

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2631

Senator Palmer moved that CSHB 673 (Fin) be amended to change the effective date to January 1, 1975 (from January 1, 1978).

Senator Groh was opposed to changing the effective date, since we are operating at a deficit now, and it would merely create a bigger deficit.

Jay Hogan, referring to the effective date, said the House felt that if things look more favorable next year, the date could always be moved forward.

Senator Sackett said he was not in favor of creating permanent funds because you can get locked into them, and cannot use the monies for any other purpose. Senator Butrovich agreed with this, citing the Highway Fund as an example.

Senator Palmer moved that CSHB 673 (Finance) be moved from committee with individual recommendations. The motion was adopted. (Four in favor)

Members signed the committee report as follows:

"Do "Pass"

Senators Poland, Butrovich, Palmer,
Lewis

"No Recommendation"

Senators Sackett, Groh

cess

Senator Groh announced that the committee will close out the Social Services budget category tomorrow morning starting at 9 a.m. The meeting adjourned at 4:35 p.m.

SENATE FINANCE COMMITTEE

April 9, 1974

9:15 A.M.

Present: All members with the exception of Senator Lewis.

SOCIAL Sen. Groh called the meeting to order to close out the budget
SERVICES for the SOCIAL SERVICES program category.

The sub-committee's recommendations, chairman Sen. Bill Ray, were accepted by the committee, including the following intent:

Skill Center - New positions allowed provided reimbursement received from Village Corporations, Teamsters, and Court System for funding of one Counselor and two Instructional Aides.

Aid Families with Dependent Children - The request figure accepted by the committee, with the stipulation that it be increased by the Free Conference Committee if SB 310 passed.

Aid to the Disabled - Committee agreed to continue aid to those recipients no longer receiving aid from the federal government due to passage of HR 1, Supplemental Security Income provisions.

Recess: The meeting recessed at 9:45 A.M.

AFTER RECESS

1:35 p.m.

Present: Senators Groh, Sackett, Ray and Poland.

SOCIAL SERVICES

Senator Groh called the meeting to order and said the committee would continue the close out for the Social Services category.

Family & Children

Services Program Services. Homemaker Services. Senator Groh noted that this BRU (page 46) had been revised by the Department. The Committee adopted the revised figure.

The committee adopted the sub-committee recommendations on Foster Care and Institutional Care.

The committee adopted the Governor's Recommendation on Day Care.

Senators Butrovich and Palmer entered the meeting.

Alcantra The committee discussed Alcantra. Senator Sackett felt something should be done on this institution. Senator Ray suggested a request to the Budget and Audit Committee to make a "zero base review" on Alcantra.

Food Stamp

Eligibility A discussion followed on the Food Stamp BRU. The committee decided to adopt 890.0 in personal services which allowed the positions established by RP 74-133 and five new positions. Of the five new positions, the committee stated this number is to include one Eligibility Worker II at Galena and one Eligibility Worker II at Kodiak. (These positions are shown on the shortform, page 67).

DEPT. OF FISH & GAME

Kachemak Senator Palmer requested that the committee listen to
Bay Oil testimony regarding the Kachemak Bay Oil Development.
Development He introduced Michael Smith, Chief of the Habitat
Protection Section of the Dept. of Fish and Game.

Mr. Smith distributed a detailed presentation on the Kachemak Bay Oil Development (filed in the Fish and Game Dept. file) and a cost of the Kachemak Bay Biological Baseline and Bioassay Research Program Proposal (found immediately following these minutes).

Elaine Mitchell, news reporter, entered the meeting.

Mr. Smith stated that the proposal is to determine the baseline operations. He stated that the Dept. of Fish and Game does not have the capability to handle many of the aspects indicated in the report -- no one agency could do this. He said the programs they feel they can handle "will mesh with existing programs."

Senator Palmer asked why this is necessary from a biological standpoint. Mr. Smith said they feel there are going to be many such cases where there is an overlap between oil and gas resources and fisheries resources. He said right now they do not have the capabilities to determine the effect on the fisheries. He added that these capabilities are necessary if they are to make rational decisions in the future.

Senator Palmer stated that the people in this area have asked for a two year moratorium. He felt the least they could do is declare this area a critical habitat area and let the department begin the study and find out what is at stake.

Senator Groh asked how many platforms are in the Inlet now. Mr. Smith said 14 but they are far away from Kachemak Bay. He said Kachemak Bay is a totally different type of system and there are no important resources where the towers are located. The point at Kachemak Bay is that it is a critical reproductive and early growing area for harvested shellfish. Senator Palmer added that a variety of crab and shrimp concentrate in this area. He added that \$7.6 million was the value of the fisheries last year and he felt these people deserve some protection.

Senator Palmer said the oil industry has told them it will be next August before they can get the rig up to do the first exploratory drilling. This would take about 6 months then there would be another 2.5 years before the limitation on steel would allow them to have a platform.

Senator Groh thanked Mr. Smith for his testimony and Mr. Smith left the meeting.

SOCIAL
SERVICES

The committee continued with the close out for Social Services.

Elaine Mitchell left the meeting.

Staff Development, page 76. The committee left this BRU open.

Pioneer The Committee allowed 4 full time new positions (Nurse II,
Homes Practical Nurse II, and 2 Nursing Aides) and 6 temporary
Sitka positions. Senator Palmer objected. Senator Ray moved
1,000.0 for personal services allowing these positions.
The motion carried with Senator Palmer objecting.

Fairbanks The Committee adopted \$1,126.7 for Fairbanks.

Palmer The Committee adopted \$434.7 in personal services for
the Palmer Pioneers Home. This figure allowed only the
Physical Therapist II new position.

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

AFTER RECESS

3:10 p.m.

Present: Senators Groh, Butrovich, Poland and Ray.

SOCIAL

SERVICES The Committee continued the close out for Social Services.

Mr. Barker explained that page 104 of the shortform would
be where the Quality Control BRU would be added, if the
Committee wished to fund this item. After a brief discussion,
Senator Groh stated that this would be considered at a later
date.

Adjourn: The meeting adjourned at 3:30 p.m.

KACHEMAK BAY BIOLOGICAL BASELINE
AND BIOASSAY RESEARCH PROGRAM PROPOSAL
(in thousands)

<u>SUBPROGRAM</u>	<u>AGENCY</u>	<u>FY</u>	
		<u>75</u>	<u>76</u>
I. Immediate Actions			
A. Literature Search	Fish & Game	30.0	--
B. Kachemak Bay data compilation			
II. Future Actions			
A. Biological Baseline assessment			
1. Marine flora (a & b)	Contract	40.0	40.0
2. Marine fauna (a, b, d)			
Marine fauna (c)	Fish & Game	215.0	165.0
B. Background Hydrocarbon Levels	Contract	30.0	20.0
C. Bioassay Studies			
1. Uptake, retention & depuration	Contract	50.0	30.0
2. Acute & chronic toxicities	Contract	200.0	100.0
3. Behavioral interference	Contract	30.0	20.0
D. Transport & Dispersal Patterns	Contract	90.0	40.0
E. Misc. Expenses (office rent, equip., phone, supplies, travel & per diem)	Fish & Game	<u>9.0</u>	<u>7.0</u>
Totals: Fish and Game		254.0	172.0
Contract		<u>440.0</u>	<u>250.0</u>
Grand Total		694.0	422.0

PERSONNEL REQUIREMENTS*
(FISH & GAME**)

SALARY AND
BENEFITS

Program Leader (All aspects of all studies) FB IV (Range 20)	23.0
Subprogram Leader (II.A.2.c-Economically Important Fauna) FB III (Range 18)	Existing PCN
Subprogram Assistant (II.A.2.c) FB II (Range 16)	17.3
Subprogram Assistant (II.A.2.c) FB I (Range 14)	14.9
Clerk Typist (II.A.2.c) CT III (Range 8)	10.2

* All costs included in proposed Fish & Game subprogram costs.

** Personal services of contracted personnel included in contracted subprogram costs.

SENATE FINANCE COMMITTEE

April 10, 1974

9:10 a.m.

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

Senators Lowell Thomas and Chancy Croft; Susan Connelly, Jackie Shoppert, Judy Hopkins; Don Clocksin, Deputy Director of Alaska Legal Services.

Elaine Mitchell, Alaska Educational Broadcasting

SB 310 Senator Groh called the meeting to order and announced that the committee will hear testimony on Senate Bill 310, which is an act relating to aid to families with dependent children.

Senator Groh noted that the Governor has submitted an AFDC budget of \$14,881.0. He said those funds for assistance are to be paid in accordance with existing State law (AS 47.25.320) which has not been changed since 1970. He read the amounts which are provided for individual situations. He called the committee's attention to the fiscal note which states that the bill would change the formula to allow for cost-of-living increases based on an assistance standard established by U. S. Department of labor statistics on cost-of-living. The fiscal note indicates that there would be a FY '75 impact on this budget of \$7 million. He said the Governor has already suggested an appropriation of \$4.6 of the \$14.8, so this should be subtracted.

Susan Connelly of Anchorage, who is a member of the Citizens Participation Conference, Human Resources Committee, League of Women Voters, spoke in favor of CSSB 310 which would allow assistance at the OEO poverty level.

Ms. Connelly said the present AFDC figures are hopelessly inadequate. She displayed a chart showing level of need versus level of payments now. She said that this bill would mainly benefit the smaller families, as when the families get larger the ratio of need versus payments decrease. She said that 43% of the families receiving payments under this program are one child families. Chart is attached to minutes.

Ms. Connelly stated that other State welfare programs provide much more; for instance, foster care. A person is entitled to \$166 to \$235 for care of one foster child. A disabled adult receives \$250 a month; Payments for a dependent child in a receiving home is \$725 a month; \$750 is paid for caring for one adolescent in a Teen Home.

Ms. Connelly said CSSB 310 would allow the State to have a need and payment level that are the same. She said \$300 is needed for one child, but they only receive \$150. OEO guidelines indicate \$300 a month. She said that OEO guidelines have taken the higher cost of living in Alaska into account and have built in a clause for an annual cost-of-living update.

Senator Ray said some people say that there are mothers who have never been married and are still living with the natural father who are collecting this assistance. He asked if Ms. Connelly knew of such instances. Ms. Connelly replied "no." She said she knows of no cases like this, but she felt that although she would not condone this behavior, she did not think that support should be denied, as the child would be the one to suffer.

Senator Palmer asked Ms. Connelly to expand on the situation with regard to employment. Ms. Connelly explained that a mother is not required to register for work or training if she has a child under six years of age. If the child is over 6 years, they are required by Federal Mandate to register in the WIN program if they need training, or to seek employment.

Jackie Shoppert, a welfare mother, explained her own experience with this program. She said her child's father abandoned them and she applied for welfare and received \$125 a month to live on. However, her rent was \$120.50 (for a place in Anchorage which is substandard). She was told by her welfare worker that she was not required to seek a job while her child was under six years of age; however, she applied to WIN for some type of training, and it took six months for them to get to her. She said she also had problems getting food stamps.

Ms. Shoppert said last Summer she got a grant from the BIA and was able to go to college. She said last November she received a letter from Welfare that she was being taken off welfare because her income was so vast. She said her income is now \$3,000 a year and she is in college full-time.

She criticized the WIN program, saying that you must take the type of training they want you to have.

Senator Sackett stated that Ms. Shoppert was required to come up with about \$38.00 a month for food stamps. How much did that buy? She replied that is the equivalent of \$80.00 worth of food.

Senator Palmer asked why the Food Stamp people thought she had so much money. She replied that the Food Stamp office goes by some formula which she does not understand.

Senator Groh asked Ms. Shoppert to explain what she meant when she said she couldn't find the WIN people. Ms. Shoppert explained that She went to their office, nobody was there, so she called the number she was told to call by her Eligibility Worker. An appointment was arranged for the next week and then they called and cancelled it. Then she was told they had to process her forms. It was six months later before she was able to see anyone, and by that time she had enrolled at the Community College.

Judy Hopkins testified that this bill is a priority item of the League of Women Voters of Alaska. She said the need is obvious.

Don Clocksin, Deputy Director of Alaska Legal Services, testified in favor of CSSB 310.

Mr. Clocksin said he is not in favor of any cuts in this bill; however, some compromises or alternatives have been proposed. He displayed a chart indicating the compromises which could be made with certain savings as follows:

	<u>Total Cost</u>	<u>State Share</u>
1. Cost of CSSB 310 (100% of OEO guidelines)	6,850.0	3,425.0
2. Cost of 90% of OEO guidelines	6,165.0 (Save 685.0)	3,080.0
3. Cost of 80% of OEO guidelines	5,480.0 (Save 1370.0)	2,740.0
4. Delete (b) (grants equal to foster care)	5,770.0 (Save 1080.0)	2,885.0
5. Reduce maximum to \$449 (family of 4)	6,155.0 (Save 695.0)	3,077.5

He said these figures may be off by a few thousand dollars. Mr. Clocksin said he felt the worst alternative is No. 5, which would discriminate against larger families.

Senator Palmer mentioned that he understood there are some families who are receiving more aid than the OEO guidelines. Mr. Clocksin replied that the testimony of the Commissioner was that larger families receiving more than OEO guidelines allow would be cut, if this bill passes in its present form.

Mrs. Connelly testified that the new larger families would be receiving less money; however, the families over OEO guidelines who are already receiving aid have grandfather rights.

Senator Groh noted that the \$4.6 million in the Governor's budget for this bill does not include Part (b) (grants equal to foster care). That is a separate 1080.0 item.

Referring to Part (b), Senator Ray said it doesn't make sense to him to pay less to provide for children being cared for by a relative (who is not a parent) than we pay to care for them in a foster home.

Senator Palmer disagreed to an extent. He felt that a relative has a certain responsibility to kin that a non-related person does not have.

Senator Poland mentioned that she was helping a man once who was taking care of a nephew of his and he had to prove need to get any assistance.

Senator Thomas remarked that a home also has to meet minimum standards.

Senator Groh said he would hesitate to tie this to OEO guidelines because of the boom that will probably be taking place in Alaska, for example, some truck drivers may earning about \$60,000 a year. He asked how often OEO guidelines are revised.

Mr. Clocksin said they are updated every year. He felt that the 25% differential provided to Alaska in these guidelines is not sufficient in many parts of the State.

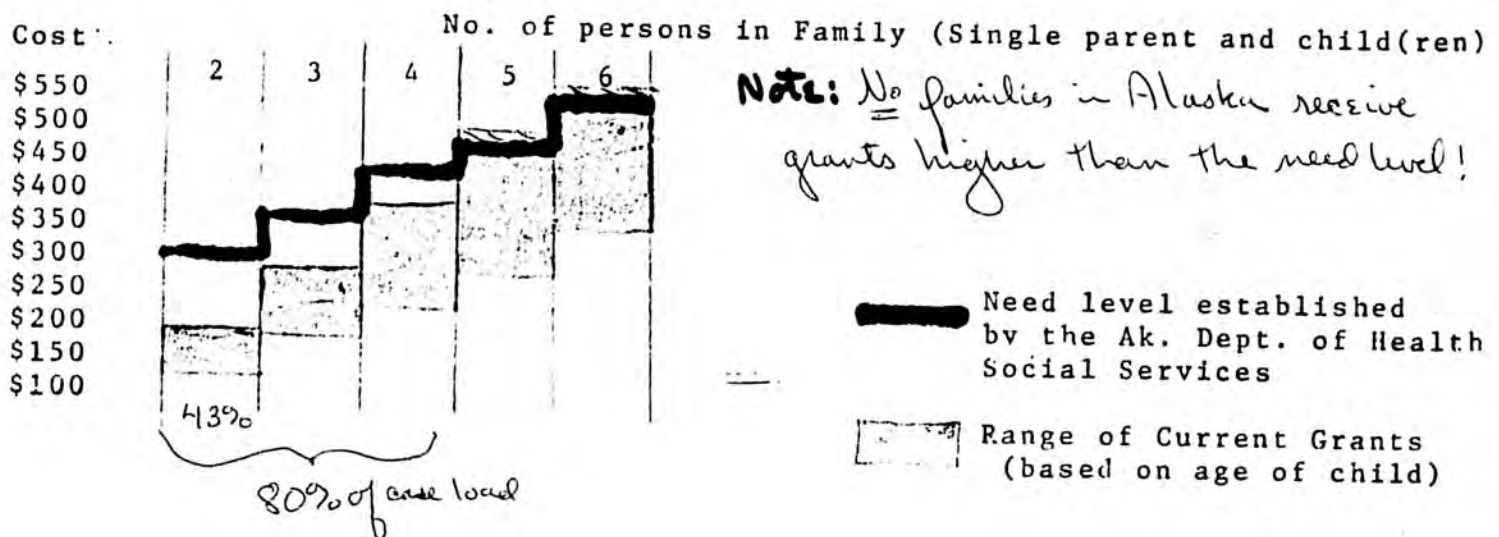
Senator Palmer said as he interprets Section (b), it does not say anything about the financial capability of a relative caring for a child. Senator Ray pointed out that he interprets it to mean that financial capability would be a consideration only if the State did not place the child in the relative's home. However, if a relative sought custody through the courts, he would have to prove that he could not afford to pay for the child's care before he could get any State assistance.

