundation program payments.

Senator Groh stated that there has been no auditing of the
municipal revenue sharing because the legislature has not
given this direction. He stated if the legislature changed
the revenue sharing formula he assumed there would be audit
obligations. Senator Groh felt that the legislature should
do this as there are substantial sums of money in revenue
sharing.

Admin. In the Administrative Services BRU, they are requesting
Services two new positions (Accounting Clerk III's) to replace PEP
employees. Mr. Freer stated that they have assumed this
program will not be continuing.

Budget Mr. Charney stated that they are requesting two new positions
& in Budget and Management. One of these positions is an
Manage- Associate Planner. Mr. Charney stated that both the House
ment Finance Committee and the Executive branch have expressed
concern about the control of capital projects. The Associate
Planner will assist with this. Mr. Charney said they now
have one person on this program and he is overworked.
Mr. Charney stated that the Accountant III position relates
to control of appropriations on restricted receipts. He
stated there has been "very little control in the past" on
this.

Personnel

Minority Training A discussion followed on the Minority Training program. Commissioner Henri indicated there are about 40 persons a year who go through this program. In answer to Senator Butrovich, Mr. Henri said he felt this has been a successful program. Senator Groh stated that the committee had heard testimony this program more appropriately belongs in the Department of Labor. Mr. Henri pointed out that this program "is strictly for the state government."

Recruit & Exam \$50.0 is requested in contractual services to fund the services of a Psychometrist (Test evaluator). Senator Poland stated that she had heard complaints that the tests given by the state are not related to the jobs they are seeking. In answer to Senator Poland, Mr. Henri stated the \$50.0 will help this problem. Mr. Henri stated that the federal Department of Labor has the Equal Employment Opportunity in Alaska delegated to the Department of Interior. A person from this agency has reviewed several state departments (SOS, Education, Public Safety) and has served notice that the state must respond to a change in their system. If the state does not respond, it was indicated that the state would lose a great deal of federal money. Mr. Henri said they had looked at the minority in the system and considered this proof that the tests are calculated to keep out minorities.

General Training The reduction in this budget is due to the dropping of a one-time training grant under the federal Intergovernmental Personnel Act.

Classification & Pay No questions

Employee Relations There are three new positions requested - 2 Personnel Analyst III's and 1 Clerk Typist III (Juneau).

Administration A Deputy Director is requested in Administration. Commissioner Henri said this is the only division that does not have a deputy. Mr. Charney said the need for this position became very evident when the Director was away from his office during recent contract negotiations.

Accounting

Pre-Audit Mr. Henri stated that the Pre-Audit budget is very modest. Mr. Henri said this division is not actually doing pre-audit work. They provide a "batching of vouchers to be sent to key punch," Mr. Henri added. He stated that this is a great deal of concern to him as he is charged by statute with pre-auditing. He stated that he is relying almost entirely on the certifying officers in the departments.

Payroll

Accounting Commissioner Henri stated that, depending on the Tri-Trades contract, it may be necessary to request two more positions for payroll.

General Services

Purchasing

A Specifications and Standards Engineer is requested to head up an internal specifications and standards review committee aimed at developing quality standards on all supplies, materials and equipment purchased by the State.

Mr. Dawson indicated that the Storekeeper II (shown as a new position) has been on board for the last two years by revised program (RP 74-26).

Risk

Management The positions requested (Risk Manager, Loss Control Manager, and Clerk IV) were a continuation of the program established by RP 74-1. Mr. Henri spoke on the merits of this program.

Central Mr. Henri said the Central Mail & Switchboard budget has
Mail & been revised because of the postage increase.
Switchboard

Central

Duplicating No questions.

Archives There is \$48,500 budgeted for costs associated with moving
& Records into the new Records Center Building. Mr. Henri indicated this move should take place during FY 75.

Data

Processing

Serv. to Mr. Henri spoke on the FAST program. There is \$50,000 in
Operating contractual services for the establishment of the basic
Agencies statewide Telecommunications network.

Admin.

& Support No questions.

Telecommunications The Telecommunications budget request is 172.9 and Mr. Henri said this is a continuation of the FAST program It will enable all State agencies to directly communicate with each other.

Labor
Relations
Agency

Mr. Henri explained there are no positions in Administration funded here. This budget provides funding for the Labor Relations Agency.

Retirement
& Employee
Benefits

Mr. Henri said they felt improvement has been made in the retirement system. He said the Department entered into a data processing contract with Warren Endicott and they felt from "here on out we should have a state system that is good."

After a brief discussion on Employee Health Insurance, the Department of Administration personnel left the meeting.

Office
of
the
Governor

Telecommunications

Dr. Charles Northrup spoke on the ATS-F satellite. He stated that this is a communications experiment and the prime interest is to gain actual experience in operating to remote areas. Senator Groh asked what will happen when the federal program ends in FY 75. Dr. Northrup stated that the ATS-F will move to India. He added that they have stressed to all the areas receiving this that it is an experiment and will last for one academic year. Dr. Northrup stated that there are systems in the construction phase that could provide similar services by the 1976 time frame.

A brief discussion followed on the hardware used in the program.

Recess: The meeting recessed at 2:55 p.m.

AFTER RECESS
3:00 p.m.

Present: Senators Groh, Poland, Butrovich, Palmer

Acting Commissioner of Public Works Robert Dwyre; Jim Fennel, Administrator, Division of Buildings; John Benson, Director, Division of Buildings; Sharon Trimble, Budget Section, Dept. of Public Works; Mel Hoversten, Director, Division of Communications; Dave Fulton, Deputy Director, Division of Communications; Catherine Lloyd, Controller, and Vivian Kirkevold, Supervisor - Division of Vital Statistics. Myrton Charney

General Gov't Senator Groh announced that the committee will discuss the Services to State Agencies, Buildings BRU at this time. This appears on page 146 of the short form.

Services to State Agencies Buildings Planning and Design: Mr. Dwyre stated that there has been a large increase in this division's budget request due to the large increase in square footage of buildings to be maintained. Not taking the Building Division into consideration, the overall departmental increase is 8.81% which he considers very nominal.

Planning and Design: Senator Groh stated that the Governor had recommended \$227.8 and had deleted three previously funded positions. What were these positions? Sharon Trimble stated that these positions have never been filled--they are basically capital improvement positions.

Construction Inspection: No questions from the Committee.

Custodial Services: Referring to this element on p. 150 of the short form, Senator Groh noted a substantial increase from last year's authorization (\$1.5 to \$2.3 million). Ms. Trimble said that is caused by a substantial increase in the number of custodial positions. Mr. Dwyre said it is mainly due to custodial contracts. They are going almost entirely to janitorial work by contract. Ms. Trimble said the custodial worker positions requested are permanent part-time for areas where there are no contractual people available.

Maintenance Services. Senator Groh noted that Mr. Dwyre had requested a revision from the \$1.856.4 recommended by the Governor to \$1.899.6. The increase would allow 65 positions rather than the 62 recommended by the Budget Review Committee.

Ms. Trimble stated that new buildings are very costly in the beginning because of initial commodities outlays for maintenance.

Administration and Support: No questions on this element.

Communications Remote Village Radio: Senator Groh asked how the department determined which villages get radios. Mr. Hoversten replied that each requesting village must fill out an application form and answer questions regarding need, availability of other equipment, etc.

Senator Groh questioned what the following statement in the budget meant: "Most of these stations have to be converted by January 1974, rest must be converted no later than September 1977." Mr. Hoversten explained that this is required by FCC regulations--the timetable is set by federal regulations.

Senator Groh asked if the villages pay for any of the equipment or the maintenance on the equipment. Mr. Hoversten replied "no". The State pays for everything. Answering Senator Palmer, Mr. Hoversten said they try not to duplicate services in a village. If there is some other means of communication available, chances are that their division would not provide radios.

Senator Groh asked if the Director could visualize a time when the department could "go out of business." Mr. Hoversten replied "no, not under present State policy." Commissioner Dwyre stated that in the longrun a good many of the facilities could be taken over by local government; and as transportation improves in the areas, communications will improve also.

Senator Groh wondered if we should be in this business. He asked if ultimately, RCA will be in all these villages. Mr. Hoversten replied that RCA is not taking care of the total communication requirement for each village. For instance, there is a ship-to-shore requirement and an aeronautical route requirement and a Public Health Service requirement (where hospitals can talk to all the other villages).

Senator Groh asked what would be wrong with RCA providing telephones. Mr. Hoversten said they would be willing for RCA to do that. However, if people didn't pay their bill, RCA would disconnect their telephones.

Answering Senator Groh as to number of existing stations in the state, Mr. Hoversten estimated there are close to 100.

Senator Butrovich commented that RCA is moving slowly and when they do move, they will go into places where it is economically feasible for them to operate, not necessarily small villages.

Teletype Operations: No questions from committee.

Support to State Agencies: Mr. Hoversten stated that this BRU is for equipment for the various state agencies that the division supports. Mr. Charney said the equipment is mostly mobile and portable radios, repeaters, etc. He explained that by equipping highway department construction equipment, like graders, with radios, they can be more efficiently dispatched, and save time and money.

Senator Groh questioned why the Electronic Technician in Anchorage is being funded out of this RP when it was funded out of airport funds last year. Mr. Hoversten replied that they did not have the money in that (airport) budget this year.

Administration and Support: No questions.

Mr. Hoversten told the committee that their technicians in Anchorage are doing 100% more work than the national average. The men in Juneau and Fairbanks are doing 75% more than the national average. This national average assumes all equipment will be in the shop. Travel time knocks down their these manhours. He stated that they have a lot of older sets they will have to replace. These were bought in California years ago, and California figured they were worn out when they gave them to us. The maintenance costs on these sets are high.

Mr. Dwyre said what Mr. Hoversten is trying to point out is that they developed this year's budget with a great deal of austerity. However, this might be false economy. He is saying that sometime when we can see our way clear, we should deal with the problem in a better manner. They do need more technicians and need to upgrade some of the old equipment which is getting beyond repair.

Senator Butrovich said he is not satisfied with the department's plans for the Interior. What do they have right now for communications around the pipeline? Mr. Hoversten replied that there is no requirement for anything there at this time.

Senator Butrovich wanted to know if it is possible to work with RCA on a contractual basis. Mr. Hoversten stated that we would use the RCA backbone system and place our base mobile equipment on the line. There would be a main control in Fairbanks for each department. The Highway Department will have about 8 to 9 camps along there. He explained that RCA cannot furnish the base station. A governmental agency must furnish that. RCA can furnish the telephone line to control the base station. He said the State would have to buy that equipment, license it and furnish it to the using agency.

Senator Groh questioned the \$6200 for legal fees in the budget. Couldn't the AG's office do that? Mr. Hoversten felt they could not. They must have somebody back in Washington D. C. to help out in getting waivers, and dealing with FCC matters. Mr. Dwyre said the firm they have been using is so highly specialized that they deal solely with FCC law.

Senator Palmer asked Mr. Dwyre to report on a matter that concerns him. This related to people in the Southern Kenai Peninsula putting in \$25,000 to try to upgrade television reception. He said three broadcasters agreed to join a non-profit corporation for this purpose, but nothing at all has been done.

Mr. Dwyre reported that the Department got into this because of the frustration of the people in trying to deal with these three broadcasters, who have no cooperation among them. He said some improved cooperation has resulted, but not much. He said they have had since last August to get some of this work done and have not done it. Neither the broadcasters nor the people were able to handle the matter of getting television translator equipment on some of the armed forces towers, and the State could do this. They also could not acquire a site for putting a

tower on and the State did that. He said they intended to turn the rest of the operation over to them. However, they find now that there may be a good reason why they have been dragging their heels. They have heard that broadcasters do not receive any increase in funds from the advertisers for anything that goes through a translator. He said the program has a couple of dangers: If the broadcasters licensed it, they would have to maintain it. He said depending on what direction they take on this program in the immediate future, there will be some high maintenance costs that can be passed on to the people or assumed by State government.

Vital
Statist-
tics

Senator Groh announced that the committee will now discuss the Vital Statistics budget request. He noted that there is modest budget increase.

Ms. Catherine Lloyd, Controller for the division, stated that it is a pure maintenance budget. They are requesting for a temporary Clerk III position to help with the microfilming project.

Answering Senator Groh as to charges for copies, Ms. Lloyd stated that they charge \$2 for each certification and \$3 for preparing and filing new records. Senator Groh asked if there was any interest in increasing those fees. Mrs. Lloyd said it has been discussed. She said about \$30,000 a year in income is derived from this source.

Senator Groh asked if these fees compare favorably with those charged by other states. Ms. Kirkevold replied that many states charge \$3 for a certified copy and no longer issue free copies. She said the division issues free copies to governmental agencies. Their regulations state that they can waive the fee for governmental agencies.

Ms. Kirkevold said for lengthy searches they charge the minimum wage for a Document Processing Clerk II's time. She noted that their fees have remained the same for years. She pointed out that if fees for copies were raised, only one segment of the population would be paying the increase--the white middle-class. This is because the copies that are furnished free to Alaska Legal Services have mostly native clients. The fee can also be waived if the Welfare Department asks them to.

Ms. Lloyd stated that the commodities line item increased because of the items needed for the microfilming project.

There were no further questions from the committee.

Adjourn

The committee adjourned at 3:50 p.m.

HOUSE/SENATE FINANCE COMMITTEES

March 19, 1974

9:00 a.m.

Present: Representatives Freeman, Warwick, Haugen, Saylor, Specking, Ose and Ferguson. Senators Sackett, Butrovich and Poland.

From the University of Alaska, Dr. Don Moyer, Don DaFoe, and Dick Hogan; and Myrt Charney, Budget & Management, were also present.

U of A
Bonds

Representative Freeman called the meeting to order and said the committees would consider the bond package for the University of Alaska.

Dr. Don Moyer stated that the G.O. Bond package being recommended by the University of Alaska is \$29.2 million.

Dr. Moyer stated for 1973-74 they have a 7% increase in terms of student credit hours. They are presently predicting an increase of 26,000 credit hours for 1974-75. Dr. Moyer said that in looking at the capital improvements for the next two years they used state projections as published by the State Planning Office and population estimates by the Department of Labor to make their projections.

Dr. Moyer listed the following proposed capital improvement projects for FY 1975:

Agricultural Research Center - Kodiak; 500.0.

Agricultural Research Center - Homer; \$300.0.

Dr. Moyer explained that Phase II includes a horticulture research building, slaughter house, fencing and road improvements. In answer to Representative Specking, Dr. Moyer stated that Phase I provided site clearing, access road, and a basic barn for corals.

Senator T. Miller entered the meeting.

Dairy Research Equipment - Palmer - \$150.0.

Dairy Research Construction - Palmer - \$250.0.

Dr. Moyer explained this will construct and equip a 3,500 sq. ft. enclosed and heated calf barn.

C.N.E.R. & I.S.E.G.R. Construction - Fairbanks - \$50.0.

This is \$50.0 to complete the 7th and 8th floors of the Gruening Building to provide additional office space for the Center for Northern Educational Research and the Institute of Social, Economic, and Governmental Research.

Institute of Arctic Biology - Fairbanks - \$10.0.

Equipment Purchase - Geophysical Institute - \$33.0.

South-
central

Classroom & Lab Building - U.A.A. - \$2,400.0.

Dr. Wright asked how many classrooms were involved. Dr. Moyer stated that this program can be quite flexible. This will be determined by the number of laboratories that will be established. Dr. Wright said that they would assume there would be 6 to 8 classrooms and the rest laboratory space. He asked how much it would cost to provide laboratory facilities in the building now under construction at the Sr. College. Dr. Moyer stated that the building under construction does have some lab facilities but they did not feel it would fulfill the need. Dr. Wright suggested that it would be more proper to hold off on a new building until after the study on the Anchorage and Fairbanks campuses is complete. Dr. Moyer answered that the University feels they "have to stay ahead of the needs." He added that this proposed building is flexible and can serve many different purposes.

Dr. Wright said that according to his mathematical projections there will not be a "classroom crunch until about 1980 at the Sr. College and 1978 at the Community College." He said on top of this they are proposing an addition. Dr. Wright stated that the University was not merely keeping on top they were "galloping." Dr. Moyer pointed out that it was not this simple -- it was not possible to use every classroom and every lab for every hour in the day. Dr. Moyer stated that there is also a problem of faculty offices and special labs and this space can be developed into a number of different uses.

Campus Center Complex - U.A.A. - \$9,500.0.

This project is to construct and equip Phase I of the physical education facility on the U.A.A. campus. Two students -- Morgan Reid and Bob Woodward -- spoke on the need for this complex. They stated that their athletic program now involves using high schools in constant rotation for their practice. They felt it would be very desirable to have this facility.

Maintenance Building - U.A.A. - \$1,500.0.

Dr. Moyer said they felt this project is well over due because of the physical plant development in the Anchorage area.

Science Lab Remodeling - A.C.C. - \$475.0.

Senator T. Miller left the meeting.

Lab Equipment - A.C.C. - \$475.0.

Vocational-Tech Lab Equipment - A.C.C. - \$100.0.

Cuddy Bldg. Expansion - A.C.C. - \$300.0.

Theatre & Performing Arts Equipment - U.A.A. - \$300.0.

Library Books, Instructional Materials - U.A.A. - \$275.0.

Dr. Moyer stated that the Regents feel strongly that this is a high priority.

Utilities System Extensions - U.A.A. - \$500.0.

Utilities Monitoring System - U.A.A. - \$200.0.

Providence Avenue Improvements - U.A.A. - \$270.0.

Dr. Moyer said that the City of Anchorage has been behind work on Providence Avenue. This will provide funds to widen Providence Avenue.

Scoter Circle Improvements - U.A.A. - \$500.0.

Dr. Moyer stated that the condition of Scoter Circle is bad. This will provide funds to pave the road and add parking for 300 cars.

Mallard Lane & A.C.C. Street Improvements - \$800.0.

This will provide for the paving of Mallard Lane and the paving of roads within the Anchorage Community College campus.

Land Acquisition - A.C.C. - \$100.0.

Dr. Moyer said they hope to have a three-way trade (City of Anchorage, Native Health organization and A.C.C.) to obtain 20 acres of land (North of Mallard Lane).

Site Improvements & Equipment - Bethel - \$80.0.

Roof Replacement - A.C.C. - \$180.0.

Dr. Moyer explained that the Anchorage Community College's roofing has not held up. They have explored ways to recover this from the builders and architects but have been unsuccessful. In answer to Representative Saylor, Mr. Hogan indicated these buildings are 5 years old.

Campus Student Center - U.A.A. - \$6,000.0.

Dr. Moyer stated that they hope to build a student center with the student fees paying for the debt service. He added that the operation of the building would probably come from the University's budget. Morgan Reid stated that this is their "prime interest." He said there are nearly 8,000 students enrolled and once a university gets to be this size they feel it is time for an activity center.

In answer to Dr. Wright, Mr. Reid said this is the number one priority as far as the students are concerned.

Mr. Reid referred to Dr. Wright's comments on classrooms at the Community College. Mr. Reid stated that at night these classrooms are full.

Total Energy Utilities System - U.A.A. - \$1,500.0.

Mr. Dick Hogan explained that they had proposed two years ago to the City of Anchorage that the University put on campus several gas fire turbines. He stated that the City is prepared to manage such a system provided the University can sell revenue bonds. During the amortization of the bonds the savings would be about 8%. When the revenue bonds are sold they anticipate a savings of about 25%. Mr. Hogan stated that they are putting in a grant application to HUD and hope to be one of the pilot projects. They hope to get as much federal money as possible. Representative Specking asked if they had reached a long term contract on the supply of gas. Mr. Hogan said they have had a series of conversations with Anchorage Natural Gas and they do not see any problem in the next 20 years in supplying the University with gas. He added that there is a 10 inch natural gas line that runs right through the campus.

Parking Structure - A.C.C. - \$3,000.0.

Dr. Moyer stated that they have parking problems at A.C.C. They have looked into the possibility of remote parking areas (with people being bussed in). He said they are facing the inevitable -- they have to go to parking structures. Dr. Moyer said they need authorization to get into the business of revenue parking.

Dr. Wright asked about the parking policy at the main campus at Fairbanks. Dr. Moyer said they had a fee of \$50 for reserved parking (per semester). There was a lot of controversy and this has since been reduced. There was a brief discussion and the meeting recessed at 9:55 a.m.

Recess:

JOINT SENATE/HOUSE FINANCE COMMITTEES

March 19, 1974

1:30 p.m.