Recess

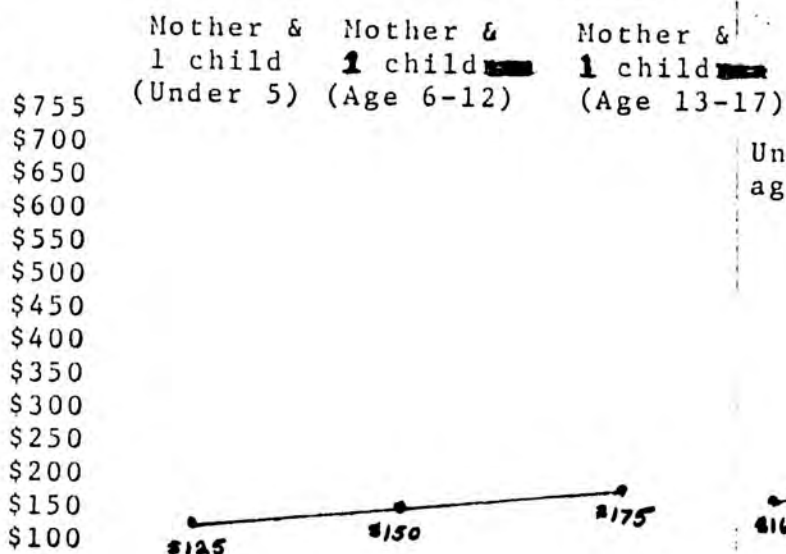
Senator Groh recessed the meeting at 9:50 a.m., saying this bill could be taken up tomorrow.

Information on SENATE BILL NO. 310

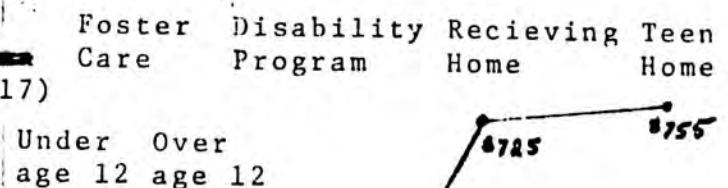
"An Act relating to aid to families with dependent children."



Current AFDC Allowance
One adult AND one child!



Allowance for
SINGLE child or adult



AFTER RECESS
1:45 p.m.

Present: Senators Groh, Ray, Poland, Lewis, Butrovich, Palmer, Sackett
Senator Kerttula

Senator Groh called the meeting to order and announced that the committee will close out the Education budget category.

EDUCATION
CLOSE OUT

BRU's that were specifically discussed and/or amended are as follows:

P. 2, WICHE. Senator Groh read a letter dated March 15 from the Governor, requesting \$51.0 more for WICHE, as follows: \$5.0 for medicine; \$12.0 for Veterinary Medicine; \$2. for Dentists; \$1.2 for Physical Therapists and \$65.0 for Lawyers.

Senator Lewis moved for the Governor's original figure. The motion failed. Senator Groh moved for a total budget of \$335.0. The motion was adopted, with four in favor. Senator Ray objected, as he did not feel that amount was high enough.

P. 4, Ak. Historical Comm., Governor's figures for Personal Services Commodities and Equipment approved. Senator Groh suggested allowing the reclassification of both positions and cutting contractual to \$5.5.

Senator Ray moved \$15.5 be provided for contractual. The motion failed, with Senators Ray, Poland and Sackett being in favor. A motion to provide \$10.5 for contractual was adopted. This will allow for a bibliography of Alaska Legislators to be published. Travel set at \$6.0. Both reclassifications approved.

P. 6. State Arts Council. \$642.0 approved. Requested position disallowed.

P. 8, Teachers Retirement. \$4.150 approved. Disallowed \$150.0 contingency.

P. 10, Foundation Program. Governor's figure approved. Senator Groh suggested that we could consider SB 324 to increase the Foundation Program. Senator Ray objected. He suggested it be set at \$80,750.0. Senator Palmer objected. He wanted to allow \$84,450.0.

P. 12, Pupil Trans./Public. Senator Sackett said he has a note that there was \$365,000 excess this year. Rich Guthrie said the department indicated there could be an excess as high as \$500.0 this year; the excess will be transferred to cover under-funded BRU's.

Senator Palmer moved that the Governor's figure be accepted. The motion failed, with only Senator Palmer voting for it.

A motion to set the amount at \$6,850 was adopted.

P. 18, Debt Retirement/Local. Mr. Guthrie said the department did ask him to notify the committee that it needs about \$6.8 million for this BRU (rather than \$6.0 million), since this has been under funded about \$2 million. Senator Lewis moved that the Governor's figure of \$6.0 be adopted. The motion failed, with Senators Lewis and Butrovich voting in favor. Senator Sackett moved for \$6.8. No action taken on motion. Senator Palmer moved for \$7.0. The motion was adopted.

Financial Supt. Audit, P. 26. Senator Groh moved "zero" for this BRU. Senator Ray objected. He felt we should accept the Governor's figure of \$100.5. The amount was set at "0".

Next two BRU's set at zero.

Sabbatical Leave, P. 32. Senator Ray recommended \$40.0. The amount was set at zero, and later restored to \$40.0, upon motion of Senator Ray.

P. 46. Learner Assistance. Upon Senator Ray's motion, this BRU was set at \$336.4. This action was later rescinded by motion of Senator Palmer, and set at \$393.3 (Butrovich, Palmer, Sackett and Poland voting in favor). Rich Guthrie had explained that the Commissioner had asked for the "talent Bank" program. It will involve using people active in the education field, i.e., outstanding teachers and administrators, to travel around and assist other teachers and administrators with special problems, rather than having central office people do this. The Commissioner had indicated that central office staff specialists could be reduced if this program was adopted.

P. 48. Federal Program Admin. Blue Book figure adopted.

P. 52. Ofc. of Commissioner. Personal Services \$280.2. This will allow for one new position of Educational administrator I, funded with federal money; Travel \$35.0; Contractual \$281.0; Commodities \$13.0; Equipment "0". Total budget of \$609.2.

P. 54, Boards & Commissions. Blue book figures adopted.

P. 56. P.T.P.C. Governor's figure adopted. Senator Lewis objected to this, as being too high.

P. 58. Domiciliary Services. Blue Book figures adopted.

P. 66. Correspondence Study. Governor's figure approved. Senator Ray had moved for \$293.3. Rich Guthrie explained that the problem with taking Senator Ray's figure is that the reduction would be in general fund monies. The problem with this is that is their base staff they use to generate the other receipts. He stated if the committee wanted to reduce the request, they should do it in the SOS one. Rich explained that SOS and the Dept. of Education, subsequent to the time this budget was prepared, have got together and come up with a coordinated budget program. He said the SOS budget is up \$300.0. \$122.0 of that will come to Education to pay for their services.

P. 68. A.R.T.T.C. Governor's figure approved. Intent added that this is to be the last year of the program.

P. 74, Tuition Grant. Senator Groh said Mr. Carruthers had stated that he could get by with \$900.0. Senator Groh moved for \$900.0. The motion was adopted.

Senator Lewis left the meeting.

P. 76. Administration. Senator Ray moved for the Governor's figure. The motion failed. Senator Groh said Mr. Carruthers said the Clerk-Typist position is absolutely necessary. The motion of Senator Groh for \$139.4, to include the Clerk-Typist, was adopted. Budget set at \$139.4.

P. 84, Community College Supt. Senator Groh moved "0". Senator Groh said the man who is in charge of this section testified that he never turns community colleges down on their requests. Senator Groh felt this should be put under the University of Alaska. He read a letter from Dr. Dafoe who agreed with this. Senator Ray objected to this. He felt this grant money should remain under the Dept. of Education. Mr. Guthrie said he could provide the committee with a copy of the formula which is used for disseminating these grants. He said the University would use the same formula if it was transferred to them.

Senator Ray moved for \$1,350.0 for this request. The motion was adopted, with Senators Sackett, Palmer, Butrovich and Ray voting in favor of it.

Senator Kerttula said he has a note from Don Dafoe saying that they would need \$1.6.

Senator Groh moved that the amount adopted be allocated to the community colleges on a formula basis, and that the formula must be proposed by the community college directors and advisory boards. The motion was adopted. Mr. Guthrie said this money would be put in the University of Alaska under its central office--Planning.

P. 89. Operations. Senator Ray moved for \$510.3. Senators Sackett and Palmer objected. Senator Poland requested that \$50.0 be put in here for a Kodiak radio station. Intent was added that \$40.0 be provided for the Kodiak radio station. On Senator Palmer's motion, \$35.0 was added for Kenai translator, with Senators Poland, Palmer, Butrovich and Groh voting in favor of this motion. Total budget of \$545.5 approved.

P. 94, Juneau Museum. Senator Ray's suggestions adopted. Personal Services \$160.0; Travel \$8.0; Contractual \$33.0; Commodities \$15.0; Equipment \$1.1; Grants \$10.0. Total budget \$227.1. Allowed Traveling School Exhibit position. Denied others.

P. 96, Transportation Museum. Senator Palmer moved "0". Motion unanimously adopted. Intent added that Visual Arts is to be allowed to remain in the building.

P. 98. Library Operations. On Senator Sackett's motion, \$50.0 was added to contractual to provide for writing Senator Bartlett's biography. All requested positions allowed. Total budget is \$700.7.

Governor's figures on remaining BRU's approved.

Recess

The committee took a 15 minute recess at 3:30 p.m. Senator Groh said after the recess they would take up the University's budget.

AFTER RECESS
4:00 p.m.

Present: Senators Groh, Poland, Butrovich and Ray.
Senator T. Miller and Senator Kerttula were also present.

UNIVERSITY

OF ALASKA Senator Groh called the meeting to order and said the Committee would consider the close out for the University of Alaska budget.

Univ. System Center
Planning

Fund On page 18 of the shortform, \$1,350.0 was added to the Planning Fund with legislative intent that this goes to Community Colleges. (This intent is the same as House intent).

Leg.
Intent

The Committee continued through the BRU's accepting the Governor's figures.

Organized Research

Inst. Water Resources Senator Palmer entered the meeting. The Committee adopted the Governor's figure for Inst. Water Resources.

WAMI Senator Ray moved 52.8 for WAMI. Mr. Guthrie explained that WAMI said they need an additional \$100.0 that Alaska should contribute to the program. Senator Ray moved to include the 100.0 with intent to show the purpose of the addition. No objection, so ordered. The Committee adopted the total of \$149.7 for this BRU.

Leg.
Intent

Northern Region
Regional Center

On page 64 of the shortform, BRU Regional Public Service, the Committee adopted the Governor's figure. Senator Sackett requested legislative intent that if the Free Conference Committee adopts the addition made in the House the communities be expanded to read "Ft. Yukon, Tok, and Nenana."

Leg.
Intent

Univ. of Alaska,
Fairbanks
Instruct.

& Dept. Senator T. Miller stated that the University had projected an increase in enrollment and they actually had a decrease. Because of this the Governor's Budget Review Committee had reduced this budget by 20%. Senator Miller said the University "is in a panic about this."

Research

After a brief discussion, the Committee adopted a total of \$4,987.0 on page 70 of the shortform. Senator Ray objected but the motion carried.

Univ. of Alaska, Fairbanks

Tanana

Valley Senator Butrovich moved 196.0 for page 72. Motion carried.

Library Senator Groh moved to add \$80.0 to code 500, page 74, per testimony from the students attending the University.

Leg. (legislative intent to show this funding for books and
Intent periodicals). No objection, so ordered. The Committee adopted the total of \$893.1 for this BRU.

Southeastern Region

Regional Center

Provost (Admin.) Senator Ray moved the total of 180.9 for page 90. Motion carried. (However, later in the meeting Senator Ray moved to amend this figure to 245.9 and to show intent that this additional funding is for a Regional Forestry and Fisheries College. Senator Ray noted this would be 29.0 of general funds and the rest program receipts because of a student fee increase. Mr. Guthrie added that the Sr. College had estimated an enrollment of 1,400 students and they have almost tripled this amount. Senator Ray restated his motion of 245.9 and the motion carried unanimously.

Senator Ray moved the Governor's figures for pages 100 through 128. No objection, so ordered.

Recess: The Committee recessed at 4:45 p.m.

AFTER RECESS

4:52 p.m.

Present: All members.

UNIVERSITY

OF ALASKA The Committee continued the close out for the University of Alaska budget.

Southcentral Region

U of A, Anchorage CC Senator Ray moved \$2,693.9 for personal services, page 136, which is an increase of \$200.0 above the Governor's figures. The motion carried and the total was accepted at \$2,938.3.

Kenai Peninsula CC

Instruction Senator Palmer moved the maintenance figure of 105.3 on page 148. No objection.

Administration

Senator Palmer moved the request figure of 87.1 on page 152. No objection.

Kodiak CC Senator Groh moved the maintenance figure of 110.1 for Kodiak CC, Instruction, page 168. No objection.

Kodiak CC

Admin. Senator Poland requested that the Program Coordinator (half-time \$12,900) be allowed. Senator Poland moved a total of 73.9 for Kodiak CC, Administration, page 172. Motion carried unanimously.

Physical

Plant Senator Poland moved 43.1 for this BRU, page 174. Motion carried unanimously.

Kuskokwim CC

On page 178, the committee adopted the total of 99.3. Senator Lewis objected but the motion carried.

Library

The Committee adopted 13.0 on page 180.

The rest of the BRU's (pages 182 - 215) were accepted at the Governor's request.

Adjourn: The meeting adjourned at 5:10 p.m.

SENATE FINANCE COMMITTEE

April 11, 1974

8:15 a.m.

Present: All members except Senator Palmer.

SOS Senator Groh called the meeting to order and announced the Committee would consider the close out for SOS.

Pre School Elem. Sec.

Rural SOS

Tuition The Committee adopted the Governor's figure on page 28 of the shortform.

Basic

Instruction The Committee considered the Basic Instruction BRU. Mr. Guthrie explained that as Selawik has gone independent and this could be reduced by 291.8. Mr. Guthrie stated that if the committee decided to reduce this it should be in code 100, personal services.

After a brief discussion, the Committee decided to adopt the Blue Book figures (minus reduction for Selawik).

Senator Lewis left the meeting.

Senator Palmer entered the meeting.

Food

Service The Committee adopted the total of 2,149.5 for Food Service, page 32.

Bldg.

Maint. Mr. Guthrie stated 73.9 would be the reduction for Selawik on page 34. The Committee adopted the Blue Book figures minus this reduction.

Admin. & Support The Committee adopted the total of 740.9 on page
Leg. 38 with intent that the In-Service Training be allowed.
Intent

Bilingual

Education The Committee adopted the total of 736.4 on this BRU, page 42.

Supplemental

Programs Mr. Guthrie explained that on page 46 there were additional federal funds in the amount of 1,376.3. The revised figures were presented and the Committee accepted this total -- 3,480.4.