Present: Senators Groh, Ray, Poland (Senate Finance)
Representatives Freeman, Haugen, Specking, Warwick, Ose,
Ferguson (House Finance)

Senator Silides; C. A. Champion, State Pipeline Coordinator;
O. K. "Easy" Gilbrith, Deputy State Pipeline Coordinator;
Max Brewer, Commissioner, Department of Environmental Conserva-
tion; Jerry Reinwand, Dputy Commissioner, Department of
Environmental Conservation; Al Eagle Administrative Officer,
Department of Environmental Conservation; Mike Smith, Chief of
Habitat Department of Fish and Game; Myrton R. Charney, Director,
Division of Budget and Management

Joe LaRocca, news reporter

Office
of
Pipeline
Coordina-
tor

Senator Groh called the meeting to order in the Governor's
Conference Room and announced that the committees will hear
a presentation on the Pipeline Coordinators budget.
He asked Mr. Champion to give an overview of what his depart-
ment will be doing.

Mr. Champion explained that the Office of Pipeline Coordinator
was established by the Governor to do field surveillance and
design review on the portion of the pipeline running across
State lands. A federal pipeline coordinator will have authority
for those portions that fall on federal property.

The department's function is to monitor pipeline construction
to insure minimum adverse environmental impact to the State.
He said separate budget proposals will be presented later by
Mr. Smith and Dr. Brewer which relate to their departments'
involvement in the monitoring responsibility.

Mr. Champion displayed a series of charts relating to six
different segments of pipeline construction which included
an outline of the department's activities involved in each
segment. Mr. Gilbrith then handed out sheets containing
organizational charts, segments of construction, and number
of man days estimated for monitoring pipeline construction in
FY 74 and FY 75.

Representative Haugen entered the meeting.

Senator Groh asked if they presently have an agreement with
Aleyeska for reimbursement for these state employees. Mr.
Champion said he has discussed this with Aleyeska officials
and they agree with the scope and functions shown on the
charts, including the Fish and Game portion. He said this
is also within Section 18 of the Right of Way Lease Agreement.

Senator Groh said he understands that pipeline construction will not proceed in 1974--that it will start in 1975. Mr. Champion said that is not correct. He said he has indications from Aleyeska that pipeline construction will commence this year. He read from the list on Segment #1 indicating the work that will be done in 1974, i.e., site clearance, hauling pipe to stockpile areas, blasting work in Keystone Canyon, etc. He conceded that while it is possible that some pipe may be laid in 1974, it is not probable.

Representative Ferguson entered the meeting.

Mr. Champion explained that their charts reflecting estimated man days have been tied to Aleyeska's proposed construction schedule. Mr. Champion said that Segments 4 and 5 of the construction are mostly on federal lands, except on the stream crossings; therefore, there will be very little State involvement on these segments.

Mr. Champion then displayed a summary sheet showing total number of people and man days estimated for 1975. He said they will have 8.4 people at any given time in the field to do right of way surveillance work or inspection prior to construction. He stated that all the people in the field will be reimbursable from Aleyeska.

Explaining the staffing of the department, Mr. Champion stated that there will be an administrative officer with a staff for the accounting functions, an environmental officer, the fish and game people; and the rest of the staff are people they will draw on an ad hoc basis. There will be a total of 8.4 men in the field from this group, plus six in the field as surveillance men, for a total of 14 field men.

Senator Silides was concerned about Segment 5 (Dietrich Pass). He asked who will be responsible for being sure that we do not lose the highway, noting that it is important to the State that it remain passable. Mr. Champion replied that that problem has been resolved. He said Senator Silides is referring to the relative location of the pipeline and the highway. He said the highway is a separate project administered by Bruce Campbell, and Mr. Campbell will be doing his own surveillance. The environmental impact of it will be determined just like any other highway project.

Representative Freeman, referring to the last sheet passed out by Mr. Champion, asked if he understood correctly that Aleyeska will pay for all these people. Mr. Champion replied "yes." He said they do not have a signed agreement to this effect. He said they have discussed this with the management of Aleyeska and Aleyeska is enthusiastic about this plan, because it allows them to use people only when they need them. He added that there would be a savings for some departments because of this reimbursement for the time these people spend in the field.

Dr. Brewer further explained that basically Aleyeska has no basis on which to provide an agreement for reimbursement at this time. He said it will be a part of the Lease. To have it prior to actual signing of the lease would be premature--it will come simultaneously with signing of the lease.

Representative Freeman asked if we have it in writing that Aleyeska feels this (reimbursement) is a reasonable plan, to which Mr. Champion replied "no."

Answering Senator Groh, Mr. Champion said the Office of Pipeline Coordinator is requesting \$992,700 for FY 1975. The Departments of Fish and Game and Environmental Conservation will present their own budgets in addition to this.

Explaining how they developed their budget, Deputy Coordinator Gilbrith stated that while our people are in the field, Aleyeska will furnish them room, board and transportation. They have also agreed that there will be a central office in which all field people will have to operate. The salaries for the field people have been set up on an equal basis with the federal field people. They are recommending a Range 22. The total request for the year for personal services is \$479,400; Travel is \$70,800; Contractual Services is \$417,500; \$60,000 is requested for employing outside specialists in the event they are needed; \$12,500 is for commodities; \$12,500 for Equipment.

Mr. Gilbrith stated that \$318,000 of the total budget is attributable to the people from other departments, and this amount would be reimbursed to those departments. The idea is that as particular problems relating to the pipeline arise, they will request a particular specialist from a department. It has been agreed that pipeline work will have priority.

Representative Specking asked if we will be getting a detailed budget breakdown on this request. Mr. Charney replied that he had understood that Jay Hogan was going to furnish that information. He pointed out that the Budget and Audit Committee had originally funded this office for three months, and all of those documents are in Mr. Hogan's possession.

Fish &
Game

Mike Smith, Chief of Habitat, Dept. of Fish and Game, explained that under the provisions of an agreement signed by the Governor and Secretary of the Interior, it was agreed that a cooperative effort will be set up between Alaska Fish and Game and the Federal Fish and Game people on both state and federal lands. They will borrow "expertise" from each other. He said the group will consist of twelve professional people and two clerical positions. He stated that they have discussed this among themselves and concluded there are seven areas of work needed:

1. Supervision and Liaison
2. Environmental Briefings
3. Technical Evaluations
4. Design Review

5. Inventories
6. Contingency Plans
7. Compliance Insurance

Mr. Smith stated that in a similar manner as Mr. Champion's department has done, they have estimated the total man days required for these seven functions in each segment. Unlike the Coordinator's office, they will have responsibility for both state and federal lands.

Representative Warwick entered the meeting.

Mr. Smith said the Fish and Game portion of the budget is \$396,900, and makes the assumption that Aleyeska will fund the transportation, room and board for the field people.

Senator Silides wanted to know how Aleyeska will be able to pay for all of this. Will all of this expense be charged back to the State of Alaska eventually. Mr. Gilbrith replied that we know that anything Aleyeska spends will be thrown back into the rate base. He then distributed an analysis they had done of how this would affect the State's income. This information was obtained from the Division of Oil and Gas and is based on computer runs made March 15, 1974 considering present tax law.

This estimate predicted a 36 cent per dollar of additional pipeline cost loss in revenue to the State (over a period of eight years), or a total dollar amount of \$177,917. In addition to this State loss, oil operators would lose \$1.52 per dollar of added cost over this period. Mr. Gilbrith emphasized that these are merely estimates and may not be precise.

Env.
Conservation

Explaining his department's request, Dr. Brewer stated it is estimated that over 1000 permits will have to be issued in connection with the pipeline. He said the department is not staffed to issue any of these permits, but no work can be commenced until the proper permits are issued.

Dr. Brewer stated that of the 21 people requested, five of them would be transferred to the Pipeline Coordinator's staff. However, had the budget been prepared after all the facts were known, these should have been included in the Coordinator's budget rather than having to transfer them. The remaining 16 positions would be in charge of monitoring waste discharges, exercising police powers, and issuing waste water discharge permits. He noted that there are from 6 to 7,000 streams that come under this, based on EPA's definition of navigability.

Dr. Brewer stated that while there is no question about Aleyeska reimbursing them for the five positions to be transferred, there is debate about reimbursement for the other sixteen positions under his department. The point that Aleyeska has stated is that these items come under police powers of the State of Alaska and that since they are a big taxpayer, they deserve state services as other other taxpayer.

Answering Senator Groh, Dr. Brewer said his total budget request for FY 1975 is \$793,800. Roughly, the total for the three departments involved is \$2,184,000.

Representative Specking said he thought we should request a letter of intent from Aleyeska that they are willing to reimburse the State for all but these sixteen positions. Senator Groh asked Dr. Brewer if he felt that Aleyeska would provide such a letter. Dr. Brewer replied that he does not know what approach Aleyeska would take on that because they are still arguing about that portion of it.

Senator Ray entered the meeting.

Representative Warwick said it seemed to him that we should be able to get a letter from Aleyeska stating that they are in agreement with the reimbursement except for these positions.

Dr. Brewer remarked that without the permits, Aleyeska cannot build the line. Senator Groh asked Dr. Brewer what he meant. Dr. Brewer replied that in some respects his department is holding up the line by non-issuance of the permits, so there is a problem regardless of who pays the bill. Only one person in his department is working on the permits.

Representative Specking said he thought they had resolved that in the 1974 budget by authorizing more positions. Mr. Charney indicated that the positions have been authorized, but he will not release the money for them until Aleyeska signs an agreement for reimbursement.

Senator Groh said he does not quite understand what Dr. Brewer means when he says he is holding up the pipeline because of lack of people to process the permits. He asked Dr. Brewer how many people there are in his department. Dr. Brewer replied that there are 56 people in his department. However, these people must work on the projects for which their salaries are being paid.

Representative Freeman asked if Dr. Brewer was serious about holding up construction of the pipeline. Dr. Brewer replied that he is "dead serious." He said he has been saying it for a long time. He said the whole thing is laid out in the budget.

Senator Groh asked if some of the 56 people in the department would be able to work on the permits. Dr. Brewer replied that physically they could do it; however, the priority projects paying their existing salaries would prohibit them from working on any other project.