Exceptional

Children Mr. Guthrie explained there were also revised figures on the next BRU -- Exceptional Children. The Committee adopted this revised total -- 1,350.7.

Adult

Education The Committee zeroed the Adult Education BRU, page 50, with intent that it be placed in the Department of Education budget.

Correspondence

Study The Committee zeroed the Correspondence Study BRU, page 52, but requested that 267.0 be transferred to the Dept. of Education for this service. Senator Palmer moved that 267.0 be transferred to the Department of Education. No objection.

Recess: The Committee recessed at 9:22 p.m.

AFTER RECESS

9:47 p.m.

Present: All members except Senator Lewis.

SOS The Committee continued the close out of the SOS budget.
On-Base
Basic

Instruction Senator Poland moved an addition of \$20.0 for travel for Adak. Motion failed.
The Committee adopted the total of \$7,990.0 for page 72.

Food
Services The Committee adopted the Blue Book figures for page 74.

Admin.
& Support On the Admin. & Support BRU, page 80, the Committee adopted the total of \$279.0 which allowed a reduced level for In-Service Training.

Exceptional
Children Mr. Guthrie presented the Governor's revised figures on page 84. The Committee adopted the revised figures.

Central
Office SOS
Instructional

Media Senator Sackett suggested intent to extend these services to other school districts (in the BRU on page 98).
The Committee adopted the total of \$420.4.

Planning
&

Evaluation The Committee discussed the BRU on page 106. The Committee adopted the maintenance figure and disallowed the reclassification upward of two positions (Director and Curriculum Design Specialist). Mr. Guthrie explained that the new positions requested included two positions transferred into this BRU. He added that these transfers are included in the maintenance figure.

Recess: The meeting recessed at 10:25 a.m.

AFTER RECESS
10:45 A.M.

Present: All members with the exception of Senator Lewis. Senator Jalmar Kerttula.

Sen. Groh called the meeting to order for final review of close-out figures on open or questioned items.

DEVELOPMENT Referring to Veterans' Loan Fund Administration, the committee retained their original recommendation of \$268.0 for Personal Services and the position of Clerk II was allowed.

Rural Development Assistance: Committee retained their original recommendation and allowed the new position of Field Representative I in Fairbanks.

State Economic Opportunity Office: Funding was questioned by the staff as being too high in Required General Fund, but the committee recommended leaving Required G. F. at 82.8.

Sen. Groh asked if the committee wanted to increase funding for the Local Boundary Commission and the committee agreed to leave it at the original recommendation.

PUBLIC
PROTECTION

Office of Consumer Protection had been left open in the Public Protection program category. Committee agreed to accept the Maintenance figure and deleted the Fairbanks Consumer Protection Office request.

GENERAL
GOV'T.

Referring to Internal Audit, the committee allowed two new Auditor positions (Nos. 2 and 4) for a total of 11 full-time positions. The request for additional auditors was transferred to Legislative Audit where three new auditors were added. Line items were adjusted accordingly, with the stipulation that the new positions in Legislative Audit were to be funded by Inter-agency Receipts.

The tentative close-out in Employee Relations was accepted by the committee.

Fish & Game Licensing - Sen. Palmer requested the addition of the Accounting Clerk III and there was no objection from the committee. The Governor's recommendation was adopted since this included the new position.

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In Remote Village Radio, Sen. Palmer requested adding an Electronic Technician. Position was added and line items changed accordingly.

Kent Dawson called the committee's attention to a letter from the Governor regarding Bicentennial Commission in which the Governor requested additional money from the General Fund to match one project for the University of Alaska. The committee agreed to retain their original recommendation.

Legislative Affairs submitted a revised request and copies were distributed to committee members. Personal Services' request allowed, Travel decreased due to less travel by interim committees, Contractual decreased to delete the contract with McLean & Associates. The request for Commodities and Equipment was granted, and Miscellaneous decreased.

Kent Dawson asked if the committee wished to consider the deferred compensation program under Retirement & Employee Benefits which would add an Administrative Assistant and Clerk-Typist III for administration. The committee decided not to consider this program and no change was made.

NATURAL RESOURCES

Referring to the program category Natural Resources, Sen. Palmer requested additions to programs in Commercial Fish Research and Management. Additions to Research included Yukon River Fall Chum Salmon Research \$15.0, Alaska Peninsula Shrimp Program \$19.2, Cook Inlet Escapement Enumeration \$9.8 and Cook Inlet Lake Capacity Study \$23.7. Additions to Management were Kodiak Tanner Crab Monitoring \$10.0, Cook Inlet Herring Project \$9.1, and Cook Inlet Tanner Crab Project \$13.1. The committee agreed to these additions and totals were adjusted accordingly.

Vessels: Committee agreed to include the crewmen for the M/V Resolution and accepted the Governor's recommendation.

Habitat, Permits: Total funding increased due to two new positions allowed on Land Use Planning.

The meeting recessed at 11:30 A.M.

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AFTER RECESS
11:30 A.M.

Present: All members with the exception of Senator Lewis. Senator Jalmar Kerttula. Members of the Eagle River Chamber of Commerce: Messrs. Malekos, Bell, Schroeder and Atwater.

Eagle River Sen. Groh called the meeting to order to hear testimony from
Police representatives of the Eagle River Chamber of Commerce on
Protection their request for a state trooper sub-station.

Mr. Malekos said a petition for a new borough was to be filed on April 15 which would take time to process, and in the meantime the citizens of Eagle River would like state trooper protection. The area represents 5% of the population, and is now experiencing impact in the form of vandalism and break-ins. There are 14 miles of highway between Eagle River and Anchorage with an inadequate telephone system; thus the area was requesting a state trooper sub-station to be manned by six troopers. The total cost would be \$248,800 for one year. The borough has employed a protection officer and there are visits from a state trooper periodically, and the addition of a sub-station would be a deterrent to crime. The last census showed a population of 8,500 in Eagle River and a conservative estimate at the present time is between 9,000 to 10,000, with a total estimate of 15,000 to 18,000 in the entire area.

Replying to a question from Sen. Kerttula, Mr. Malekos said the area did not turn down police powers, but turned down participation in the existing borough. The citizenry has no confidence in the existing borough; for example, the borough can't even solve sewer problems.

Mr. Bell noted there was a new correctional facility at Eagle River, not maximum security, which added to the need for police protection.

Mr. Schroeder stated the people have lost confidence in the borough since all it does is take money from the community. Four years ago his property was assessed at \$35,000, while last year the assessment went up to \$256,000. Mr. Bell said his homestead was originally assessed at \$27,000, three years ago the assessment was \$160,000, and last year \$900,000. Taxes now are about \$22,000 on his property from the Greater Anchorage Borough. Money is taken from the community and no services provided as they have no roads and no police protection.

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Mr. Atwater said he wanted to stress the money was requested as a temporary measure, and the request was for \$250,000 for two years. A small portion of the impact fund was requested for portection, added Mr. Atwater. Mr. Malekos said he had received assurance from Pat Wellington that trooper protection would be provided if a line item for \$250,000 was included in the budget, and that the representatives from Eagle River had met with Mr. Wellington and House Speaker Tom Fink to discuss this problem.

Sen. Groh thanked the representatives from the Eagle River Chamber of Commerce for their testimony and they left the meeting.

SB 525

SENATE BILL NO. 525 (Supplemental appropriation to the Dept. of Administration for pay increases and benefits for professional staff of the University of Alaska) was brought before the committee. After discussion, the committee voted unanimously to report SB 525 from committee with a "do pass" recommendation.

Recess: The meeting recessed at 12 noon.

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AFTER RECESS

4:05 P.M.

Present: Senators Groh, Butrovich, Ray and Sackett. Senator Jalmar Kerttula.

Sen. Groh called the meeting to order for final review of close-out figures on open or questioned items.

TRANSPOR-
TATION

The committee referred to Trunk & Secondary Airports, Maintenance & Operations. Jay Hogan distributed information on previous questions regarding landing fees and fire fighter guards. Landing fees have not been changed since statehood, but Mr. Hogan noted landing fees only pertained to Anchorage and Fairbanks Airports and not Trunk & Secondary Airports. The committee discussed adding intent to the effect that such fees should be increased. Mr. Hogan explained fire fighter guards had been funded at half-time last year and the department requested full-time funding. Sen. Groh moved to accept the Governor's recommendation. No objection.

Senators Poland and Palmer joined the meeting at 4:15 P.M.

Trunk & Secondary Airports, Administration, had been left open. The committee agreed to accept the Governor's recommendation.

Previous recommendation was accepted for Air Transportation, Administration.

Sen. Groh requested opening Vessel Operations, page 8, to add \$50.0 in Contractual for a shuttle train between Portage and Whittier. Sen. Kerttula spoke in favor of this addition. Sen. Groh moved to add \$50.0 for the train, and the committee voted to accept this addition. The total for Vessel Operations was adjusted accordingly.

HEALTH

Per Sen. Poland's request, the committee opened Crippled Children in the Health program category since it had been determined that this element funded aid to hemophiliacs. Sen. Poland moved to add \$30.0 to Contractual Services for aid to hemophiliacs and the committee voted unanimously to include this addition. Funding for Contractual Services was increased to \$520.0 and the total adjusted accordingly.

Sen. Palmer requested the Community Operated Mental Health Center grant for Kenai be listed for Soldotna.

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SOCIAL
SERVICES

Staff Development in Social Services was an open category.
Committee agreed to accept the Governor's recommendation.

Sen. Groh suggested the committee accept the figures submitted
by the department for the Quality Control BRU and the committee
agreed. \$406,300 was approved by the committee.

The meeting adjourned at 4:30 P.M.

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SENATE FINANCE COMMITTEE

April 12, 1974

8:45 a.m.

Present: All members

Senator Kerttula, Representative McVeigh

Senator Groh called the meeting to order to consider the pipeline impact budget, noting that a total budget of \$38,288.1 has been proposed, and \$17,022.2 of that is federal funding.

Senator Groh stated that the House gave the Governor's office a total of \$11 million to handle as he wants. The committee decided to consider each item separately.

Jay Hogan stated that Mr. Charney has advised that it would be impossible to keep separate (as to what is impact and what is not) those funds going to municipal services, revenue sharing and school foundation. However, as far as any positions created, they plan to designate them with a special accounting code, so that in the future when it is agreed impact is over, these positions can all be identified.

EDUCATION

Foundation Support. Senator Sackett explained that there is a problem in Senator Kerttula's district. Both Delta and Glennallen are SOS schools and will be doubly impacted. He said SOS did not put any funding in the capital improvement budget or in the regular budget. He said there will be 1400 people working out of Delta on the pipeline by this Fall; therefore, there will be a need for new classrooms. Senator Sackett moved that \$1.4 million be added for SOS, \$700.0 for Glennallen and \$700.0 for Delta for relocatable classroom units (7 classrooms each).

Senator Ray moved \$7 million even for Foundation support. No action taken on motion.

At Senator Groh's suggestion, the committee agreed to \$6.2 million for Foundation Support, and \$1 million for SOS (\$500.0 for Delta and \$500.0 for Glennallen for relocatable units for additional classrooms).

SOCIAL
SERVICES

MDTA - Voc. Educ. - '75 and MDTA - Voc. Educ. - '75 unanimously approved at \$2,122.0 and \$4,800.0, respectively

Assistance Payments. Senator Ray's suggested deleting Assistance Payments. Senator Lewis moved and asked unanimous consent that Senator Ray's suggestion be adopted.

Senator Sackett objected. Senator Sackett asked that intent be added to the effect that payments to existing recipients should not be cut. Senator Sackett's suggestion was adopted, and Assistance Payments was deleted.

Program Services. Deleted by committee. Senator Ray moved to delete. Senator Palmer suggested \$200.0, and specify that it be designed for Homemaker Services.

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Senator Palmer's motion failed (Palmer & Sackett in favor).
Senator Ray's motion to delete carried.

Social Services. Committee's decision was to leave Social Services in at \$147.5.

Food Stamps/Eligibility. Senator Lewis moved and asked unanimous consent that Food Stamps/Eligibility be deleted. Senator Sackett objected. A vote was taken and the motion to delete carried.

Drug Abuse. Senator Groh moved and asked unanimous consent that the committee delete Drug Abuse. There being no objection, the motion was adopted.

WIN AFDC - 75 and WIN AFDC - 74 both approved at \$456.2 and \$231.8, respectively.

Empl. Security - 75 (\$6,704.8) and Empl. Security - '74 (\$722.5) approved by Committee.

Manpower Trng./Contracts - 74 (500.0); Manpower Trng./Contracts - 75 (\$800.0); Manpower Trng. Grants - 75 (\$1,493.3) approved.

Commissioner/Dept. of Labor. Senator Ray moved to delete \$55.7 for Commissioner/Dept. of Labor. Senator Lewis objected. The remaining committee members approved, so it was deleted.

Manpower Trng. Grants - 74 Approved at \$321.8.

HEALTH

Senator Ray moved to delete everything under Dept. of Health & Soc. Services, except General Relief Medical. Senator Butrovich asked that a footnote be added to General Relief Medical, to state that the money be allocated only to impacted areas. A vote was taken and the motion (with footnote) was adopted, with Senators Butrovich, Lewis, Ray and Groh voting in favor.

Senator Poland and Sackett objected. Senator Poland felt the committee should have left Environmental Health in.

RESOURCES

Oil and Gas approved at \$84.4, by a vote of 4-3. Senator Ray's motion to delete this failed.

Parks & Recreation. Senator Ray moved to delete Parks and Recreation and Administration and Support. The motion was adopted by a vote of 5 to 2.

Senator Lewis objected to the vote on this.

Pipeline Monitoring. Senator Palmer requested that \$640.0 be added here for Katchamack Bay habitat studies. He said the Governor agrees this area will be impacted because of oil development and that some protection is needed for this area. After a committee discussion, Senator Palmer agreed to withdraw his request here. The committee agreed that if the Governor wrote a letter expressing approval of this, it would become a free conference issue.

Public Safety-Enforcement. Senator Ray suggested changing the funding on this as follows: Change to Pipeline Monitoring instead of Enforcement and enter it as a programmed receipt. In this manner, we might be able to get Alyeska to pay for it instead of the General Fund.

Senator Lewis objected to that. He said he'd like to raise it to \$500.0, as he stated that the real impact will come in Enforcement. Senator Sackett wanted an understanding that if Alyeska won't pay for it, then the General Fund will. Senator Ray's motion was adopted.

Pipelining Monitoring, Dept. of Environmental Conservation approved at \$1,196.6.

Office of Consumer Protection. This was approved at \$33.1.

Occupational Safety. Senator Ray moved to delete this. Senator Poland objected and spoke in favor of leaving it in. Senator Ray's motion was adopted by a vote of 5 to 2.

Senator Palmer moved to rescind the action taken on Occupational Safety. The motion was adopted. A vote was taken on the question "Shall Occupational Safety be left it?" The motion failed by a vote of 3 to 4, with Senators Ray, Sackett and Poland voting in favor of leaving it in.

Weights and Measures: This was approved, with Senators Palmer, Groh, Butrovich and Sackett voting in favor.

APUC. Senator Lewis that the following be deleted:

- Ak. Pub. Util. Commission
- Ak. Transportation Commission
- Lic. & Administration of Boards
- Driver Licensing

The committee voted for the motion unanimously.

JUSTICE

Public Defender approved at \$216.9

Prosecution approved at \$216.9

Adult Confinement, Juvenile Confinement, Adult Rehab. Programs deleted.

Probation & Parole. Senator Ray suggested that this be approved. Senator Palmer moved that intent be added to this so that one of the probation officers be located in Seward, to reside in Seward. Senator Palmer explained that a number of the probation officers will be going to Anchorage and one of them is supposed to handle Seward. The Judge he talked to says this will be unworkable; therefore, he is requesting that one of these Anchorage officers be transferred to Seward. A vote was taken, and the motion to approve \$104.4 with one probation officer designated for Seward was adopted.

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Administration and Support at \$25.0 deleted by committee action.