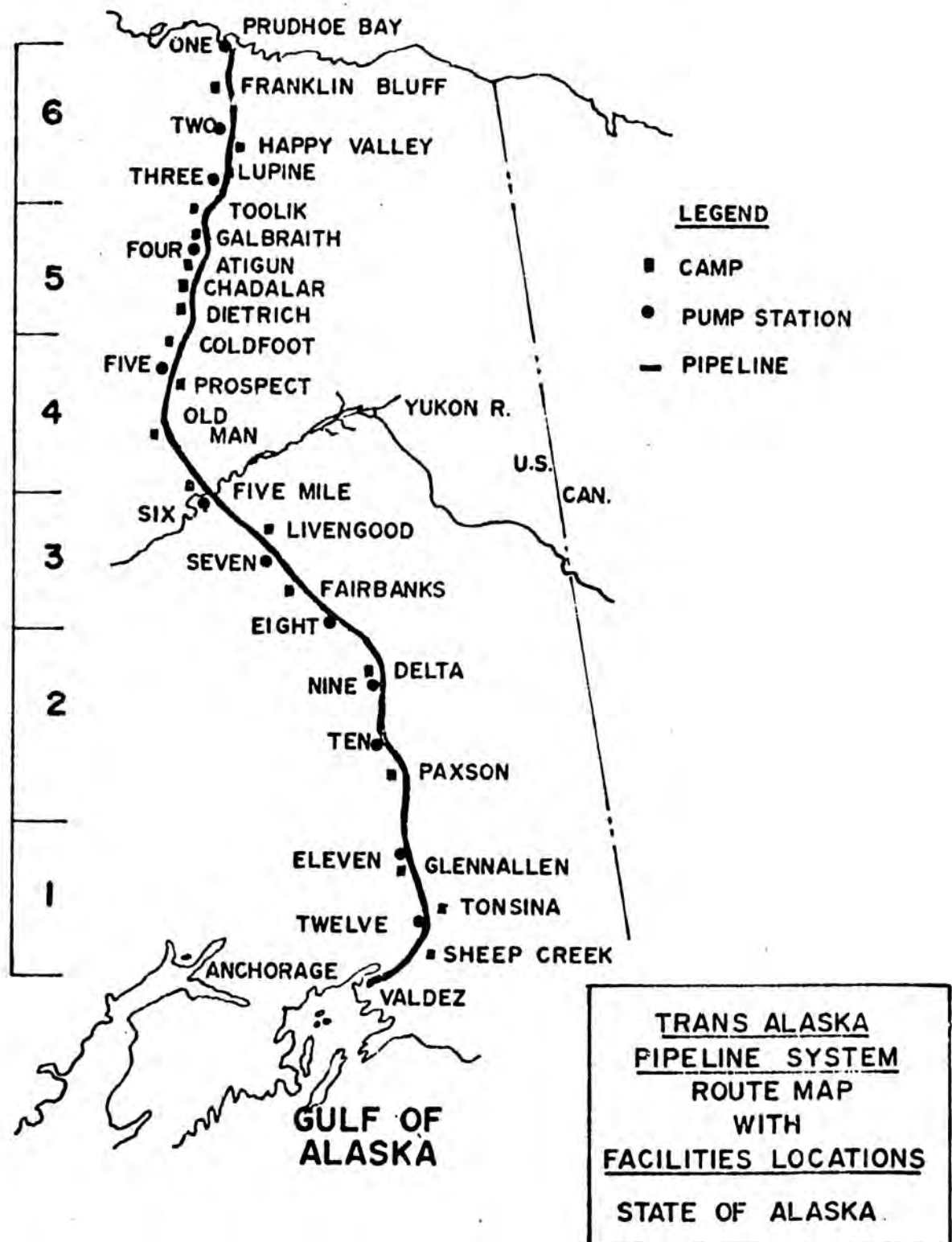
Representative Haugen suggested that if the administration cannot resolve the problem, then we should draw up some kind of arrangement to get the show on the road.

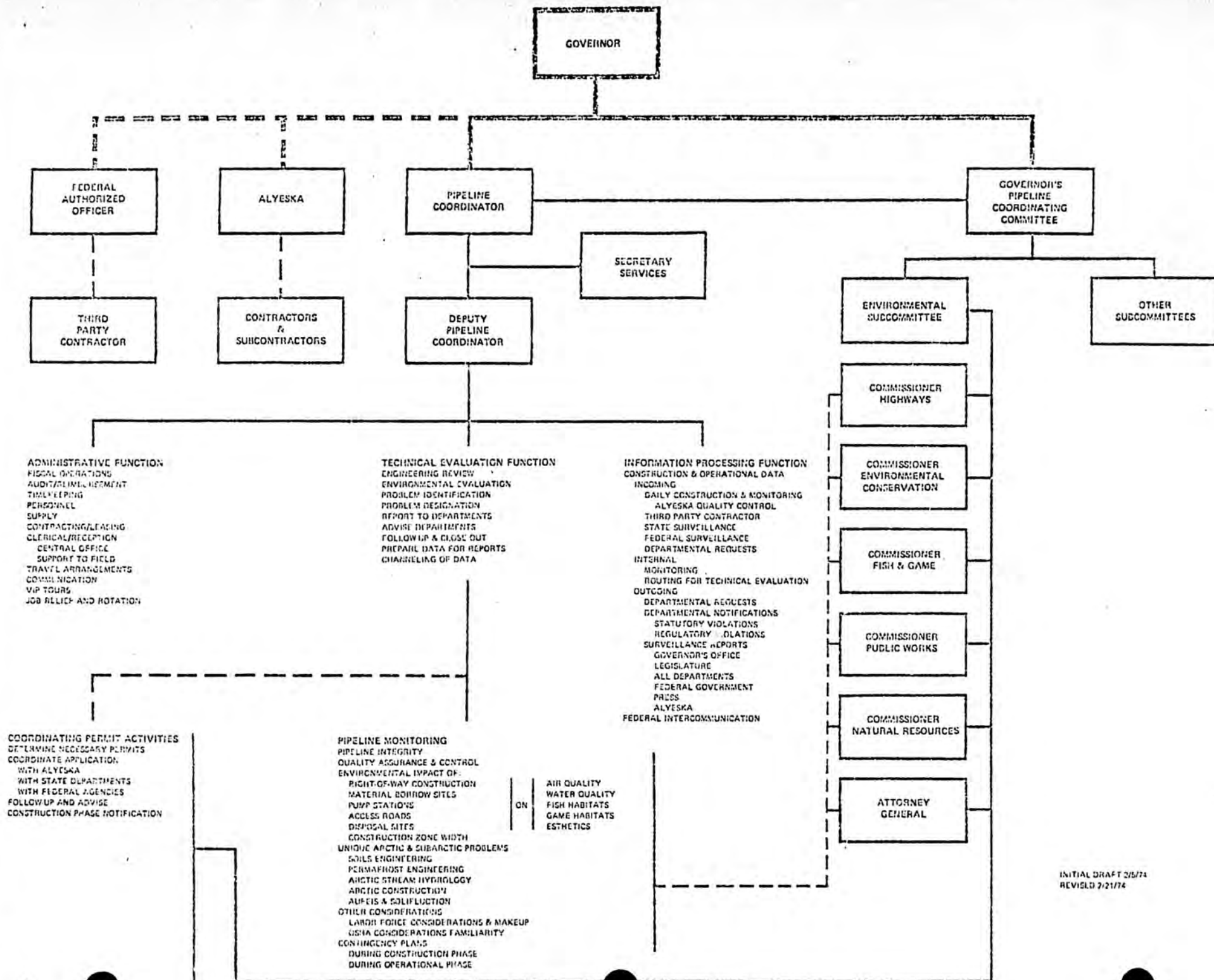
Senator Ray said he didn't think anybody has been held up on this. He said he believed the Commissioner is telling us this is "deadline day."

Recess Senator Groh thanked the men for their presentations, and the meeting was recessed at 2:45 p.m.

Attachments to Minutes: Reports from Office of Pipeline Coordinator.

ARCTIC OCEAN





145 MILES

STATE OF ALASKA
PROPOSED SURVEILLANCE FIELD JOB FUNCTIONS
INTERDEPARTMENTAL PERSONNEL
TRANS ALASKA PIPELINE CONSTRUCTION SEGMENT NO. 1
FEBRUARY 25, 1977

STATE
DEPARTMENT
INVOLVED

		1974												1975												1976												1977											
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D												
HWYS.	40 MD											HWY. CONST. ENGR. DESIGN REVIEW & FIELD SURVEILLANCE ACCESS ROADS																																					
	38 MD											HWY. CONST. ENGR. R.O.W. & WORK PAD, INSPECTION CONSTRUCTION TECHNIQUES																																					
	23 MD											HWY. SOILS P. FROST ENGR. & WORK PAD SURVEILLANCE & ADVICE																																					
	12 MD											HWY. CONST. INSR. ADVICE ON CONSTRUCTION MODE																																					
	18 MD											STATE HWY. ENGR. SPECIAL IMPACT ON LOCAL ROADS																																					
ENV. CONS.	11 MD	ARCTIC HYDROLOGIST										DESIGN REVIEW																																					
	10 MD											OK MAT'L SITES IN STREAMS, STREAM X-INGS, FLOOD PLAIN BURIAL, ALPES																																					
	39 MD											ARC STRM. HYDR.																																					
	11 MD	SOILS ENGINEER/ GEOLOGIST										DESIGN REVIEW																																					
	10 MD											FIELD CK. SOILS CONDITIONS ON R.O.W.																																					
	30 MD											FIELD SURVEILLANCE DURING CONSTRUCTION																																					
	11 MD	PERMAFROST ENGINEER										DESIGN REVIEW																																					
	30 MD											FIELD CK. PERMAFROST ALONG R.O.W.																																					
	30 MD											SURVEILLANCE DURING CONSTRUCTION																																					
	11 MD	AIR & WATER QUALITY SPECIALIST										DESIGN REVIEW																																					
NAT. RES.	26 MD											ABW QUAL. SPL.																																					
	11 MD	ECOLOGIST										DESIGN REVIEW																																					
	15 MD											ENVIRONMENTAL IMPACT & FIELD SURVEILLANCE																																					
	30 MD											FIELD SURVEILLANCE DURING CONSTRUCTION																																					
	11 MD	NATURAL RESOURCES SPECIALIST										DESIGN REVIEW																																					
	33 MD											SURVEILLANCE GRAVEL REMOVAL, SALES, & SITE INSPECTION																																					
	10 MD											CLEAN UP & REVEGETATION																																					
	18 MD											R.O.W. & WORK PAD INSPECTION																																					
	3 MD											INVENTORY & IMPACT R.O.W. ON RECREATIONAL & PARK AREAS																																					
	3 MD	HYDROLOGIST										DESIGN REVIEW																																					
F. & G.	39 MD											HYDROLOGIST																																					
	3 MD	FORESTER										EVALUATING COMMERCIALITY & DISPOSITION OF TIMBER RESOURCES																																					