Senator Ray moved that Admin. Wage & Hour (\$108.7) and Admin. Workmen's Compensation (\$60.8) be approved. There being no objection, the motion was adopted.

Senator Sackett moved that \$934.8 be approved for Detachments and CIB. There being no objection, it was so ordered.

AST Div. HQ (\$13.9). Senator Ray moved for approval of this. There being no objection, it was so ordered.

Civil Section AST. Senator Ray moved to delete the \$75.3 for this. There being no objection, the motion was adopted.

Commissioner-Public Safety. Senator Ray moved to delete the \$12.4 for this. There being no objection, it was so ordered.

Alaska Court System. Senator Ray moved to delete \$278.3 for this item. A vote was taken, and the motion was adopted.

Senator Lewis had proposed an amendment that an amount be allowed out of this money to provide for an Eagle River sub-station, but the amendment was not adopted.

DEVELOPMENT Senator Ray moved to delete everything under the Department of Community & Regional Affairs. The motion was adopted by a vote of 4 to 3, with Senators Sackett, Butrovich and Palmer voting against deletion.

Senator Poland moved to rescind the action on Local Government Assistance and Community Planning Assistance. The motion failed with Senators Poland, Sackett and Groh voting to rescind the action taken.

Anchorage Int'l Airport. Senator Groh moved and asked unanimous consent that we include everything under transportation. The motion was adopted with Senators Butrovich, Palmer, Groh and Sackett voting in favor. This includes Fbx. Int'l Airport and Maintenance and Operations.

GENERAL GOV'T Senator Ray moved that \$159.2 for the Governor's Office be approved. The motion was adopted.

Personnel. This was deleted (\$87.5) by unanimous consent.

Data Processing. Senator Ray suggested leaving it in. Senator Palmer, after reviewing the budget book explanation, moved that we approve \$50.0 for this. The motion failed.

Amendment by Groh: Approve \$60.0 for data processing. The motion was adopted.

Law-Operations. Senator Lewis moved that \$184.6 be approved for this item. The motion was adopted, with Senators Poland and Ray voting against the motion.

Ind. & Business Tax. Senator Ray moved that this be approved. There being no objection, it was so ordered.

Excise Taxes. Senator Ray moved that this (\$15.3) be deleted. There being no objection, it was so ordered.

Motor Vehicle Registration. Senator Ray moved that this amount be approved at \$100.0 (rather than \$179.4). There being no objection, it was so ordered.

Collect. Delinquent Taxes. Senator Ray moved that this amount be approved(\$55.6). There being no objection, it was so ordered.

Border Insp. Station. Senator Ray moved that we approve this, and give them some money to guard the Haines Station at the same time. The motion was adopted, to approve \$112.7 and add intent that the Haines station be guarded.

Admin. & Support. Senator Groh moved and asked unanimous consent to delete this item (\$38.8). There being no objection, the motion was adopted.

Communications. Senator Groh moved and asked unanimous consent that we reduce this figure to \$150.0 (from \$287.5). He stated that the budget explanation says there is \$54.0 for personal services and \$202,000 for equipment. There being no objection, Senator Groh's motion was adopted.

The Committee instructed Legislative Finance Director Jay Hogan that they did not want this "lumped". They want to have it designated just the way they did it.

Recess

The meeting recessed at 9:55 a.m. Senator Groh stated that upon adjournment of today's session, the committee will take up the capital projects budget.

Attached: Copy of Committee's proposed pipeline impact budget.

PIPELINE FUNDING HB 466

	<u>TOTAL</u>	<u>FEDERAL</u>	<u>REQ. GEN.FUND</u>	<u>GEN.FUND</u>	<u>INTER- AGENCY</u>	<u>PROGRAM RECEIPT</u>	<u>IARF</u>
EDUCATION							
Department of Education	6,200.0			6,000.0			
Foundation Support	7,207.8	200.0		7,007.8			
State-Operated Schools <u>1/</u>	1,000.0			1,000.0			
SOCIAL SERVICES							
Department of Education							
MDTA - Voc. Educ. - 74	2,112.0	1,901.0	211.0				
MDTA - Voc. Educ. - 75	4,800.0	4,320.0	480.0				
Department of Health & Soc. Serv.							
Assistance Payments <u>2/</u>	1,094.8	388.8	706.0				
Program Services	316.9	116.9	116.8		83.2		
Social Services	147.5	109.1	38.4				
Food Stamps/Eligibility	134.8	55.7	101.1				
Drug Abuse	200.0			200.0			
WIN AFDC - 75	456.2	338.6	117.6				
WIN AFDC - 74	231.8	163.6	68.2				
Department of Labor							
Empl. Security - 75	6,704.8	5,665.0			1,039.8		
Empl. Security - 74	722.5	581.0			141.5		
Manpower Trng./Contracts-74	500.0	450.0			50.0		
Manpower Trng./Contracts-75	800.0	720.0			80.0		
Manpower Trng.Grants - 75	1,493.3	1,493.3					
Commissioner/Dept. of Labor	55.7			55.7			
Manpower Trng.Grants - 74	321.8	321.8					
HEALTH							
Department of Health & Soc. Serv.							
Public Health Nursing	89.1			89.1			
Community Health	44.7			44.7			
Environmental Health	119.7			119.7			
Laboratories	96.2			96.2			
General Relief Medical <u>3/</u>	500.0			500.0			
NATURAL RESOURCE MANAGEMENT & ENV. CONS.							
Department of Natural Resources							
Oil & Gas	84.4			84.4			
Parks & Recreation	113.0			113.0			

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	<u>TOTAL</u>	<u>FEDERAL</u>	<u>REQ.</u> <u>GEN. FUND</u>	<u>GEN. FUND</u>	<u>INTER-</u> <u>AGENCY</u>	<u>PROGRAM</u> <u>RECEIPT</u>	<u>IARF</u>
Administration & Support	15.5			15.5			
Department of Fish & Game							
Pipeline Monitoring	894.5					894.5	
Department of Public Safety							
Enforcement Pipeline Monitoring	166.4			166.4		166.4	
Department of Environmental Conservation							
Pipeline Monitoring	1,196.6			327.8		868.8	
PUBLIC PROTECTION							
Department of Law							
Office of Consumer Protection	33.1			33.1			
Department of Labor							
Occupational Safety	438.7	219.4	219.3				
Department of Commerce							
Weights & Measures	104.9			104.9			
Ak. Pub. Util. Commission	112.5			112.5			
Ak. Transportation Commission	155.9			155.9			
Lic. & Administration of Boards	19.7			19.7			
Driver Licensing	39.7			39.7			
ADMINISTRATION OF JUSTICE							
Office of the Governor							
Public Defender	216.9			216.9			
Department of Law							
Prosecution	216.9			216.9			
Department of Health & Soc. Services							
Adult Confinement	600.0			600.0			
Juvenile Confinement	70.0			70.0			
Adult Rehab. Programs	50.0			50.0			
Probation & Parole ^{4/}	104.4			104.4			
Administration & Support	25.0			25.0			
Department of Labor							
Admin. Wage & Hour	108.7			108.7			
Admin. Workmen's Compensation	60.8			60.8			
Department of Public Safety							
Detachments & CIB	934.8			934.8			
AST Div. HQ	13.9			13.9			
Civil Section AST	75.3			75.3			
Commissioner Public Safety	12.4			12.4			
Alaska Court System							
Alaska Court System	278.3			278.3			

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	<u>TOTAL</u>	<u>FEDERAL</u>	<u>REQ. GEN.FUND</u>	<u>GEN.FUND</u>	<u>INTER- AGENCY</u>	<u>PROGRAM RECEIPT</u>	<u>IARF</u>
DEVELOPMENT							
Department of Community & Reg. Affairs							
Local Gov't. Assistance	22.4			22.4			
Community Planning Assistance	50.0			50.0			
Municipal Svc. Rev. Sharing	523.0			523.0			
TRANSPORTATION							
Department of Public Works							
Anch. Int'l. Airport	588.1						588.1
Fbx. Int'l Airport	703.8						703.8
Maint. & Operations	720.2					720.2	
GENERAL GOVERNMENT							
Office of the Governor							
Executive Direction	159.2			159.2			
Department of Administration							
Personnel	87.5			87.5			
Data Processing	100.0 60.0			100.0 60.0			
Department of Law							
Operations	184.6			184.6			
Department of Revenue							
Ind. & Business Taxes	168.1			168.1			
Excise Taxes	15.3			15.3			
Motor Vehicle Registration	179.4 100.0			179.4 100.0			
Collect. Delinq. Taxes	55.6			55.6			
Border Insp. Station 5/	112.7			112.7			
Admin. & Support	38.0			38.0			
Department of Public Works							
Communications	150.0			150.0			
	287.6			287.6			
TOTAL HB 466	38,288.1	17,022.2	2,058.4	14,120.8	1,311.3	2,483.5	1,291.9
	33,128.5	16,263.4	915.2	10,696.8	1,311.3	2,649.9	1,291.9

- 1/ Relocatable units for additional classrooms (\$500.0 for Delta and \$500.0 for Glennallen)
- 2/ Do not cut payments to existing recipients
- 3/ Allocate to impacted areas only
- 4/ One probation officer be designated for Seward, to be in residence in Seward (transfer one from Anchorage)
- 5/ Intent is that Haines Station also be guarded.

AFTER RECESS

2:15 p.m.

Present: All members except Senator Lewis. Senator Kerttula was also present.

HB 465 Senator Groh called the meeting to order. He said the committee needed to consider the funding in the budget bill for State Employees' pay increases. After a brief discussion, Senator Ray moved and asked unanimous consent that the staff insert the appropriation amount for the legislation that had passed the Senate pertaining to the state employees (including the University of Alaska employees). No objection, so ordered.

CAPITAL IMPROVE- Senator Groh said the committee would close out the
MENTS Capital Improvements budget.

Education The Committee began voting on the Education category beginning on page 30 of HB 465. Mr. Hogan noted that the wording "Law Library" on line 25 should be changed to read "Library Equipment."

Senator Ray moved the Governor's figures on Library Equipment, Library Acquisition Fund, and Museum Acquisition Fund. No objection.

On Educational Broadcasting, Senator Ray moved 173.0 for the total with 100.0 to be shown as "TV translator throughout the State." He explained that the 100.0 could solve the problem throughout the State and eliminate the need for funding this each year. Senator Groh suggested this be shown as 55.0 with 5.0 for Girdwood.

Senator T. Miller and Senator Silides entered the meeting.

The Committee adopted a total of 50.0 for Educational Broadcasting.

Senator Ray moved and asked unanimous consent for the Governor's figures for State-Operated Schools and the University of Alaska (lines 4-7). No objection, so ordered.

Health The Committee adopted the Governor's figures for the Dept. of Health and Social Services. (Later in the meeting 42.0 was added to this portion of the bill for Family House Property Acquisition.)

NATURAL RESOURCE MANAGEMENT & ENVIRONMENTAL CONSERVATION

The Committee adopted the Governor's figures for the Department of Fish and Game. On Southcentral Rainbow Stock, Senator Ray suggested that Fish and Game funds be used for this program. Senator Palmer agreed that if available they should be used. The Committee

agreed to the use of fish and games. (NOTE: Later in the meeting Senator Palmer learned that only half of this would be available and the Committee deleted any reference to fish and game funds.)

Senator Palmer moved and asked unanimous consent for 120.0 for Crooked Creek Incubation. No objection, so ordered.

Senator Ray moved for 100.0 for Mendenhall Peninsula Salt Water Rearing Ponds and Pins. No objection, so ordered.

Senator Palmer moved 200.0 for 200.0 for Humpy Creek Incubation (Kachemak Bay). No objection.

Senator Sackett moved 25.0 for Tanana River Enhancement. Motion carried unanimously.

Senator Groh moved 25.0 for Chester Creek Rehabilitation. Motion carried unanimously.

ADMINISTRATION OF JUSTICE

Senator Sackett moved and asked unanimous consent for all the projects (Governor's figures) for the Alaska Court System. No objection.

PUBLIC PROTECTION

Senator T. Miller spoke on the CAP Hangar at Fairbanks stating they need 9.0. This hangar was constructed with state assistance and a great deal of local contribution. When the project was finished they found out that an additional 9.0 is needed to pay for the hangar.

Senator Ray moved the Governor's figures for the Department of Military Affairs (lines 24 and 25). Motion carried. The Committee also adopted 9.0 for the CAP Hangar at Fairbanks.

DEVELOPMENT

Under the Department of Natural Resources, the Committee adopted the Governor's figures for Agricultural Loan Fund Capitalization and the Palmer Greenhouse. The Committee also adopted the Governor's figure for Merrill Field Subdivision (which Mr. Hogan explained would be transferred to the Natural Resources' category).

Senator Ray moved to add 100.0 to State Fairs which allowed 50.0 for Haines and 50.0 for Kodiak. He explained that he would like to assist the communities in getting started on a building. The motion failed 3 to 3. (Senators Ray, Poland and Butrovich voting yes.)

The Committee adopted the Governor's figure for the Department of Public Works, Waters and Harbors Projects. (NOTE: Later in the meeting an addition was made to this figure.)

TRANSPORTATION

Under the Department of Public Works, Senator Palmer moved the Governor's figure for Knik Arm Ferry Feasibility Study. The motion failed 2 to 4 (Senators Groh and Palmer voting yes).

Senator Poland explained that they are trying to get a ferry from Kodiak to Iliamna and she would like to have 50.0 added for a feasibility study on the ferry route. Senator Groh stated that he would rather this item not be included at this point but would make an effort in Free Conference to have it added.

The Committee adopted the Governor's figure for Federal Aviation Funds (Federal).

Under the Department of Highways, the Committee adopted the Governor's figure on 'Federal Highways Funds (Federal). (NOTE: Later in the meeting intent was added to this.)

The Governor had requested 24,900.0 be added to the budget for Special Pipeline Haul Road Projects (to be paid for by the oil companies). The Committee added this request to the budget.

GENERAL GOVERNMENT

The Committee adopted the Governor's figures under the Department of Public Works, Building Projects. Senator Ray explained that the Division of Buildings will be moving from their present location into the Highway Complex (by the old dairy). They need an additional 45.0 for remodeling for this complex. Senator Ray moved the 45.0 for space remodeling for the Division of Buildings. No objection.

Senator Groh explained the need for 140.0 for Legislative Office Space in the Capitol Bldg (on the first floor). Mr. Hogan explained that this figure did not include carpeting which would be an additional 15.0. A motion was made that 155.0 be adopted for this space. No objection.

The Committee adopted the Governor's figure for the Department of Highways.

Senator Sackett moved to add 42.0 (on page 31, between lines 9 and 10) to the Family House for property acquisition.

Motion carried unanimously.

LEG. Senator Sackett moved and asked unanimous consent that
INTENT 100.0 be added to Waters and Harbors Projects (page 32, line 11) and that a letter of intent be written that this 100.0 is to shore up the village land at Galena (breakwater).
No objection.

LEG. Senator Sackett moved 100.0 be added to State Fairs (page 32, line 8) of which 50.0 is for the Southeast Alaska State Fair - Haines and 50.0 for the Jaycees Rodeo and
INTENT State Fair - Kodiak and 75.0 be added for a Plant Seed Cleaning Building at Palmer (page 32 under Dept. of Natural Resources). Motion carried unanimously.

LEG. After a brief discussion, Senator Palmer moved and asked
INTENT unanimous consent that a letter of intent be written on the Federal Highway Funds (Federal), page 32, line 15, that this amount shall include the paving of the Beaver Loop Road (outside of Kenai). No objection.

Senator T. Miller explained Fairbanks problems with EPA. He requested that 125.0 be added for the City of Fairbanks for a public transit system (buses). Senator Miller said he would like to see this in the form of a capital grant assistance with a letter of intent to the City of Fairbanks that they have to participate in the acquisition of some buses. A motion was made that 125.0 be added to page 32 (Transportation category) for Fairbanks Public Transportation. Motion carried unanimously.

Adjourn: The capital improvements budget closed, the meeting adjourned at 3:35 p.m.