SEE SEPARATE EXHIBITS FOR JOB FUNCTIONS

SEE SEPARATE EXHIBITS FOR JOB FUNCTIONS

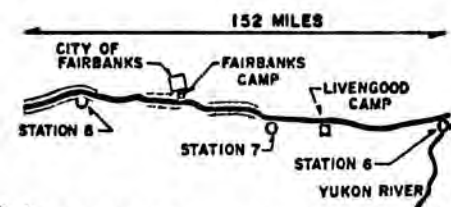
CONSTRUCT CAMPS ACCESS ROADS & SITE WORK ROW & WORK PADS FAIRBANKS DOUBLE JOINT HAUL 18" & 48" PIPE TO STOCKPILE PUMP STATION SITE WORK CLEAN UP	ACCESS ROADS & SITE WORK ROW & WORK PADS HAUL 18" & 48" PIPE TO STOCKPILE FAIRBANKS DOUBLE JOINT PIPE WORK CLEAN, GAUGE, & TEST CLEAN UP	CLEAN, GAUGE, & TEST REVEGETATION	 REVEGETATION
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DEPT. of HIGHWAYS

DEPT. of
ENVIRONMENTAL
CONSERVATION

DEPT. of NATURAL
RESOURCES

DEPT. of FISH & GAME



INSPECTION OF ACCESS ROAD CONSTRUCTION

INSPECTION OF R.O.W. & WORK PAD TECHNIQUES

PIPELINE & HIGHWAY X-ING SURVEILLANCE

SOILS & PERMAFROST ENGINEERING DURING CONSTRUCTION

ADVICE ON CONSTRUCTION MODE

SPECIAL IMPACT ON LOCAL ROADS

AREA OF STREAM ICING & GLACIATION

PROBLEM OF FLOOD PLAIN BURIAL & STREAM X-ING

AUPEIS CONDITIONS ON HILLSIDES

GROUND WATER HYDROLOGY PROBLEMS

FIELD SURVEILLANCE MATERIAL SITES & GRAVEL REMOVAL

FIELD SURVEILLANCE SPOIL DISPOSAL SITES

FIELD SURVEILLANCE ACCESS ROAD CONSTRUCTION

& PUTTING TO BED

SOILS & PERMAFROST ENGINEERING DURING CONSTRUCTION

SOILS & PERMAFROST ENGINEERING FOLLOW UP ON THERMAL DEGRADATION

SURVEILLANCE OF AIR & WATER QUALITY ON R.O.W

FIELD SURVEILLANCE OF VISUAL IMPACT ZONES

THERMALLY UNSTABLE PERMAFROST IN VALLEYS

AREA OF STREAM ICING & GLACIATION

PROBLEM OF FLOOD PLAIN BURIAL & STREAM X-ING

GROUND WATER HYDROLOGY PROBLEMS

GRAVEL REMOVAL, SALES, SITE INSPECTION

ACCESS ROAD & R.O.W. REVEGETATION

EVALUATE TIMBER COMMERCIALIABILITY & DISPOSITION

INVENTORY & IMPACT R.O.W. ON RECREATIONAL & PARK AREAS

MODERATE TO HIGH PRODUCTIVE FISH HABITAT

RAPTOR HABITAT

NUMEROUS RIVER X-INGS

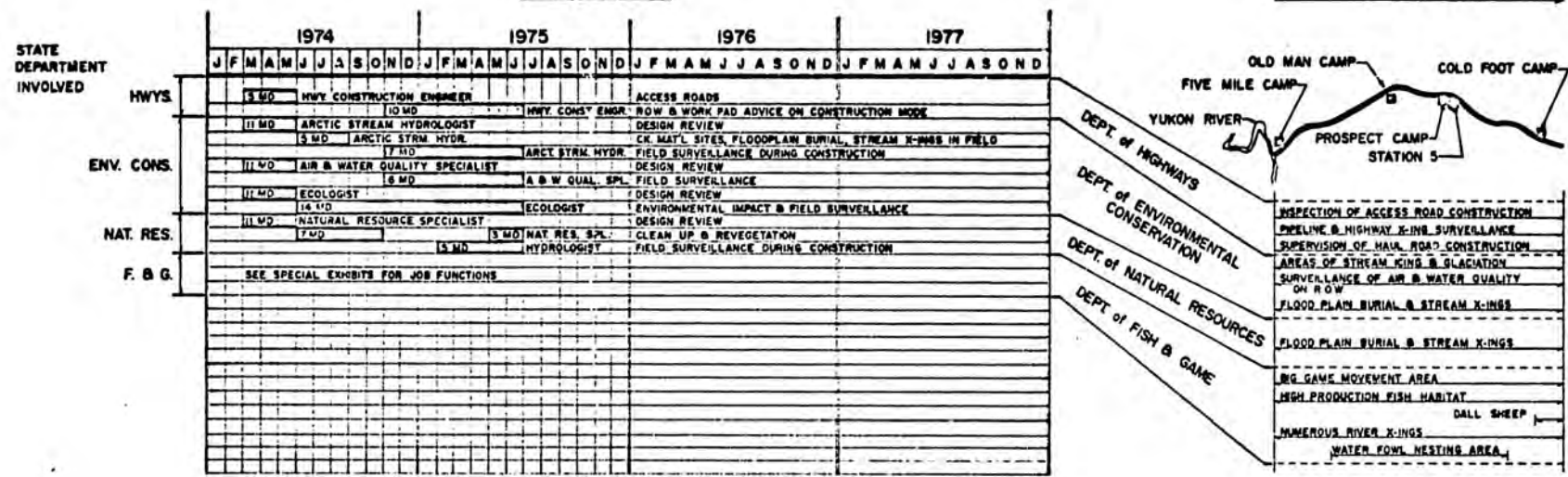
WATERFOWL NESTING

MOOSE MOVEMENT

CARIBOU MOVEMENT

— STATE LANDS
— FEDERAL LANDS

SECTION — 4



HIGHWAY SEGMENTS 1 & 2 PUMP STATION SITE WORK ACCESS ROADS TO MATERIAL SITES STOCKPILE, SCREEN, SACKING, ETC. CONSTRUCT CAMPS PIPE WORK ROW & WORK PAD HAUL SUPPORT PIPE & PIPE TO STOCKPILE CLEAN UP & REVEGETATION	HIGHWAY SEGMENTS 1 & 2 STOCKPILE, SCREEN, SACKING, ETC. PIPE WORK ROW & WORK PAD HAUL SUPPORT PIPE & PIPE TO STOCKPILE CLEAN UP & REVEGETATION	PIPE WORK CLEAN, GAUGE, & TEST CLEAN UP & REVEGETATION	CLEAN UP & REVEGETATION
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STATE LANDS
FEDERAL LANDS

SECTION — 5

STATE DEPARTMENT INVOLVED	1974												1975												1976												1977															
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D				
HWYS.	SMD HWY CONSTRUCTION ENGINEER												SMD HWY CONST. ENGR. R.O.W. & WORKPAD ADVISE ON CONSTRUCTION MODE												ACCESS ROAD																											
	11 MD ARCTIC STREAM HYDROLOGIST												10 MD												DESIGN REVIEW																											
ENV. CONS.	SMD ARCTIC STRM. HYDR.												SMD ARCT. STRM. HYDR.												CK. MATL. SITES, FLOOD PLAIN BURIAL, STREAM X-INGS IN FIELD																											
	7 MD												FIELD SURVEILLANCE DURING CONSTRUCTION																																							
	11 MD AIR & WATER QUALITY SPECIALIST												SMD												DESIGN REVIEW																											
	SMD												A & W QUA. SPL.												FIELD SURVEILLANCE																											
NAT. RES.	11 MD ECOLOGIST												SMD												DESIGN REVIEW																											
	14 MD												ECOLOGIST												ENVIRONMENTAL IMPACT & FIELD SURVEILLANCE																											
	11 MD NATURAL RESOURCE SPECIALIST												SMD												DESIGN REVIEW																											
	7 MD												SMD												CLEAN UP & REVEGETATION																											
F. & G.	SMD												SMD												FIELD SURVEILLANCE DURING CONSTRUCTION																											
	SEE SPECIAL EXHIBITS FOR JOB FUNCTIONS																																																			



DEPT. of HIGHWAYS

DEPT. of ENVIRONMENTAL
CONSERVATION

DEPT. of NATURAL RESOURCES

DEPT. of FISH & GAME

INSPECTION OF ACCESS ROAD
CONSTRUCTION
PIPELINE & HIGHWAY X-ING
SURVEILLANCE
SURVEILLANCE OF HAUL ROAD
CONSTRUCTION
AREAS OF STREAM ICING & GLACIATION
SURVEILLANCE OF AIR & WATER QUALITY ON R.O.W.
FLOOD PLAIN BURIAL & STREAM X-INGS
FLOOD PLAIN BURIAL & STREAM X-INGS
BIG GAME MOVEMENT AREA
RAPTOR HABITAT
ANADROMOUS FISH STREAMS
DALL SHEEP HABITAT
WOLF DEN
NUMEROUS RIVER X-INGS

— STATE LANDS
— FEDERAL LANDS

HIGHWAY SEGMENTS 2, 4, & 5 ACCESS ROADS TO MATERIAL SITES CONSTRUCT CAMPS STOCKPILE, SCREEN, SACKING, ETC. PUMP STATION PIPE WORK HAUL SUPPORT PIPE & PIPE TO STOCKPILE CLEAN UP & REVEGETATION	HIGHWAY SEGMENTS 2, 4, & 5 R.O.W. & WORK PAD PIPE WORK STOCKPILE, SCREEN, SACKING, ETC. HAUL SUPPORT PIPE & PIPE TO STOCKPILE GAS PIPELINE CLEAN UP & REVEGETATION	PIPE WORK GAS PIPELINE CLEAN, GAUGE, & TEST CLEAN UP & REVEGETATION	COMPLETE CLEAN, GAUGE, & TEST CLEAN UP & REVEGETATION
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STATE
DEPARTMENT
INVOLVED

	1974												1975												1976												1977											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
HWYS.	15 MO HIGHWAY CONSTRUCTION ENGINEER												HWY CONST ENGR												ACCESS ROADS																							
													ROW & WORK PAD																																			
													HUT SOILS P FROST												ROW & WORK PAD																							
													HUT CONST ENGR												ADVICE ON CONSTRUCTION MODE																							
	11 MO ARCTIC HYDROLOGIST																								DESIGN REVIEW																							
	15 MO ARCTIC STREAM HYDROLOGIST												ARCT STRM HYDR												FIELD SURVEILLANCE DURING CONSTRUCTION												CK MATL SITES, FLOODPLAIN DURAL, STREAM X-INGS, AUFER IN FIELD											
																									DESIGN REVIEW																							
	11 MO SOILS ENGINEER/GEOLOGIST																								FIELD CHECK SOIL CONDITION ALONG ROW																							
	10 MO SOILS ENGR/GEOL												SOILS ENGR/GEOL												FIELD SURVEILLANCE DURING CONSTRUCTION																							
ENV. CONS.	11 MO PERMAFROST ENGINEER																								DESIGN REVIEW																							
	10 MO P-FROST ENGR												P-FROST ENGR												FIELD CHECK PERMAFROST ALONG ROW																							
																									FIELD SURVEILLANCE DURING CONSTRUCTION																							
	11 MO AIR & WATER QUALITY SPECIALIST												A & W QUAL SPL												DESIGN REVIEW																							
																									FIELD SURVEILLANCE DURING CONSTRUCTION																							
	11 MO ECOLOGIST												ECOLOGIST												DESIGN REVIEW																							
	40 MO																								IMPACT PROBLEMS-FIELD SURVEILLANCE DURING CONSTRUCTION																							
	21 MO NATURAL RESOURCE SPECIALIST																								DESIGN REVIEW																							
NAT. RES.	10 MO NATURAL RESOURCE SPECIALIST																								GRAVEL REMOVAL, SALES, & SITE INSPECTION																							
													NATURAL RESOURCE SPECIALIST												CLEAN UP & REVEGETATION																							
													16 MO NAT RES SPL												ROW & WORK PAD INSPECTION																							
	15 MO												15 MO PKG & REC SPL												INVENTORY & IMPACT OF ROW ON RECREATIONAL & PARK AREAS																							
F & G.	SEE SPECIAL EXHIBITS FOR JOB FUNCTIONS																																															

HIGHWAY SEGMENTS 63, 64, & 7 ACCESS ROADS TO MATERIAL SITES CONSTRUCT CAMPS PUMP STATION SITE WORK	HIGHWAY SEGMENTS 63, 64, & 7 ROW & WORK PAD STOCKPILE, SCREEN, BAKING, ETC. PIPE WORK GAS PIPE LINE HAUL SUPPORT PIPE & PIPE TO STOCKPILE CLEAN UP & REVEGETATION	PIPE WORK GAS PIPE LINE CLEAN, GAUGE, & TEST CLEAN UP & REVEGETATION	COMPLETE CLEAN, GAUGE, & TEST CLEAN UP & REVEGETATION
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DEPT of HIGHWAYS

DEPT. of ENVIRONMENTAL
CONSERVATION

DEPT. of NATURAL RESOURCES
DEPT. of FISH & GAME

DEPT. of FISH & GAME



INSPECTION OF ACCESS ROAD CONSTRUCTION
INSPECTION OF ROW & WORK PADS
PIPELINE & HIGHWAY X-ING SURVEILLANCE
SUPERVISION OF MAINT. ROAD CONSTRUCTION
SOILS & PERMAFROST ENGINEERING DURING CONSTRUCTION
ADVICE ON CONSTRUCTION MODE
AREAS OF STREAM ICING & GLACIATION
PROBLEMS OF FLOOD PLAIN BURIAL & STREAM X-INGS
ADVERSE CONDITIONS ON HILLSIDES
GROUNDWATER HYDROLOGY PROBLEMS
FIELD SURVEILLANCE MATERIAL SITES & GRAVEL REMOVAL
FIELD SURVEILLANCE SPILL DISPOSAL SITES
FIELD SURVEILLANCE ACCESS ROAD CONSTRUCTION & PUTTING TO BED
SOILS & PERMAFROST ENGINEERING DURING CONSTRUCTION
SOILS & PERMAFROST ENGINEERING FOLLOW UP ON THERMAL DEGRADATION
SURVEILLANCE OF AIR & WATER QUALITY ON R.O.W.
FIELD SURVEILLANCE OF VISUAL IMPACT ZONES
AREAS OF STREAM ICING & GLACIATION
PROBLEMS OF FLOOD PLAIN BURIAL & STREAM X-INGS
GROUNDWATER HYDROLOGY PROBLEMS
GRAVEL REMOVAL, SALES, & SITE INSPECTION
ACCESS ROAD & ROW REVEGETATION
BIG GAME MOVEMENT AREA
ANADROMOUS FISH STREAMS
HABITAT, HABITAT AREAS
LIMITING CONSTRUCTION ACTIVITY DURING NESTING
KNOWN WOLF DEN
MISCELLANEOUS RIVER X-INGS

STATE LANDS
FEDERAL LANDS

STATE OF ALASKA
PROPOSED SURVEILLANCE FIELD JOB FUNCTIONS
INTERDEPARTMENTAL PERSONNEL
TRANS ALASKA PIPELINE CONSTRUCTION SEGMENT NO. 6

FEBRUARY 25.

VALDEZ TERMINAL

[illegible]

STATE OF ALASKA

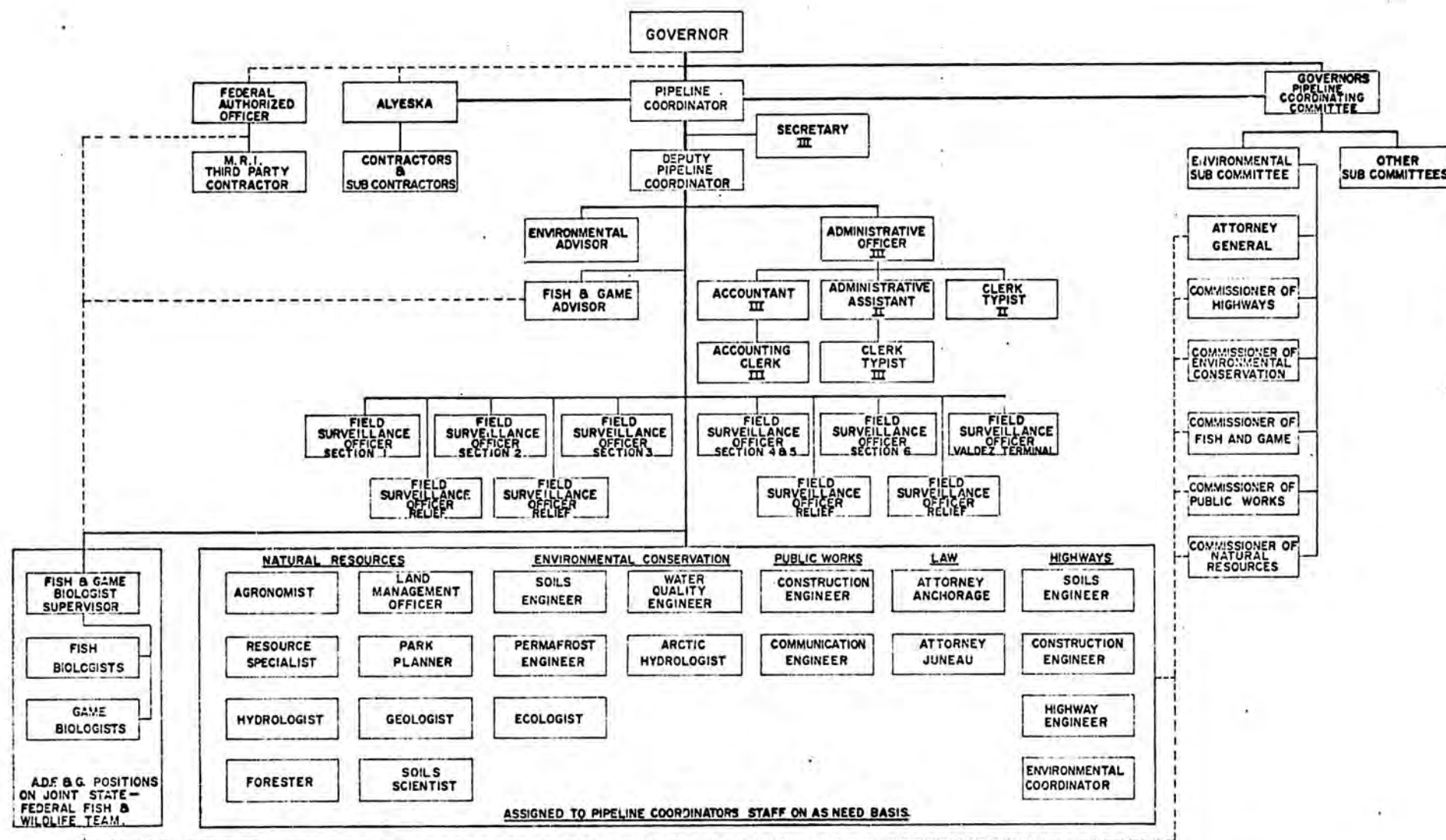
PROPOSED SURVEILLANCE FIELD JOB FUNCTIONS
INTERDEPARTMENTAL PERSONNEL
TRANS ALASKA PIPELINE CONSTRUCTION - VALDEZ TERMINAL

FEBRUARY 25, 1974

TIME IN MAN DAYS FOR F.Y. 74								
DEPARTMENT & CLASSIFICATION	VALDEZ TERMINAL	SEGMENT 1	SEGMENT 2	SEGMENT 3	SEGMENT 4	SEGMENT 5	SEGMENT 6	TOTAL TIME
DEPARTMENT OF HIGHWAYS								
HWY. CONST. ENGINEER	22	18	45	10	5	5	30	135
HWY. SOILS & P-FROST ENGR.	0	3	0	0	0	0	0	3
HIGHWAY ENGINEER	0	2	0	0	0	0	0	2
SUB TOTAL DEPARTMENT OF HIGHWAYS								140
DEPARTMENT OF ENVIRONMENTAL CONSERVATION								
ARCTIC HYDROLOGIST	0	19	11	13	4	12	16	75
SOILS ENGINEER	14	14	13	15	0	0	16	72
PERMAFROST ENGINEER	0	7	16	16	0	0	16	55
WATER QUALITY SPECIALIST	22	14	14	17	11	11	11	100
ECOLOGIST	5	16	16	16	12	11	11	87
SUB TOTAL DEPARTMENT OF ENVIRONMENTAL CONSERVATION								389
DEPARTMENT OF NATURAL RESOURCES								
NATURAL RESOURCE SPECIALIST	11	14	14	16	11	13	21	100
HYDROLOGIST	5	8	8	8	0	0	8	37
PARKS & RECREATION SPECIALIST	6	19	5	2	0	0	3	35
GEOLOGIST	0	10	15	0	0	0	0	25
FORESTER	0	2	1	2	0	0	0	5
SUB TOTAL DEPARTMENT OF NATURAL RESOURCES								202
TOTAL MAN DAYS F.Y. 74 INTERDEPARTMENTAL PERSONNEL								731