SENATE FINANCE COMMITTEE

April 13, 1974

1:03 p.m.

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

News reporter Joe LaRocca

CSHB 465 am Senator Groh called the meeting to order and announced that
the committee will consider CSHB 465 am (An Act appropriating
operating and capital expenses of state government; and
Budget providing for an effective date) and the proposed Senate
Bill Committee Substitute.
FY '75

Senator Ray moved that SCS CSHB 465 be reported out of committee
with a "do pass" recommendation. The motion was adopted
unanimously.

Adjourn The meeting was adjourned at 1:04 p.m.

1 (b) The monetary maximums in (a) of this section do not apply to payments
2 made under this program for the care of a dependent child in a foster family
3 home. The payment shall conform to foster care rates as provided by the
4 department.

5 * Section 2. This act takes effect _____
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7 (C)
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The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Eighth Legislature

I. REQUEST

Bill Identification: CS for SB 310 (Finance)

Title: Aid to Families with Dependent Children

Requested by: Senate Finance Committee

Date:

Return Date Requested: April 11, 1974

Agency: Div. of Family & Child. Services Program: AFDC

II. FISCAL DETAIL

Budget Request Unit(s) Affected:

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES	4,574.4	4,803.1	5,043.3	5,295.5	5,560.3	5,838.3
700 GRANTS, CLAIMS, ETC.						
TOTAL	4,574.4	4,803.1	5,043.3	5,295.5	5,560.3	5,838.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND	2,287.2	2,402.5	2,521.6	2,647.7	2,780.1	2,919.1
FEDERAL FUNDS	2,287.2	2,402.5	2,521.6	2,647.7	2,780.1	2,919.1
OTHER	0	0	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0

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

IV. ATTACHMENTS

See attachments

V. DATE: April 11, 1974

PREPARED BY:

W. C. Pyle

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

It is anticipated that the average payment per person would increase from \$68 to \$98.24 per person, per month. Annual cost of the AFDC program would then be computed as follows:

\$98.25 (avg. monthly payment per person) X 12,600 persons (caseload) X 12 months =
\$14,855,400 (\$7,427,700 SGF and \$7,427,700 Federal)

The above cost of \$14,855,400 represents the total cost of the AFDC Program for Fiscal Year 1975 with the proposed increase. Cost of the increase could be controlled by providing an effective date for the increase. This may be illustrated in the following manner.

Governor's Budget Request	\$11,881,000
(less) Cost for AFDC Increase (SB 310)	<u>4,600,000</u>
Cost for AFDC less increase	\$10,281,000
Cost of total AFDC Program Incorporating this Proposal	\$14,855,400
(less) Cost of AFDC without Increase	<u>10,281,000</u>
Cost of this proposal	\$ 4,574,400

\$4,574,400 (Cost of this proposal) ÷ 12 months = \$381,200 (Cost per month for increase)

Therefore, if the cost per month for the increase is \$381,200 the total cost of the increase can be controlled by the effective date of the legislation as follows.

<u>Effective Date</u>	<u>Cost of Increase</u>
July 1, 1974	\$4,574,400
August 1, 1974	4,193,200
September 1, 1974	3,812,000
October 1, 1974	3,430,800

Total cost of the AFDC Program would then be computed by adding \$10,281,000 (Governor's Budget Request less AFDC Increase) plus cost relating to effective date as indicated immediately above.

SENATE FINANCE COMMITTEE

April 16, 1974

9:15 a.m.

Present: All members except Senator Lewis and Senator Palmer.
Senator T. Miller and Senator Silides were also present.

SB 381 Senator Groh called the meeting to order and the said
SB 382 the Committee would consider SENATE BILL 381 (making a
special appropriation to the pipeline impact fund) and
SENATE BILL 382 (an Act creating the Pipeline Impact
Agency).

Senator Groh explained the different versions of SB 382.
He stated that the House accepted \$14.2 million to be
distributed directly to the municipalities.

In an earlier meeting, the Committee had discussed having
three members from each house on a special legislative
pipeline impact review committee. Senator Ray said he
was in favor of this concept.

Senator T. Miller stated that the "best working document
is the original petroleum impact bill" and suggested the
Committee use this bill as a starting place.

Senator Silides testified on the legislation.

Senator Ray left the meeting.

Senator Silides stated as far as impact he felt they should
determine how much money should go to the communities and
this should be given as "an outright grant." He added that
he would agree to legislative review only if he could be a
member of the review committee.

Senator Groh stated that he was convinced the legislature
has to assist the municipalities but questioned whether
they could be sure that outright grants would be used for
pipeline related problems.

Senator Palmer entered the meeting.

Senator Groh given an analysis of the bills and stated that
there were conceptual decisions the Committee should make.

Senator Ray entered the meeting.

Senator Silides read the breakdown for the \$14.2 million
(by House Finance Committee).

Senator Palmer noted that the House leadership is proposing an increase in revenue sharing. If this is done, Senator Palmer felt the impact funding should be reduced by that amount.

Senator Groh requested the staff to obtain information from the Department of Community and Regional Affairs on the \$2 per capital figures pertaining to revenue sharing.

Senator Lewis entered the meeting.

Senator Groh asked for a vote on how many members favored the legislative review committee (3 members to be appointed by the President of the Senate and 3 members to be appointed by the Speaker of the House). Four members favored this approach (Senators Sackett, Butrovich, Ray and Groh).

Senator Silides read information submitted from the City of Fairbanks and the North Star Borough on their impact needs.

Senator Groh asked how many members favor having three types of grants (formula, discretionary and capital improvement) for this legislation. Four members favored this (Senators Butrovich, Poland, Ray and Groh).

The Committee then discussed whether this should be administered by a separate agency or by the Department of Community and Regional Affairs. Senator Lewis stated he would like to see this handled by Community and Regional Affairs. Senator Ray said this could be administered by the Department of Community and Regional Affairs with the review committee making the decisions. Senator Groh asked how many members favored the Department of Community and Regional Affairs acting as the administrator of this. (Four members voted in favor of this.)

The Committee then discussed the funding (SB 381). Senator Ray moved a total of \$20 million but the motion failed. Senator Butrovich moved \$25 million and the motion failed. Senator Ray moved \$22.5 million and the motion carried unanimously.

Senator Palmer requested that wherever "pipeline impact" appears they change this to "oil-development impact" and said this had been discussed with the Governor and he had agreed with this concept. Senator Palmer moved and asked unanimous consent that they adopt this concept. Senator Groh objected. He stated that this would allow

Kenai and Soldotna to come in and ask for assistance. Senator Palmer said he did not think this would happen. Senator Groh said the problem would be how could they define what impact is behind them and what is in front of them. Senator Ray said he felt the review committee would have to make this determination.

Senator Palmer asked that the committee substitute on SB 382 reflect the term "oil development impact" and there was no objection.

Senator Groh requested that the staff prepare a committee substitute showing the changes that the Committee had decided upon. He suggested that the Committee would consider this later in the day.

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

AFTER RECESS

1:43 p.m.

Present: All members

Senator Silides; Mary Pat Murphy, Associated Press; Elaine Mitchell, Alaska Educational Broadcasting, Robert VanHoute, Alaska Education Association

Proposed
CS for
SB 382

Senator Groh called the meeting to order and stated that the committee had earlier today considered a committee substitute for SB 382 which would create an oil development impact agency. However, a majority of the committee voted earlier in the day to place the money in the Department of Community and Regional Affairs rather than creating a separate agency. Senator Groh then listed each change the committee had agreed to, noting that these changes are reflected on the marked-up copy of the proposed committee substitute which committee members have in front of them.

Commenting on the committee's decision to not create a separate agency, Senator Groh said he felt that Community and Regional Affairs has its hands full right now, whereas a separate agency could devote full-time to the task. He said he is not excited that Community and Regional Affairs did not disburse any of the \$5 million the Legislature transferred to them during the special session. He felt a special agency could move efficiently without red tape.

Senator Ray moved that CSSB 382 (Finance) be reported out of committee with individual recommendations. Voting in favor of the motion were all members present, except Senator Lewis.

Members signed the committee report as follows:

"Do Pass"

Senators Groh, Ray, Poland, Sackett,
Palmer, Butrovich

"No Recommendation" Senator Lewis

Proposed
CS for
SB 381

(An Act making a special appropriation to the Department of Community & Regional Affairs to assist oil-development impacted municipalities).

Senator Groh stated that the proposed committee substitute would appropriate \$22,500,000 to assist oil-development impacted communities. He said there are a number of different formulas and amounts that could be applied, and these are set out on the work draft before the committee.

Senator Groh moved that the committee adopt the figures in Column three (Formula Grants \$7.5 million; Discretionary Grants \$5.0 million; Loan Fund \$10.0 million). The motion failed, with only Senator Groh voting in favor of the motion.

Senator Ray moved that we leave the amount at \$22.5 million without a breakout or formula.

Senator Lewis objected to the motion.

Senator Butrovich arrived at the meeting.

Senator Ray's motion failed by a vote of 2 to 5 (Senators Ray and Sackett voting in favor of the motion).

Senator Palmer moved that we rescind our action with respect to Column three. The motion failed by a vote of 3 to 4 (Senators Palmer, Groh and Lewis voting in favor of it)

Senator Palmer moved that we adopt the figures in Column four (\$10 million for Formula Grants; \$5 million for Discretionary Grants; \$7.5 million for Loan Fund).

Senator Groh called a brief recess. The committee reconvened one minute later.

Senator Palmer restated his motion to adopt the figures in Column four. The motion failed by a vote of 2 to 5 (Senators Palmer and Lewis being in favor)

Senator Ray moved that we adopt \$10 million for Formula Grants, \$7.5 million for Discretionary Grants and \$5 million for Loan Fund. The motion was adopted by a vote of 5 to 2 (Senators Lewis and Palmer being opposed).

Senator Ray moved that CSSB No. 381 (Finance) be reported out of committee with individual recommendations. The motion was adopted.

Members signed the committee report for the bill as follows:

"Do Pass"

Sackett

Senators Groh, Ray, Butrovich, Palmer,

"No Recommendation"

Senators Poland, Lewis

SB 509 (An Act making a special appropriation to the Department of Administration to pay the cost of developing and installing a new payroll system for state employees.

Senator Groh read a letter than was attached to the original copy of the bill signed by Governor Egan which stated that this new system is needed as a result of the new employee pay raise contracts.

Senator Ray moved that Senate Bill 509 be passed out of committee with individual recommendations. The motion was adopted, with Senators Ray, Butrovich, Poland and Groh voting in favor.

Members signed the committee report for SB 509 as follows:

"Do Pass" Senators Groh, Ray, Poland, Butrovich,
Sackett

"No Recommendation" Senators Palmer, Lewis

SB 435

(An Act Relating to refund of raw fish taxes to local governments). Senator Palmer explained that this bill replaces the existing law so the fish tax is paid back to the municipalities on an average basis instead of having a high one year and a low the next year; thus, a city can depend on a steady income from that source. Senator Sackett, who is the sponsor of the bill, added that the raw fish tax has been very controversial in the Resources Committee. They could not agree on what percentages to raise the tax on salmon, crab, etc.

Senator Palmer stated that this merely provides an alternative for method of refund.

Senator Sackett moved that Senate Bill 435 be reported out of committee with a "do pass" recommendation. The motion was adopted with Senators Butrovich, Sackett, Palmer and Groh voting in favor).

Members signed the committee report as follows:

"Do Pass" Senators Groh, Poland, Butrovich, Sackett, Palmer,
Lewis and Ray

(An Act relating to the public school foundation program). Senator Groh stated that each increase of \$250 costs the State \$1 million; therefore, each \$1,000 increase in instructional unit costs \$4 million. He said the base instructional unit was raised from \$19,250 to \$20,250 last year. He said the House did not raise it this year in its budget, nor did the Senate. Senator Groh stated that for one of the few times since he has been Chairman of the Senate Finance Committee, he would like the members to agree to "lock" on the figure agreed on in committee. He said this bill calls for a \$2,250 increase which will cost the State, in round figures, about \$8 million.

Senator Palmer said he believes a \$1,500 increase is reasonable, and he understands Commissioner Lind agrees with that.

Senator Palmer moved for an increase of \$1,750 (\$22,000 for the base instructional unit).

Senator Groh called for a short recess. The meeting reconvened two minutes later.

Senator Palmer withdrew his motion.

Senator Groh thought we should establish it at a \$1,500 increase.

Senator Ray moved that the base instructional unit be set at \$21,750. Senators Butrovich, Ray, Palmer and Groh voted in favor of the motion. Senators Sackett and Poland were opposed.

Senator Groh called a recess at 2:22 p.m. and reconvened the meeting at 2:30 p.m.

SB 519
Legislative
Per Diem

(An Act relating to legislative per diem). Senator Groh explained the problem that SB 519 addresses. He said many of the legislators have been taxed by the IRS for their \$35.00 per day per diem since the IRS has taken the view that, since it is paid to Juneau legislators, it is a supplemental income, and not per diem. SB 519 reduces the per diem (to \$15.00) for those legislators who permanently reside within 35 miles of the capital city. It also reduces to \$15.00 per diem for legislators who are on official legislative business between sessions but within 35 miles of where they permanently reside.

Senator Groh said he is proposing a committee substitute which he felt would accomplish the same thing, without reducing the per diem. Instead of reducing the amount, it states that Juneau legislators and those who are on official business within 35 miles from their permanent home shall declare the amount received as a supplement to their annual salaries, and pay tax on it. The amounts paid to the others shall be considered per diem, and no tax need be paid on it.

Senator Ray moved that CS for Senate Bill 519 be reported out of committee with a "do pass" recommendation.

Senator Ray said he has talked to a man from IRS who informed him that he felt there is nothing that would prohibit this procedure as far as IRS is concerned.

Senator Palmer stated there has been a wide variety of opinions across the country from IRS agents on this subject. He argued that it costs less for Juneau residents, as they do not have to maintain a residence away from home, as do other legislators.

A vote was taken on the question of adopting Committee Substitute for Senate Bill 519. The motion was adopted with Senators Ray, Groh, Poland, Sackett and Butrovich being in favor of it.

All members voted in favor of moving CS for SB 519 out of committee with individual recommendations. Members signed the committee report, as follows:

"Do Pass"	Senators Groh, Ray, Lewis, Poland, Butrovich,
"No Recommendation"	Senator Sackett
"Pass original bill without amendment"	Senator Palmer

HB 482
Miscellaneous
Claims

(An Act making a supplemental appropriation for miscellaneous claims). Total amount involved here is somewhat over \$700.

Senator Groh moved and asked unanimous consent that HB 482 be reported out of committee with a "do pass" recommendation. There being no objection, it was so ordered.

(An Act relating to the compensation of the Governor). This bill provides that the Governor receive \$50,000 (from \$40,000) effective July 16, 1974.

Amendment by Ray: Amend figure to be \$45,000. A vote was taken, with only Senator Ray voting in favor of the motion.

Amendment by Ray: Amend bill so it does not take effect until January 15, 1975. This motion was adopted (Senators Groh and Sackett voting in opposition).

Senator Ray moved that SB 494 be moved with committee with individual recommendations (\$50,000 - effective date of 1/15/75).

Amendment by Palmer: Rescind action taken in establishing effective date of January 15, 1975. The motion was adopted, with Senators Sackett, Poland, Palmer and Groh voting in favor.

Amendment by Palmer: Set an effective date of July 1, 1974. and move the bill out with individual recommendations. The motion was adopted with Senators Palmer, Groh, Sackett and Butrovich voting in favor. Senators Poland and Ray were opposed.

Legislative Finance Director Jay Hogan informed the committee that the date of July 16, 1974 would be the first pay period in the next fiscal year (not July 1). Therefore, the committee decided to leave the effective date as it appears in the bill (July 16).

Members signed the committee report as follows:

"Do Pass"	Senators Groh, Sackett, Palmer
"Do not Pass"	Senator Ray
"No Recommendation"	Senators Poland, Butrovich

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

SENATE FINANCE COMMITTEE

April 17, 1974

9:10 a. m.