TIME IN MAN DAYS FOR F.Y. 75								
DEPARTMENT & CLASSIFICATION	VALDEZ TERMINAL	SEGMENT 1	SEGMENT 2	SEGMENT 3	SEGMENT 4	SEGMENT 5	SEGMENT 6	TOTAL TIME
DEPARTMENT OF HIGHWAYS								
HWY. CONST. ENGINEER	35	55	50	80	10	10	30	270
HWY. SOILS & P-FROST ENGR.	0	12	30	25	0	0	20	87
HIGHWAY ENGINEER	0	4	10	15	0	0	10	39
SUB TOTAL DEPARTMENT OF HIGHWAYS								396
DEPARTMENT OF ENVIRONMENTAL CONSERVATION								
ARCTIC HYDROLOGIST	0	52	65	45	8	11	30	211
SOILS ENGINEER	18	72	68	66	0	0	35	259
PERMAFROST ENGINEER	0	38	65	75	0	0	35	213
WATER QUALITY SPECIALIST	44	22	27	30	6	6	30	165
ECOLOGIST	10	40	40	40	13	14	40	197
SUB TOTAL DEPARTMENT OF ENVIRONMENTAL CONSERVATION								1045
DEPARTMENT OF NATURAL RESOURCES								
NATURAL RESOURCE SPECIALIST	24	22	22	58	10	8	26	170
HYDROLOGIST	5	51	33	36	5	5	33	168
PARKS & RECREATION SPECIALIST	9	21	5	11	0	0	5	51
GEOLOGIST	5	8	12	0	0	0	0	25
FORESTER	0	3	4	3	0	0	0	10
SUB TOTAL DEPARTMENT OF NATURAL RESOURCES								424
TOTAL MAN DAYS F.Y. 75 INTERDEPARTMENTAL PERSONNEL								1865

STATE OF ALASKA
 PROPOSED SURVEILLANCE FIELD JOB FUNCTIONS
 INTERDEPARTMENTAL PERSONNEL
 TRANS ALASKA PIPELINE CONSTRUCTION
SUMMARY



ORGANIZATION CHART
STATE OF ALASKA
PIPELINE MONITORING.

NORTH SLOPE
COMPARISON OF STATE INCOME WITH ADDED PIPELINE
COST OF \$500,000,000.00*

FY	Oil Production (M) barrels per yr.	Total State Revenue (M\$) \$4.0 billion pipeline	\$4.5 billion pipeline	Difference in State Revenue (M\$)
78	314,640	355,516	345,668	9,848
79	583,680	799,424	775,206	24,218
80	638,400	971,818	952,194	19,624
81	674,880	1,100,791	1,069,889	30,902
82	711,360	1,232,612	1,208,969	23,643
83	729,600	1,339,305	1,315,200	24,105
84	729,600	1,412,038	1,388,677	23,361
85	729,600	1,480,855	1,458,639	22,216
Total 8 yrs.	5,111,760	8,692,359	8,514,442	177,917
Loss in oil revenue in 8 yrs.		State	\$ 177,917 <u>757,428</u>	= approximately 19% of total = approximately 81% of total
		Total	\$ 935,345	
Effect of additional pipeline cost in 8 years		State	\$ 177,917 <u>\$ 500,000</u>	= \$ 0.36 loss in revenue per dollar of added cost
		Oil operators	\$ 757,428 <u>\$ 500,000</u>	= \$1.52 loss in revenue per dollar of added cost
		Total		\$ 1.88 loss in revenue per dollar of added cost

* This information obtained from the Div. of Oil & Gas and is based on computer runs made March 15, 1974 considering present tax law.

AFTER RECESS

3:30 p.m.

Present: Senators Groh, Poland

Commissioner of Fish and Game James W. Brooks, Bob Roys, Director, Division of Fisheries Rehabilitation, Enhancement & Development; Vern Roberts, Director, Division of Administration; Michael Smith, Chief, Habitat Protection Section.

Senator Groh called the meeting to order and stated that the sub-committee will continue to review portions of the Fish and Game budget.

Resources Senator Groh commented that he felt that the designation "Habitat" really was not descriptive of the duties and functions of that division. Mr. Smith agreed, but noted that the federal people have the same problem with the nomenclature for their division. He then explained the functions of the division, pointing out that there is no overlapping of duties with other state agencies such as Natural Resources or Environmental Conservation.

Fish &
Game

FRED
Program

Mr. Smith pointed out an error on page 149 of the short form. He said the requested new positions should be entered on page 155 under the Permit section.

Land Use
Planning

No questions on Land Use Planning, page 149 of the short form

Water
Planning

No committee questions on the Water Planning element, page 151.

No committee questions on the Access element, page 153.

Access

Mr. Smith, referring to Land Use Planning, explained that the Clerk Typist III position requested has been authorized by the Budget and Audit Committee as an Administrative Assistant, which is in fact what they really needed. The Fishery Biologist II position is necessitated because of the big increase in the amount of logging permits issued by the U. S. Forest Service. He said between 1971-73 they had a 62% increase in the permit activity they handled. He explained that with the U.S. Plywood Champion sale in "limbo", the Forest Service has gone to a lot of "short term cuts", which requires considerably more paperwork.

Senator Groh asked for a report on the Chester Creek rehabilitation, saying that he receives a lot of calls about it. Commissioner Brooks said he replied in writing to Senator Groh about this, but apparently the reply has not reached him yet. He explained that for a considerable length of the stream there has been channelization and the stream is subject to a good deal of pollution, particularly in the wintertime when some of the sewers in the vicinity of trailer courts do not function the way they should. The impoundment now on the lower end has a fish way built into it, but it isn't a functional fishway--it will not pass fish. He said it would take a considerable city investment to remedy that problem. He said they have planted many trout there in the last few years, but very few have been caught.

The Commissioner stated that the upper reaches above Providence Hospital are not too bad. He said the study they conducted on this stream does not seem too pessimistic, but he felt it would take a considerable investment to clean it up. The continuing problem is that the banks of the stream are not protected and they just cannot keep trailer courts or buildings from crowding up to it.

Anadro-
mous
Program

Bob Roys passed out a report on the Anadromous Program which gave background information concerning the program. He said the budget is essentially a maintenance budget, though costs have risen considerably.

Mr. Roys explained that the positions of Const. Eng. Assist. I and Fisheries Tech. IV requested on page 127 are both presently funded under the Snake Lake capital improvement program. The Maintenance Mechanic II for Anchorage will be used when they get into operating systems that have pipe, pumping, electricity, etc. He would service all the units in central and western regions of Alaska. They are requesting the same type of position for Juneau for Southeast Alaska.

Mr. Roys said the major increase in the Anadromous program is due to the movement of projects from the construction stage into the operational stage.

Referring to the staffing of the FRED program, the Commissioner stated that they are extremely short of professional expertise in the area of fish biology and fish culture. He said the whole FRED program is in Bob Roy's head, and if something happened to him...He said if they are going to push ahead with this program, in the field of supplemental production of salmon, they will need to develop more professional expertise. He said he has discussed this with the Governor. He recommended to the Governor that they hire a Regional Supervisor at Range 22 for the FRED program in Southeast and another Regional Supervisor for the program in Southcentral and Western Alaska. He said the Governor was satisfied that without this additional professional capability, the program would remain in jeopardy. He said the Governor has authorized him to inform the committee that he concurs with the recommendation for the two additional positions. (These are not in the budget request). He said this will require no change in the total funding of the program. They think the cost of the two positions could be borne within the present appropriation. One of the places where more money exists than will be used is in the rental of office space (p. 141 of the short form, last item).

The commissioner explained that the reason the money will be saved in rent is that someone in the administration has decided that Fish and Game must move from its present office space in the Support Building to the Goldstein Building. The reason given for the move is that the support building is not up to code, and it would take too much money to bring it up to code. The Commissioner and his staff were opposed to the move. They didn't

think the Goldstein Building would be as good as their present office space. He pointed out that department employees have a total of 55 cars they drive to work, and there would be no parking space available in downtown Juneau.

Development Activities Mr. Roys said the Development Activity Element is a maintenance-level request. Senator Poland noted that the Fisheries Biologist position requested had been disallowed by the Governor. Mr. Roys replied that it was decided that the expansion of the program at this time was not feasible. (This is expansion of the clam program.)

Adm. & Support Mr. Roys explained that the staff consists of himself, a deputy director and a secretary. He said he and the deputy director are also active as biologists. This is the basis for the request for an Administrative Assistant.

Mr. Roys gave a brief report on the Halibut Lagoon project, at Senator Ray's request. He said they are about one year behind in catching up on construction there.

The Commissioner called the committee's attention to a concern the department has about the Big Lake gravel incubator facility. He said the Department's engineers were turned loose on the project and it does not now appear that building a facility there is the most promising approach. If it were built, it would mean they would have another remote site that had to be manned, it would require land acquisition, site preparation, and a lot of new construction. They would rather expand the gravel incubator facility at Kasilof so they could incubate red salmon eggs from Big Lake at Kasilof and ship them back to Big Lake. He felt this would be much more efficient.

The Commissioner said they do not have money available to enlarge the Kasilof facility. However, if they could use the money for the Big Lake project to enlarge Kasilof, they could achieve the objective of rehabilitating Big Lake.

Senator Groh suggested that the Commissioner prepare a short letter to that effect and present it to both the Senate and House Finance Committees.

Fish and Game Board: The Commissioner explained that the board increased from ten members to twelve this past year, so he is asking that the budget be increased from \$30.0 to \$36.1.

Commissioner's Budget: The Commissioner explained that he is asking for an Administrative Assistant position because last year the Legislature cut one deputy commissioner and a secretary from his office and so the remaining deputy commissioner and secretary have to carry the whole burden. He said the Deputy Commissioner is involved full time with international fishery problems, leaving him with no staff assistance whatsoever.

Another problem the Commissioner mentioned is the "orphan animals" the department falls heir to. He said they have no facilities for caring for these animals and so have made arrangements with the Children's Zoo to support the animals. However, he felt the State is getting more assistance from the Zoo than they are paying for. He said the Zoo is used as a holding location until they can otherwise dispose of the animals. He felt the Budget Review Committee erred when they deleted \$15,000 for this purpose from the budget. He urged that the committee consider putting this item back in. It appears on page 141 of the short form.