Present: All members except Senator Lewis. Representatives Banfield, Degnan, Orsini and Senator T. Miller were also present.

HB 448 Senator Groh called the meeting to order and said the committee would consider COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 448 (an Act making a special appropriation to the legislative finance division; and providing for an effective date).

Senator Groh asked Mr. Hogan to explain this legislation. Mr. Hogan stated that the bill provides funds to take advantage of the data processing system that exists to create a bill status report. He distributed copies of a bill status report from another state which was similar to what could be done by the Alaska legislature (should this bill pass).

Representative Orsini said that this is largely the result of a study by the interim sub-committee on government operations. He spoke in favor of this bill.

Representative Banfield said she was in favor of this concept but disagreed in one instance. Mrs. Banfield said she thought the status of bills should be "vested with someone else" (rather than with the finance committees).

Mrs. Banfield said she had been discussing the idea of changing the system the legislature now operates under with regards to the Legislative Affairs Agency and the Budget and Audit agency. Mrs. Banfield stated that she felt there should be an over-all director because of the management problems within the agencies. She added that this director could then be in control of the computer.

Representative Chance entered the meeting.

Mrs. Banfield continued that although this approach might cost more money she felt they should start bringing these two agencies together.

Representative Orsini stated that he did not feel this concept but pertinent to this appropriation (HB 448). He said that this bill status could be set up by the finance staff but once it is set up and running it could be handled by the Legislative Affairs Agency.

Senator Sackett moved and asked unanimous consent that Committee Substitute for House Bill 448 be passed out of committee with individual recommendations. Senator Ray objected. The motion carried 4 to 2 (Senators Ray and Poland voting no). NOTE: The Committee Report was not signed at this time.

Senator Ray left the meeting.

SB 390 The Committee then considered SENATE BILL 390 (An Act relating to the sale of public bonds and bond anticipation notes).

Mr. Bob Johnson spoke in favor of this legislation. He stated that this will prevent persons who are selling the bonds from also being the buyers of those bonds. He added that this legislation is needed and long over due.

After a brief discussion, Senator Palmer moved that SB 390 pass from Committee with individual recommendations. (Senators Groh, Poland, Butrovich, and Palmer signed the committee report -- all "do pass" except Senator Poland who signed "no rec".)

SB 283 The Committee then considered SENATE BILL 283 (G.O. Bonds, University of Alaska, capital improvements).

Senator Groh asked how the Governor's Budget Review Committee handled this capital improvements request. Mr. Jacobs, Budget and Management, stated that this is put together in the same manner as the operating budget. He stated that the original request (by the University) had been considerably higher than this bill.

Senator Butrovich suggested discussing this with Mr. Dafoe, University of Alaska, to see which items are essential.

Senator Groh questioned the need for \$1 million for acquisition of land in Juneau in view of the fact that there is a community college located 9 miles out of Juneau.

After a brief discussion, the Committee decided to consider this at 1:30 this afternoon when all members were present.

SB 343 Mr. VanHoute entered the meeting and the Committee briefly discussed SENATE BILL 343 (Teachers' post retirement pension). Senator Groh questioned the need for the "cost of living" factor in this legislation. The Committee postponed action on this bill until 1:30 this afternoon.

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

AFTER RECESS

3:40 p.m.

Present: All members

Senators Thomas, Silides, Kerttula; Frederick P. McGinnis, Commissioner and James F. McClain, Acting Deputy Commissioner, Department of Health and Social Services

SB 282
Health
Facilities
G.O. Bond
Issue

(G.O. bonds in the amount of \$8.7 for Department of Health and Social Services facilities). Senator Groh called the meeting to order and announced that the committee will consider this bill. He stated that a committee substitute by the HESS Committee has reduced this bill from \$8.7 to \$7.9. Senator Groh asked Commissioner McGinnis to review the list of proposed construction projects contemplated by the bill.

Palmer Health Center \$166,000. Mr. McGinnis explained there is a need for a health center in Palmer. The current one is over 20 years old and the free rental space expires in April. He said Palmer would feel somewhat the impact of the pipeline. The people in the field of public health felt a modest health center would be in order. It would provide for a 2,000 sq. ft. structure. He said the hospital there is not operating at capacity; however, this health center would serve a different clientele.

Fairbanks Health Center \$241,000. Mr. McGinnis reported that the Fairbanks hospital is operating at about 70% capacity. Senator Butrovich noted that the hospital is privately owned and it will be filled when pipeline construction starts. Senator Silides noted that the public health clinic in Fairbanks is used extensively.

Anchorage-Alaska Psychiatric Institute \$200,000. Mr. McGinnis said this is to provide for a facility for the mental offender. He said they have about \$400,000 "on the shelf" at the present time, but it isn't enough to do the job.

Purchase City of Valdez interest in Harborview \$500,000. Mr. McGinnis explained that when the earthquake hit, there were two separate buildings--Harborview, and the City of Valdez had a general hospital. A compromise was reached with the federal government--the federal government would pay money to restore hospitals, but they said they would only build one facility in Valdez. So, the two buildings were combined into one (the Harborview Mental Retardation facility). The 15 bed general hospital is in the same building. There has been a long standing dispute as to whose hospital it is--the State's or the City's. The State takes the position that Valdez should operate its own hospital. He said the City of Valdez has a good case that that part of the building belongs to them, so he wants to buy out their interest and give it to them to run. Currently, the State is paying for the operation on an emergency basis--it really isn't operated as a general hospital. He felt Valdez would be unable to pay the total cost of operating it for another two to three years. He noted that Valdez will soon be facing extreme pipeline impact.

Mr. McGinnis stated that the official view of the Valdez City Council is that they would like the State to operate the hospital. He said the department is considering entering into some kind of agreement with Valdez which says that it is Valdez' responsibility to operate the hospital; however, the State would agree to subsidize the operation for two or three years--pay the difference between income and operation costs.

Mr. McGinnis explained to Senator Butrovich that they plan to use the \$241,000 for the Fairbanks Health Center to improve and expand the present facility, which is inadequate.

Group Homes, receiving homes, halfway houses:

Mr. McGinnis explained that this responds to a concern that the original bill had over \$2 million to substantially expand and extend Alcantra. The opponents of this felt that we should devote our resources to smaller group homes to look after people near their communities. These homes would serve up to 12 individuals. He said these are mental health, corrections, and social services facilities--they are not medical. They would serve delinquent children, and be half-way houses for mental patients. He said there is a trend throughout the country to develop smaller places rather than large institutions.

Senator Poland asked why all these facilities are located in the Northern Region. Mr. McGinnis replied that this is the area of the state that has been neglected in this regard. He said it is not the intention of the State to operate these homes. They will be turned over to private agencies or the municipalities. Referring to the Fairbanks facility, Mr. McGinnis said it would be a Division of Corrections half-way house to ease the transition into society of persons coming from institutions.

Harborview - floor covering. Mr. McGinnis stated that this is for the mental retardation unit serving the children. He noted that the children play on the floor, and it's cold and uncomfortable.

Alcantra-living quarters, dining facilities, heat plant construction. Mr. McGinnis said this request has been reduced from the original budget which called for \$2 million (now \$750,000). He said they have some money on the shelf left over from another project. The plan is to build some cottages, improve the dining facilities, and put in a new heat plant. He stated that the housing is decrepit now.

Ketchikan-correctional facilities. Mr. McGinnis said the situation at Ketchikan is deplorable. There is no recreation area at all. Senator Sackett noted that the capacity of the facility is 40, and there is some question of whether there are 11 or 14 people there now. Senator Sackett asked if there was a "tank" to put people in. Mr. McGinnis replied that there are cells that accommodate more than one person. Senator Groh noted that the capacity is 45, and there are from 11 to 14 people there now.

4/17/74

Juneau - addition to correction facility. Senator Groh noted that this is for a auditorium for the correctional facility.

Juneau - juvenile detention unit. Senator Ray stated that present laws require that juveniles and women be kept separate from other inmates. Senator Groh stated that the present correctional facility has a capacity of 115 and there are only 60 people out there now.

Fairbanks-juvenile detention unit. Senator Butrovich said the Fairbanks jail is running full.

Nome-Social Services offices, Nome Office Bldg. Mr. McGinnis stated that a few years ago a bond issue was passed; however, the text of the bill said it was for health facilities. The A.G. ruled that since it said health, it could not be used for a social services center, so they are merely re-enacting this.

Senator Lewis arrived at the meeting.

The committee decided to go through each item.

There was no objection to the Palmer Health Center (\$166,000), Fairbanks Health Center (\$241,000), Anchorage-API (\$200,000).

Purchase City of Valdez interest in Harborview \$500,000. Senator Poland objected. The committee decided to delete this item.

\$1,050,000 for Group Homes. Senator Lewis objected. A vote to include this item was adopted. (Senators Lewis and Groh were opposed).

Fairbanks-Halfway House \$200,000. Senator Lewis objected. This item was approved, with Senators Lewis, Groh and Poland voting against it.

No objection to including receiving homes for Anchorage, at a total of \$325,000.

No objection to Harborview floor covering at \$100,000.

Alcantra-living quarters, dining facilities, heat plant construction (\$750,000). Senators Lewis and Groh objected to this. Upon a vote being taken, this item was deleted.

Ketchikan-correctional facilities. Senator Poland objected. The motion failed, with only Senator Ray voting in favor of it.

Senator Groh moved and asked unanimous consent that the auditorium for Juneau be deleted (\$388,000). Senator Ray objected. This item was deleted, with Senators Ray, Butrovich and Sackett voting in favor of it).

Senator Ray moved and asked unanimous consent that \$490,000 be appropriated for the Juneau juvenile detention unit. The motion was adopted with Senators Groh, Poland, Lewis voting against it.

The Fairbanks juvenile detention unit (\$740,000) was approved, with Senator Lewis objecting.

The Nome Social Services offices, Nome Office building (\$250,000) was approved with Senators Lewis and Groh voting against it.

Speaking on Alcantra, Mr. McGinnis asked for some funds for upgrading the facility, even if the entire amount was not approved. Senator Kerttula suggested \$300,000.

Senator Ray moved and asked unanimous consent that \$250,000 be approved for Alcantra. Senator Sackett asked that intent be added that this is contingent upon them using the \$300,000 they have on the shelf for this project. The motion was adopted.

Senator Ray moved that we pass out CSSB 282 (Finance) with individual recommendations. There being no objection, it was so ordered.

Members signed the committee report as follows:

"Do Pass without amendment" Senators Groh, Butrovich, Lewis

"Do Pass" Senators Ray, Poland, Sackett

cess The meeting recessed at 4:30 p.m.

AFTER RECESS
1:30 P.M.

Present: All members with the exception of Senator Palmer.
Senators George Silides and George Hohman; Representative Chuck Degnan; Robert S. Gates, Benefits Administrator, Retirement and Insurance; Robert Van Houte, Executive Secretary, Alaska Education Association; Don Dafoe, Administrator, University of Alaska; Elaine Mitchell, reporter.

Sen. Groh called the meeting to order.

SB 343 SENATE BILL NO. 343 (An Act relating to teachers' post retirement pension adjustment with effective date) was brought before the committee. Sen. Groh asked the effect of changing the cost of living index provision to not more than 4%. Mr. Gates replied the benefits would conform with the public employees statutes; still remaining a discretionary provision to be paid only when sufficient money was available for funding. Mr. Van Houte stated the provision would be acceptable to the Alaska Education Association.

Sen. Palmer joined the meeting at 1:35 P.M.

Sen. Ray moved and asked unanimous consent to substitute "not more than 4%" in place of "equal to the cost of living increases, as determined by the United States Bureau of Labor Statistics, for the previous calendar year" as an amendment to SB 343. No objection, so ordered.

Sen. Ray moved and asked unanimous consent to report SB 343 with the above amendment from committee with individual recommendations. No objection, so ordered.

Mr. Gates and Mr. Van Houte left the meeting.

HB 157 HOUSE BILL NO. 157 (An Act relating to state aid to local governments; and providing for an effective date) was brought before the committee. Representative Degnan explained HB 157 addressed the high cost-of-living factor within the state, and provided differentials from 3% to 39% for election districts in revenue sharing. Sen. Groh questioned the fiscal note of \$563,100, to which Representative Degnan replied there was an oversight in the fiscal note since volunteer fire departments were not included. If included, an additional \$7,000 would be required.

Sen. Ray said he had no objection to the revenue sharing idea, but did object to funds allocated for one purpose and then spent on

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something else. Funds allocated for police protection, for example, should be spent on nothing but police protection. Rep. Degnan noted the original bill contained a clear delineation of how much was to be allocated to each election district, and added the Department of Community & Regional Affairs preferred the original bill rather than the committee substitute offered by the Judiciary Committee.

Sen. Groh said an amendment would be prepared to include the provisions mentioned by Sen. Ray, which would provide for expenditure of funds where allocated. The committee would again consider the bill as soon as the amendment was prepared. Sen. Groh thanked Representative Degnan for his testimony and Representative Degnan left the meeting.

CSSB 283 COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 283 (An Act providing for the issuance of general obligation bonds in the amount of \$39,048,000 for the purpose of paying the cost of capital improvements for the University of Alaska) was brought before the committee. Senators Terry Miller and Jalmar Kerttula joined the meeting at 1:55 P.M.

Items 1 through 7 were accepted in the committee substitute. Sen. Lewis questioned item 8 (Fairbanks - consolidation of food service facility - \$750,000). Mr. Dafoe said cost studies had shown savings could be effected by consolidating food service now operating at three different locations. This was tied to the bond bill requesting \$400,000 for relocation of the museum, which would result in shifting of food service and the museum. Sen. Lewis objected to this item; however, upon vote the committee approved \$750,000 for consolidation of food service.

Items 9 through 17 were approved by the committee. Sen. Ray objected to 18 (Fairbanks - warehouse, shop and chemical storage expansion - \$1,000,000). Mr. Dafoe said if the museum were relocated, the old space could be used for storage. Cost of the warehouse was estimated at \$2 million, and it was planned to use \$1 million from the previous bond issue. Sen. Miller asked if the \$1 million was specifically allocated to the Fairbanks campus in the previous bond issue, to which Mr. Dafoe said it was. Sen. Groh moved and asked unanimous consent to replace item 18 with \$400,000 to relocate the museum. No objection, so ordered. Mr. Dafoe said the proper request in the bill should read Fairbanks - relocate museum - \$400,000.

The committee approved items 19 through 23. Sen. Sackett moved an item be added for \$400,000 to be used for library books at the Rasmussen library in Fairbanks. Mr. Dafoe noted \$125,000

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was requested for library books for Southeast, \$100,000 for small community colleges in Southcentral, and \$275,000 for library books for Anchorage. Sen. Groh asked if \$300,000 wouldn't be sufficient and the committee agreed.

Item 23 was accepted. Sen. Groh moved to delete 24, to which Sen. Sackett objected. Four members of the committee voted to delete item 24 - Kotzebue - extension center and community college building - \$750,000.

Referring to 25 (Anchorage - health occupations building - U of A - \$4,500,000), Mr. Dafoe said this was a high priority item. The University would prefer this to the classrooms offered in the Governor's bill. The committee approved item 25.

Sen. Groh moved and asked unanimous consent to delete item 26 (Anchorage - law school building - U of A - \$2,000,000). No objection, so ordered.

Sen. Ray moved to amend the figure on item 27 (Anchorage - campus center complex - U of A) from \$9,500,000 to \$5,000,000. Mr. Dafoe said the University would need to re-phase construction and cut out items, and added that Mr. Holden would be in town tonight to provide accurate information as to what could be built for \$5 million. The committee discussed whether enough classrooms could be provided for \$5 million, and approved Sen. Ray's motion.

Items 27 through 40 were approved by the committee.

Sen. Groh moved and asked unanimous consent to delete item 41 (Anchorage - land acquisition - O'Malley Road - \$400,000). No objection, so ordered.

No. 42 was accepted by the committee.

Sen. Groh moved and asked unanimous consent to delete item 43 (Bethel - Kuskokwim Community College Phase II - \$1,600,000). After discussion, the committee agreed to substitute \$80,000 for the \$1,600,000 request. Sen. Palmer objected. Mr. Dafoe said the University planned community college construction for 1976, but the requests in SB 283 would accelerate construction. The committee discussed increased enrollment at community colleges. Sen. Palmer withdrew his objection. Sen. Ray objected, then withdrew his objection. The committee approved \$80,000 for Bethel - Kuskokwim Community College Phase II.

Referring to item 44 (Kenai - Kenai Peninsula Community College Phase III - \$1,500,000), Mr. Dafoe said the University's original plans scheduled this for 1976. Sen. Ray moved to delete No. 44.

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Sen. Palmer objected. Sen. Ray amended his motion to include the item but change the funding to \$1,000,000 and asked unanimous consent. No objection, so ordered.

Sen. Ray moved and asked unanimous consent to amend item 45 to Kodiak Fisheries Lab. Mr. Dafoe said it would be a good idea. Sen. Palmer moved to reduce the figure to \$750,000, to which Sen. Poland objected. Sen. Palmer withdrew his objection and No. 45 was changed to Kodiak Fisheries Lab - \$1,000,000.

Sen. Sackett moved and asked unanimous consent to include \$500,000 for a U of A extension center at Fort Yukon. Sen. Groh objected, and said the state could not afford community colleges everywhere in Alaska. Upon vote, the committee approved the \$500,000 for an extension center at Fort Yukon.

Sen. Groh moved to delete item 46 (Kodiak - agricultural research center - \$500,000). Upon vote, the committee defeated his motion.

Referring to item 47 (Homer - agricultural research center - \$300,000), Sen. Palmer moved and asked unanimous consent to increase the funding to \$700,000. Sen. Sackett objected. Upon vote, Sen. Palmer's motion failed. Sen. Palmer amended his motion to \$500,000, which motion failed.

Sen. Groh moved to delete item 48 (Palmer - dairy research equipment and construction - \$400,000). Motion defeated.

Sen. Groh moved and asked unanimous consent to delete item 49 (Matanuska-Susitna Community College Phase III - \$750,000). Sen. Palmer objected. Upon vote, the committee agreed to delete this item.

Items 50 through 53 were approved. Sen. Palmer objected to item 54 (Juneau - classrooms and office building - \$1,000,000). Mr. Dafoe said the University felt a downtown community college was necessary due to the fact that the Auke Bay campus was so far from town. The leased facility is more than full, added Mr. Dafoe, and the new building would be the regional headquarters, containing offices and classrooms. The committee agreed to adopt No. 54.

Sen. Groh moved to delete item 55 (Ketchikan - building expansion - \$600,000). Sen. Ray objected, and upon vote the committee defeated the motion.

Sen. Groh moved to delete item 56 (Sitka - Community College Phase II - \$700,000), since the state was now aiding Sheldon Jackson College in Sitka through tuition equalization. Mr. Dafoe said the University has \$300,000 allocated from the previous bond issue to Sitka and a site has been selected. Motion failed, with one vote in favor of the deletion.

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Item 57 (Southeast - library books, instructional materials - \$125,000) was accepted by the committee.

Sen. Groh referred to line 25 on the first page, and suggested the word "allocated" be changed to "appropriated" to be perfectly clear that money will be spent on specific projects listed in the Finance Committee Substitute. Sen. Groh so moved and asked unanimous consent. No objection, so ordered.

Sen. George Hohman asked the committee to reconsider funds appropriated to the Bethel-Kuskokwim Community College, since this community college had risen from 8th place in community college attendance to 3rd place. This indicated a need for additional space and the present facility was inadequate. Mr. Dafoe agreed that community support for the college has been fantastic. Sen. Butrovich moved and asked unanimous consent to increase the funding to \$800,000. No objection, so ordered.

Sen. Ray moved and asked unanimous consent to include a provision for \$2 million for Seward marine station, and said this would be the first step to eliminating oceanographic studies from fisheries. No objection, so ordered.

Sen. Ray moved to add \$1,750,000 for a fisheries and resources education center in Southeast. Sen. Palmer objected. Mr. Dafoe said Dr. Hiatt was in Juneau meeting on this subject, and the University planned to take an entirely fresh and good look at fisheries resources education. This would be a step towards providing proper facilities. Upon vote, four members of the committee approved including the Southeast fisheries and resources education center for \$1,750,000.

Sen. Palmer asked if the committee would reconsider funding for the Kenai Peninsula Community College and rescind their action on the previous vote. Senators Ray and Poland objected. Upon vote, Sen. Palmer's motion failed.

Sen. Ray moved and asked unanimous consent to report Finance Committee Substitute for CSSB 283 from committee with individual recommendations. No objection, so ordered.

The meeting recessed at 3:10 P.M.

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AFTER RECESS

5:25 p.m.

Present: Senators Groh, Ray, Butrovich, Poland, Sackett, Palmer, Lewis
Senators Kerttula, Silides, Rader; Joe LaRocca, news reporter

SB 285
G.O. Bonds
for
Trunk and
Secondary
Airports

Senator Groh called the meeting to order and announced that the committee will consider Senate Bill 285 (An Act providing for the issuance of general obligation bonds in the amount of \$10,300,000 for the purpose of paying the cost of trunk and secondary airport construction).

Senator Ray said he thought the language of this would have to be changed, since it states that it is for constructing trunk and secondary airport construction; however, the bill also provides for constructing seaplane bases.

Senator Butrovich moved that we put SB 285 out with individual recommendations.

Senator Sackett said he is willing to delete some of the projects in his district if the committee would agree to put in an airstrip for Shageluk. He said Shageluk has been trying to get an airport for ten years, and they really need one.

Senator Sackett suggested deleting Galena and Northway. He said he would ask for \$450,000 for the Shageluk airport. The committee discussed it and decided that the Northway project should be left in.

Senator Sackett moved that Galena be deleted (\$350,000) and Shageluk be substituted (\$450,000).

This will add \$100,000 to the total bond issue.

There being no objection from the committee, Senator Sackett's motion was adopted.

Senator Ray moved that SB 285 (as amended) be put out of committee with individual recommendations. There being no objection, it was so ordered.

Members signed the committee report as follows:

"Do Pass without amendment" Senator Groh

"No Recommendation" Senators Ray, Palmer, Poland

SB 284

(G. O. bonds of \$2 million for state museum construction and expansion). Senator Sackett requested that committee consideration of this bill be postponed for one day. There was no objection to this.

Adjourn

The committee adjourned at 5:35 p.m.

AFTER RECESS

4:00 p.m.

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

Senators Silides, Rader, T. Miller; Stuart Hall, Legislative Affairs, Dr. Josh Wright

CSHB 680 am
Rights of
Owners of
Sound
Recordings

Senator Groh called the meeting to order and stated that the committee will first consider CSHB 680 am (An Act relating to the protection of the rights of owners of sound recordings).

Senator Groh called the committee's attention to the fact that the committee had, on April 8, 1974, passed out a senate bill dealing with this same subject.

Senator Sackett moved that CSHB 680 am be reported out of committee with individual recommendations. The motion was adopted, with Senators Sackett, Ray, Butrovich and Groh voting in favor of it.

Senator Poland arrived at the meeting.

Members signed the committee report as follows:

"Do Pass" Senators Groh, Lewis

"No Recommendation" Senators Ray, Poland, Butrovich,
Sackett and Palmer

SB 492
Medicaid

(An Act making a supplemental appropriation to the Department of Health and Social Services for the medicaid program: \$1,578,000)

Senator Groh said this supplemental has been requested by the Department of Health and Social Services. He called attention to the fiscal note indicating that they need an additional \$789,000 in general fund monies, with this amount being matched by the federal government.

Senator Ray moved that SB 492 be reported out of committee with individual recommendations.

Fiscal Analyst Milt Barker reported that based on past monthly expenditures for the last three years, he estimates they would require a total of \$1 million roughly, which would be \$500,000 in general fund monies.

Senator Butrovich moved that we amend the figure to \$1,000,000. Senator Ray objected. Senator Butrovich's motion was adopted, with Senators Butrovich, Sackett, Palmer and Groh voting in favor of it.

Senator Lewis arrived at the meeting.

Senator Ray restated his motion to move SB 492 (as amended) from committee with individual recommendations. There being no objection, it was so ordered.

Members signed the committee report as follows:

"Do Pass" Senators Groh, Butrovich, Lewis, Sackett

"Do not pass unless
at original figure" Senators Ray, Poland

HB 489
Supplemental
for
General
Relief
Medical

(An Act making a supplemental appropriation (\$492,400) to the Department of Health and Social Services for general relief medical).

Budget Analyst Milt Barker stated that based on monthly expenditures in prior years, an appropriation of \$364,000 would be needed. He felt that a total supplemental of \$350,000 would be enough for this.

Senator Butrovich moved that the amount be amended from \$492,400 to \$350,000. The motion was adopted with Senators Groh, Lewis, Sackett and Butrovich voting in favor.

Senator Butrovich moved that HB 489 (as amended) be reported out of committee with individual recommendations. The motion was adopted with Senators Lewis, Sackett, Butrovich, Groh and Palmer voting in favor.

Members signed the committee report as follows:

"Do Pass" Senators Groh, Ray, Poland, Butrovich,
Sackett, and Palmer

SB 362
Teachers'
Retirement

(An Act relating to teachers' retirement)

Senator Groh remarked that this bill costs \$2.3 million a year. He commented that it is this kind of "tinkering around that screws up retirement programs." Senator Palmer explained that at the present time the law states that if you have taught 25 years or reached age 60, then a teacher would multiply his base (which is the three highest years average) by 2% times each year he has taught to determine his retirement. He said many have written to him asking that this be reduced to 20 years, maintaining the factor of 2%. He said this would provide 10% less, but teachers would be able to retire sooner. He pointed out that this would be beneficial in getting teachers who "are tired of teaching" out of the system. He said "it is the deadwood we are talking about."

Senator Palmer moved that SB 362 be reported out of committee with individual recommendations.

Senator T. Miller voiced his support of this bill. He said his school board has told him that it would actually save them money, as they could bring in other teachers at a lesser salary.

Senator Palmer's motion failed, with Senators Palmer, Lewis and Sackett voting in favor of it.

SB 434 SB 434 (An Act relating to exemptions from the annual motor
Motor Vehicle vehicle license tax).
License Tax

Senator Sackett moved and asked unanimous consent that SB 434 be reported out of committee with individual recommendations. Senator Palmer objected. Upon a brief discussion, Senator Palmer withdrew his objection. Senator T. Miller left the meeting.

Senator Ray moved that SB 434 be reported out of committee with individual recommendations. All members voted in favor of the motion except Senator Lewis.

Members signed the committee report as follows:

"Do Pass"

Senators Groh, Ray, Poland, Butrovich,
Sackett, Palmer

SB 457
Sharing
Boarding
Costs for
Secondary
School
Students

SB 457 (An Act relating to the powers of the Department of Education with respect to contractual agreements for the sharing of boarding costs of secondary school students). Senator Poland voiced support of this bill.

Senator Palmer moved that SB 457 be reported out of committee with individual recommendations. The motion was adopted, with everyone but Senator Ray voting in favor.

Members signed the committee report as follows:

"Do Pass"

Senators Groh, Poland, Butrovich,
Sackett, Palmer

"No Recommendation" Senator Ray

CSHB 750
Municipal
Property
Taxing
Powers

Stuart Hall, Legislative Affairs, spoke on the Senate committee substitute he was proposing to take the place of the bill before the committee. He explained that somehow in the drafting of the bill, the paragraphs dealing with what was to be exempt from state taxation and from local taxation got mixed up. As a result, it authorized the state to tax oil and gas property on the first of January, and local governments were precluded from taxing until the commencing of construction. He said the Legislative intent was the exact opposite, so the committee substitute he is proposing will conform the statute to Legislative intent.

Mr. Hall further explained that Section 1 of the proposed bill would repeal the anti-pyramiding clause. He said they have been advised by the Department of Community and Regional Affairs and by the Attorney General's office that it will not work, as it attempts to add tax revenues and assessed valuation together. The difficulty is that there is no mechanism to reconcile them. He said Community and Regional Affairs advises that the limitations we have already enacted--either the \$1000 or the 225% are

high enough so the anti-pyramiding clause is not necessary.

Senator Ray left the meeting.

Mr. Hall testified that Section 3 is a "clean up" to allow local government to tax construction equipment. This will conform the statute to the rest of the bill. He testified that there are no substantial changes being proposed from what was intended in the Free Conference Committee report.

Senator Rader testified that his committee really did not know what they were doing with this bill. He said this is the first committee that has really gone into it.

Mr. Hall emphasized that the only substantial change is the repeal of the anti-pyramiding clause. Senator Groh remarked that it is difficult to put it in without goofing up the bonding capacity of municipalities. Senator Rader replied "yes, they said it will foul up the bond ratings of almost every community in the State." He said many city managers and the Alaska Municipal League testified against it.

Senator Ray returned to the meeting.

Senator Palmer moved that Senate Committee Substitute for CSHB 750 be reported out of committee with individual recommendations.

Senator Ray said the only question he has is if this is so important why didn't the Governor bring it out. Mr. Hall replied that he did not know, as the Governor said he would.

The motion to report the bill out with individual recommendations was adopted.

Members signed the committee report as follows:

"Do Pass"

Senator Groh

"No Recommendation" Senators Ray, Poland, Butrovich, Sackett

(Creating Department of Transportation. Senator Sackett stated that this has been brought up every year. He said he introduced an identical bill in State Affairs (that was identical to the special transportation committee's bill). He said Governor Egan in his State Affairs Statement in 1971 proposed creation of such a department. The Commissioner of Highways is opposed to creating what he terms a larger bureaucracy. Former Commissioner of Public Works Easley favors it.

Senator Sackett moved that SB 380 be reported out of committee with individual recommendations. All members voted in favor of the motion.

SB 380
Creating
Dept. of
Transportation

Members signed the committee report as follows:

"No Recommendation" Senators Groh, Poland, Butrovich

"Do Not Pass" Senator Ray

"Do Pass" Senator Sackett

SB 284
Bond Issue
for Const.
Museums

Senator Sackett requested that consideration of this bill be postponed until tomorrow. There was no objection to this.

Adjournment The committee adjourned at 5:00 p.m.

SENATE FINANCE COMMITTEE

April 20, 1974

4:10 P.M.

Present: All members with the exception of Senator Sackett.
Senator George Silides; Representatives Chuck Degnan and
Joseph Orsini. Joe LaRocca, reporter.

Sen. Groh called the meeting to order.

CSHB 592 am COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 592 am (An Act relating to special education for exceptional children) was brought before the committee. It was noted by Sen. Palmer that Mrs. Henri was in favor of this legislation as it would provide services similar to Henri House throughout the state. Sen. Groh said it was his understanding that the committee substitute would allow boroughs to train exceptional children down to the age of three at no cost to the state. Sen. Poland asked if the committee substitute had been referred to the Health, Education & Social Services Committee; it had not. Sen. Palmer moved to report CSHB 592 am from committee with individual recommendations, with the stipulation that the bill be referred to the HESS Committee and then back to the Finance Committee. Four members of the committee voted in favor of this motion, and CSHB 592 am was reported out of committee with individual recommendations.

HB 694 am HOUSE BILL NO. 694 am (An Act relating to the public school foundation program; and providing for an effective date) was brought before the committee. Sen. Groh stated the committee should lock in on a decision through the vote on the Senate floor; Sen. Palmer added members should lock in through the Senate vote and also through Free Conference Committee. Sen. Palmer moved an amendment to the bill, changing the base instructional unit figure to \$21,750. Sen. Lewis moved to concur with the House figure of \$21,500. Sen. Ray moved \$21,650, tying in funding for the community schools bill. Sen. Groh asked who was in favor of Sen. Ray's amendment, and two members voted in favor of this. Sen. Groh asked who was in favor of Sen. Lewis' amendment; three members voted in favor. Four members voted in favor of Sen. Palmer's amendment to establish funding at \$21,750; motion carried. Sen. Palmer moved and asked unanimous consent to report HB 694 am from committee with individual recommendations. No objection, so ordered.