Information & Education: Vern Roberts explained that this is a maintenance budget. The function of this section is to provide for news releases, publications, films, etc. to convey the necessary information to the public about natural resources.

Senator Groh asked Mr. Roberts who made the decision to move the department from the subport. Mr. Roberts replied that he understands the decision was based on a report from the State Fire Marshall. Mr. Roberts expressed a desire to remain at the subport, feeling that the Goldstein Building is in worse shape.

Administrative Services: Mr. Roberts stated that this section is involved in paying and receiving money, personnel services, data processing, etc. He noted an error on Page 141 of the short form: The source of funding for the new position should be 75% federal and 25% Fish and Game funds, rather than general funds.

Engineering: Mr. Roberts stated that the entire engineering capability of the department has been brought to bear on the rehabilitation efforts in the past year and other areas are suffering as a result. He said there are other engineering requirements in the department, for instance, supervising projects for other divisions.

Vessels: Mr. Roberts stated that this is a maintenance budget. The three positions requested are for a crew for the vessel RESOLUTION. Currently the Resolution spends twice as much time at sea as any commercial fishing boat in the State, according to Mr. Roberts. There has been considerable turnover because of the inability to grant leave and time off to crew members. This will give them ability to double-crew the boat.

Adjourn

Senator Groh thanked the men for their presentations, and the meeting adjourned at 4:40 p.m.

HOUSE/SENATE FINANCE COMMITTEES

March 20, 1974

3:20 p.m.

Present: Senators Groh, Sackett, Butrovich, Poland and Ray.
Senator Silides.

Representatives Freeman, Ferguson, Haugen, Warwick,
Specking, Meekins, Ose, and Saylor.

Herb Lehfelddt, City Manager Valdez; Wesley Clubb, Valdez;
L. MacDonald, City Councilman, Valdez; Glen Chowning,
City Councilman, Delta Junction; Bill Buckley, Fairbanks;
C. W. Baer, Fairbanks; Brooks Henford, Seattle; and
Jim Rowley, Fairbanks, were also present.

Trans Senator Groh called the meeting to order and said the
Alaska committees would hear testimony from a group called the
Communities Trans Alaska Communities United.
United.

Mr. MacDonald, City Councilman from Valdez, stated that
because of the impact caused by the pipeline the T.A.C.U.
is requesting \$100,000,000. Senator Groh stated that
he thought \$100,000,000 in impact money is unrealistic.
He suggested that the group present specific items to
the finance committees.

Senator Groh asked how much Fairbanks is requesting.
Mr. Rowley stated that their figure had been arrived
at by using a \$2,000 per capita formula for anything
above normal growth. Fairbanks is requesting \$34 million.
Mr. Rowley said they are not saying that they are going
to spend this amount this year. He said they are "generally
suggesting we are going to have to commit" this amount.
Senator Groh said the State usually does not give money
away that is not going to be spent.

Senator Groh suggested that rather than talk about these
large amounts they discuss projects that the State can help
with. Mr. Rowley stated that they wanted to alert the
committees that there is about a \$100,000,000 effort
needed to accomplish their goals and this recognizes the
fact that this cannot be spent this year. They are
recommending this is needed for capital projects. He
added that the \$100,000,000 includes Anchorage.

Representative Saylor stated that he thought a grant
not exceeding \$10 million for all communities of the
State that are going to be impacted would be the "outside"
figure. He suggested that next January they could present

information on impact by geographic locations.

Senator T. Miller entered the meeting.

Senator Groh said he thought they should be realistic in what they need this year. This should be defined by project, not on a per capita basis.

In answer to Representative Meekins, Mr. MacDonald stated that they are requesting \$100,000,000 plus part of the Governor's Impact budget.

Senator Butrovich stated that Alyeska had notified the Fairbanks School Board there would be 3,300 students added to the school system. Senator Ray stated that it was his understanding Alyeska had encouraged their employees not to bring their families.

Mr. Rowley spoke about some of the problems Fairbanks is having. He stated that the EPA would not even allow them to put cess pools in their city any more. He stated that in two or three years they would not need the money -- they do need a "little help up front" so they can be better situated.

Mr. Specking agreed that they should have "hard requests" and they should be broken down by capital and operating budgets, and by project.

Mr. Lehfeldt spoke on the problems in Valdez. He stated that if they had not had the pipeline the City of Valdez would not have needed any help. They now have to build a \$9 million school and their total indebtedness is \$2.4 million. He stated that the ad valorem tax boxed them in.

Representative Freeman stated that he personally has no objection to the State coming to the aid of areas that have the problem of impact as long as the people in the communities have done the best they can to aid themselves. He noted the per capita debt of Valdez and said he was not convinced they have made this effort. Mr. Lehfeldt stated that Valdez does have a low bonded indebtedness but he did not feel that this should go against them.

Glen Chowning, Delta Junction, said they were concerned with what the legislature is planning for areas like Delta Junction. Senator Groh said he would assume, as far as governmental services are concerned, the State would assist Delta Junction as it assists the other communities. A discussion followed on incorporated cities. Mr. Chowning pointed out that Delta Junction is incorporated but Glenallen is not.

Bill Tagosee, Barrow, stated that he was uncomfortable with the figure of 4% increase in population in order to receive impact funds. He stated there has been an indirect impact on Barrow. Senator Groh said there has been no legislative decision on what formulas should be used insofar as the rural communities are concerned. He added that this is something that is going to have to be considered.

Senator Groh suggested that specific project information be submitted to the finance committees. He stated that there will be impact legislation passed this session.

Recess: The meeting recessed at 4:07 p.m.

-77-

T.A.C.U.

TRANS ALASKA COMMUNITIES UNITED

I. STATEMENT OF POSITION

The recent issue of the pipeline permit has finally crystallized the concept of economic affluence and independence, stemming from the wealth to be derived from the extraction of the vast mineral resources in the Prudhoe Bay area, into concrete reality. The issuance of this permit has also brought into sharper focus the realization of the impact on present level of public services provided by those communities located along the pipeline corridor. The common concern regarding the cost of immediate and long-term increases in levels of service, as expressed by officials representing these municipalities, has culminated in the formation of Trans Alaska Communities United. The Board of Directors of this organization includes representatives from each of those communities who are anticipated to receive maximum exposure to pipeline activities. As the basic organization goal, the Board of Directors have identified the need to promote and protect members' interest as they relate to the impact of the construction of the Trans-Alaska Pipeline.

The immediate objective of T.A.C.U. entails the specific identification of the anticipated economic impact upon its member communities, both individually and in the aggregate. To meet this impact we agree with the premise outlined in Sec. 44.19, 581 of HB 638 that inasmuch as the state will be the prime beneficiary of pipeline construction via realization of enormous oil development revenues for the total state, it is logical that local impact financial burdens should be borne by the state as its investment in those future revenues.

In this regard it is the consensus of the group that the impact appropriation should be raised from the present figure of \$25,000,000 as stipulated in HB 637, to a more realistic figure of \$100,000,000.

Further in this regard, Sec. 44.19, 595 of HB 638, provides for the creation of a special legislative Pipeline Impact Review Committee. It is the feeling of T.A.C.U. that inasmuch as this organization represents the cities and boroughs most directly affected by the impact of pipeline construction that it would be in the best interest of all concerned to have three representatives of T.A.C.U. serve as advisory members of said Impact Review Committee.

We recommend that the Pipeline Impact Agency Office should procede with all due dispatch to provide a means of quickly and decisively determining specific impact problems and provide funds, facilities, personnel or other means for quick solution to those problems. For those communities along the pipeline corridor who have been unable to prepare a pipeline impact statement, we further recommend that the Pipeline Impact Agency Office render timely assistance to those communities in delineating the nature and scope of their need for impact funds.

If the Legislature does intend to meet the impact on facilities and services brought about by the anticipated overwhelming increase in numbers of citizens to be served by the respective impacted communities, then we urge timely and effective action to disburse funds appropriated for this purpose.

AFTER RECESS

4:25 p.m.

Present: Senators Groh, Poland, Palmer, Lewis and Butrovich.

HB 487 Senator Groh called the meeting back to order and said the committee would consider HOUSE BILL NO. 487 (\$1,191,000 to the Dept. of Administration, Alaska longevity bonus program; and providing for an effective date.)

After a brief discussion, Senator Butrovich moved that HB 487 pass from committee with individual recommendations. No objection, so ordered. (All members present signed "do pass")

SB 441 The committee then considered SENATE BILL NO. 441 (\$457,500 appropriation to the Legislative Affairs Agency). Senator Groh stated that Legislative Affairs had indicated they did not have enough money to pay the temporary help at the end of this month unless this supplemental is passed. Senator Poland referred to a letter from John Elliott which indicated the total supplemental needed is \$474,500. The committee agreed this amount would be changed to \$474,500 by amendment. Senator Butrovich moved that SB 441 amended pass from committee with individual recommendations. No objection, so ordered. (All members present signed "do pass").

Senator Groh then discussed a bill which has been prepared for introduction entitled "An Act relating to the merger and consolidation of corporations." The committee agreed to introduce this as a Finance Committee bill.

SB 440 The committee considered SENATE BILL NO. 440 (\$15,000 to Dept. of Health and Social Services to aid and assist the Seldovia health service facility; and providing for an effective date). Senator Palmer spoke on the need for this legislation. Senator Lewis moved that SB 440 pass from committee with a "do pass" recommendation. There were no objections; however, Senator Poland signed "do pass if amended."

SB 343 There was a brief discussion on SENATE BILL NO. 343 (teachers' retirement). Senator Palmer agreed to obtain more information on this bill and it was returned to file.

CSHB 253(Judiciary) am The committee considered CSHB 253 (Jud)am (An Act relating to the investment of surplus retirement fund money). Senator Groh read the following proposed amendment:

Page 4, lines 19-21.

"(g) Notwithstanding any other provisions, the pension fund may purchase any assets of the retirement system of any participating municipality as of the effective date of participation in such amount as shall be mutually agreed upon by the participating municipalities and the Commissioner of Revenue."

Senator Palmer moved and asked unanimous consent for the adoption of the amendment. No objection, so ordered.

Senator Palmer moved and asked unanimous consent that CSHB 253 (Jud) am pass from committee with individual recommendations as amended. (Senators Groh, Butrovich, Poland and Lewis signed "do pass" and Senator Palmer signed "no recommendation.")

Adjourn: The meeting adjourned at 4:50 p.m.

CORRECTION

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

77

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