HCR 52 am HOUSE CONCURRENT RESOLUTION NO. 52 am (Relating to reduced fares on state ferries for persons 65 years of age or older) was brought before the committee. Sen. Ray suggested the following amendment: Page 2, line 8, add: "This travel shall be on a space-available basis only and not between two main-line points of embarkation."

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A further amendment suggested by Sen. Ray was to delete the words "Alaska residents" on page 2, line 7, and substitute "all persons 65 years of age", since it would be unconstitutional to limit free fare on the ferries to Alaskan residents. Sen. Ray moved and asked unanimous consent to report HCR 52 am from committee with the above amendments and with individual recommendations. No objection, so ordered.

- HB 444 HOUSE BILL NO. 444 (An Act relating to state aid to local governments for police protection) was brought before the committee. Sen. Silides and Rep. Orsini were present to speak in favor of the bill and to recommend the following amendment: "Sec. 2. AS 43.18.010(c) is amended to read: (c) For purposes of this section, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data, including but not limited to public school enrollment figures, public utility connection, registered voters or certified employment payrolls." The amendment also added the effective date of July 1, 1974. Sen. Groh asked if the committee would lock in on the \$12 figure for the vote on the Senate floor as they did on the \$21,750 for HB 694 am. Sen. Lewis said there was a misunderstanding on HB 694 am, as he did not intend to lock in on \$21,750 and would not lock in on the \$12 figure listed in HB 444. Sen. Lewis left the meeting at 4:45 P.M. Sen. Groh moved and asked unanimous consent to report HB 444 with amendment from committee with individual recommendations. No objection, so ordered.
- HB 480 HOUSE BILL NO. 480 (An Act making a supplemental appropriation to the Office of the Governor; and providing for an effective date) was brought before the committee. Sen. Palmer moved and asked unanimous consent to report HB 480 from committee with individual recommendations. Sen. Ray objected, as he wanted to check and see if this was priority legislation. Upon vote, Sen. Palmer's motion failed.
- HB 484 am HOUSE BILL NO. 484 am (An Act making a supplemental appropriation to the Department of Commerce for the Alaska Pipeline Commission) was brought before the committee. Sen. Ray moved HB 484 am be reported from committee with individual recommendations. Upon vote, four members voted in favor of the motion.
- HB 157 Rep. Degnan was present to speak in favor of HOUSE BILL NO. 157 (An Act relating to state aid to local governments). Sen. Groh noted the committee would prefer an amendment providing revenue distributed to communities should only be used for the express purpose for which granted. Rep. Degnan said this would work a hardship on small communities as their capability in providing

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different services would be handicapped. The committee discussed the situation. Rep. Degnan proposed an amendment to include fire protection, which would result in an increase of \$7,000.

Due to a session called on the floor of the Senate, the meeting adjourned at 5:00 P.M.

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SENATE FINANCE COMMITTEE

April 22, 1974

4:50 P.M.

Present: All members. Senators Willie Hensley; George Silides; Lowell Thomas; Representative Chuck Degnan; Ed Merdes; Mary Pat Murphy, reporter.

Sen. Groh called the meeting to order.

CSHB 478 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 478 (An Act relating to international airport revenue bonds; and providing for an effective date) was brought before the committee. After discussing the fiscal note, Sen. Ray moved CSHB 478 reported from committee with individual recommendations. Motion carried.

CSHB 738 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 738 (2nd Finance) am (An Act relating to the Alaska Business License Act) was brought before the committee. Sen. Lewis moved to report the bill from committee with individual recommendations. The committee discussed the effective date, and Sen. Lewis moved an effective date of January, 1975. Upon vote, two members were in favor of the motion. Sen. Groh returned to Sen. Lewis' original motion to report CSHB 738 am from committee with individual recommendations. Three members voted in favor of this motion, and CSHB 738 was returned to the file.

CSHB 157 COMMITTEE SUBSTITUTE FOR HOUSE BILL No. 157 (An Act relating to state aid to local governments; and providing for an effective date) was brought before the committee. Sen. Ray submitted an amendment which provided that the amounts distributed would be used only for the express purpose for which granted. Sen. Ray moved for the adoption of the amendment, and the committee questioned whether the amendment applied to the total amount or the differential. Sen. Ray said the amendment applied only to the differential, if the differential was granted; therefore, it would not apply to zero cost-of-living areas or areas not requesting the differential. Sen. Groh proposed an amendment to the amendment: "New subparagraph (1) - All revenue sharing funds distributed will be used for the express purpose granted." Sen. Groh moved for the adoption of this amendment, but the motion failed. Sen. Ray repeated his motion for the adoption of his amendment, which motion carried.

Sen. Sackett asked that CSHB 157 be further amended to include volunteer fire protection. Sen. Hensley noted the present

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statutes include fire protection; however, Rep. Degnan said testimony from the Department of Community & Regional Affairs was to the effect that the present statutes were unclear on this subject. The committee discussed, and decided the present statutes were sufficient.

Sen. Ray moved CSHB 157 with amendment be reported from committee with individual recommendations. Motion carried.

The meeting adjourned at 5:35 P.M.

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AFTER RECESS

6:30 p. m.

Present: All members except Senator Palmer. Representative Ferguson, Senator Hensley, Senator Hohman, and Senator Silides; Elaine Mitchell and Frank Murphy, news reporters, were also present.

HB 855 Senator Groh called the meeting to order and the Committee briefly considered HOUSE BILL 855 (supplemental appropriation to the Legislative Affairs Agency). There was a motion that HB 855 pass from committee with individual recommendations. No objection, so HB 855 passed from committee with all members signing "do pass" (Senator Palmer absent).

CSHB 472 (Finance) The Committee then considered HOUSE BILL 472 (G. O. Bonds for rural school construction). A Senate Committee Substitute (by Finance) had been prepared for this bill. Senator Hohman referred to Ch. 195, SLA 72 stating that there were five high schools that were not constructed under the bond proposal in Ch. 195, SLA 72 because of overruns. Senator Hohman requested that an amendment be made on HB 472 for this overrun.

Senator Groh questioned several items in the legislation. He stated that he did not feel they should be building gyms and multi-purpose rooms at some schools when there were areas that needed basic classrooms. Senator Butrovich agreed with Senator Groh. Senator Sackett requested that deletions not be made on the Finance Committee Substitute. He stated that if the Committee deleted items this bill would end up in a free conference committee where it could be "killed."

Senator Palmer and Senator L. Thomas entered the meeting.

After a brief discussion, Senator Groh moved to amend the bill to include \$2 million for overruns under Chapter 195, SLA 72. The amendment carried 6 to 1 (Senator Lewis voting no). Senator Ray moved to pass the bill from Committee with individual recommendations. No objection, so ordered. (Senator Ray signed "no rec"; Senator Poland, Senator Sackett and Senator Palmer signed "do pass" and Senator Groh signed "do pass but unreasonable priorities" and Senator Butrovich signed "do pass but disagree violently with priorities in this bill").

SCR 36 The Committee considered SENATE CONCURRENT RESOLUTION 36 (requesting a study of the public school foundation program).

Senator L. Thomas spoke in favor of SCR 36. Senator Sackett moved and asked unanimous consent that SCR 36 pass from committee with a "do pass" recommendation. No objection, so ordered.

HB 482 The Committee then considered HOUSE BILL 482 (misc. claims). A Finance Committee Substitute had been prepared. Senator Sackett moved and asked unanimous consent that HB 482 be replaced with Senate Committee Substitute for HB 482 and that it "do pass." No objection, so ordered.

HB 41 The Committee then considered HOUSE BILL 41 (appropriation to the Department of Public Works). Senator Hensley spoke in favor of a Senate Committee Substitute for HB 41. This Committee Substitute was entitled "An Act providing for the issuance of G.O. Bonds for Court System Facilities" and Senator Hensley explained that this would provide court facilities for Barrow and Bethel. He explained the need for court facilities at Barrow. After a brief discussion, Senator Ray moved that Senate Committee Substitute (by Finance) for HB 41 be reported back with individual recommendations. (Senators Ray, Poland and Sackett signed "do pass"; Senators Butrovich and Palmer signed "no rec" and Senator Lewis signed "do not pass")

HB 469 The Committee considered HOUSE BILL 469 (Acquisition, construction & equipping an energy utility system at the U of A, negotiable revenue bonds). Senator Silides spoke in favor of this bill. Senator Sackett moved that HB 469 be reported back with individual recommendations. (Senator Ray had left the meeting but all other members signed "do pass").

HB 183 Senator Groh requested that the Committee consider HOUSE BILL NO. 183 (relating to eligibility for veterans' loans). Senator Sackett moved that HB 183 be reported back with individual recommendations. (Senators Groh, Lewis, Poland, Sackett and Palmer signed "do pass").

HB 496 The Committee briefly discussed COMMITTEE SUBSTITUTE FOR HOUSE BILL 496 am (exempting certain banks from minimum service requirements). Senator Lewis spoke in favor of passage of the Commerce Committee Substitute on this bill. Senator Lewis moved that Senate Committee Substitute (by Commerce Committee) for Committee Substitute for House Bill 496 be reported back with individual recommendations. No objection. (Senators Poland, Palmer and Ray signed "no rec;" Senators Groh, Lewis and Butrovich signed "do pass;" and Senator Sackett signed "do not pass")

HB 475 The Committee briefly considered COMMITTEE SUBSTITUTE FOR HOUSE BILL 475 (FINANCE) amended (G. O. Bonds for fish & game management and development). However, no action was taken at this time.

Adjourn: The meeting adjourned at 7:35 p.m.

SENATE FINANCE COMMITTEE

April 25, 1974

9:50 A.M.

Present: All members. Senator George Silides; Representative Helen Beirne; Representative Richard I. Eliason; Don Dafoe, Administrator, University of Alaska.

Sen. Groh called the meeting to order.

CSHB 550 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 550 (Jud.) am (An Act relating to liability for expenses of hospitalization of mental patients) was brought before the committee. Rep. Beirne spoke in favor of the committee substitute, stating there presently exists an inequitable situation when parents pay the expenses for children in mental institutions with no limit as to the amount paid or the age of the patient. CSHB 550 would limit payments by parents to \$50 per month until the child reached the age of 18, and Rep. Beirne said this would result in a more equitable situation. After discussion, Sen. Lewis moved CSHB 550 am from committee with individual recommendations. Motion carried.

Dr. Marshall Lind, Commissioner, and Dr. Nathaniel Cole, Deputy Commissioner, Department of Education, joined the meeting at 10:00 A.M. Sen. Ray left the meeting.

CSHB 592 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 592 am (An Act relating to special education for exceptional children) was brought before the committee. Rep. Beirne spoke in favor of CSHB 592 am, adding the fiscal note was too high. The fiscal note was prepared on the possibility of forming 21 units this year; however, Rep. Beirne felt 21 would not be formed. In addition, the state is currently spending \$200,000 to \$250,000 by various routes, and this legislation would put all funding into the Department of Education for standardization and equalization. Replying to a question from Sen. Groh, Dr. Cole said the fiscal note could be reduced to \$200,000; with \$150,000 for in-state cases and \$50,000 for children sent outside the state for treatment. The committee discussed benefits to exceptional children and how the program would be operated. Sen. Sackett moved CSHB 592 am from committee. Motion carried.

HB 480 Sen. Groh brought HOUSE BILL NO. 480 (An Act making a supplemental appropriation to the Office of the Governor; and providing for an effective date) before the committee and

moved and asked unanimous consent that it be reported out with individual recommendations. No objection, so ordered.

HB 831 Sen. Groh brought HOUSE BILL NO. 831 (An Act making a special appropriation to the Office of the Governor for the lieutenant governor; and providing for an effective date) before the committee and moved and asked unanimous consent that it be reported out with individual recommendations. No objection, so ordered.

HB 470 HOUSE BILL NO. 470 (An Act relating to the acquisition, construction and equipping of a campus student center at the University of Alaska) was brought before the committee. Don Dafoe said passage of this legislation would provide the same type of student center for the U. of A. Anchorage campus as is provided in Fairbanks. The committee questioned sale of revenue bonds and repayment of same. Sen. Palmer moved HB 470 be reported from committee with individual recommendations. Motion carried.

The meeting recessed at 10:10 A.M.

AFTER RECESS
SENATE FINANCE COMMITTEE
April 25, 1974
1:30 p.m.

Present: All members
Senator T. Miller; Mary Pat Murphy, Associated Press.

CSHB 705 Senator Groh called the meeting to order. The first bill the
(Fin) am committee considered was CSHB 705 (Fin) am (An Act relating
to municipal bonded indebtedness incurred for school construction).

Senator Sackett moved that Senate Committee Substitute for
CSHB 705 (Fin) am be reported out of committee with individual
recommendations. The motion was adopted.

Members signed the committee report as follows:

"Do Pass"

Senators Groh, Ray, Poland, Sackett,
Palmer

CSHB 475 The committee then considered CSHB 475(Fin) am (An Act providing
(Fin) am for the issuance of G.O. bonds in the amount of \$10,331,200
G.O. Bonds for the purpose of paying the cost of fish and game management,
for Fish & development and enforcement facilities).

Facilities Senator Groh stated that a proposed Senate committee substitute
has been proposed which changes the amount to \$10,900,000,
deletes certain items, and adds others. Senator Sackett speci-
fically requested that a new sub-section be added under Item 27
(Gravel Incubation Facilities) for Interior Fish Hatcheries
in the amount of \$400,000.

Senator Groh suggested that the total bond issue be set at \$10.5,
as he felt it should be enough. The committee discussed each
item and decided to include the following in the indicated
amounts:

(1) Petersburg - Crystal Lake Hatchery	\$500,000
(2) Ketchikan - purchase new vessel	350,000
(3) Southcentral fish hatchery construction	3,000,000
(4) Homer - purchase new vessel	350,000
(5) Haines - fish counting system	50,000
(6) Bristol Bay - smolt sonar equipment	85,000
(7) Southeast king salmon egg take system	100,000
(8) Southeast vessel acquisition	50,000
(9) Holitna River salmon counting weir	50,000
(10) Fire Lake Hatchery wastewater treatment	35,000
(11) fish transport unit for stocking	55,000
(12) hydro-acoustical gear and boat	17,500
(13) Kenai - rear, capture and transport system	120,000
(14) Kitoi Bay - hatchery repairs	80,000
(15) Katchemak - vessel acquisition	50,000
(16) Anvik River salmon counting weir	55,000
(17) Prince William Sound incubation system	100,000
(18) Katchemak Bay incubation system	100,000
(19) Southeast - gravel incubation system	300,000

(20)	Southeast fish ladders	120,000
(21)	Anchorage & Kodiak - purchase public access	120,000
(22)	Unga Island - Apollo Creek fish ladder	70,000
(23)	Pavlov Bay - Middle Creek fish ladders	100,000
(24)	Sitka - gravel incubation facility	30,000
(25)	Gravel Incubation Facilities	2,100,000
	(a) Southeast	
	(b) Prince William Sound	
	(c) Kodiak	
	(d) Cook Inlet	
	(e) Southwestern	
	(f) Interior	

Specific Items that were deleted from the original draft of the proposed Senate committee substitute were:

Southcentral rainbow brook stock facility
 Auke Bay saltwater rearing
 Fishery research, management and enforcement vessel
 Advance Planning Revolving Fund

Senator Ray moved that Senate CS for HB 475(Fin) am be reported out of committee with individual recommendations. This provides for a \$10.5 million bond issue with items listed above included. The motion was adopted.

Members signed the committee report as follows:

"Do Pass" Senators Groh, Ray, Poland,
 Sackett, Palmer, Lewis

"No Recommendation" Senator Butrovich

SCS for
 CSHB 151
 Alaska
 State

Council on
 the Arts

(An Act relating to the Alaska State Council on the Arts).
 There was no committee discussion concerning this bill.

Senator Ray moved SCS CSHB 151 be reported out of committee with a "do pass" recommendation. There being no objection, it was so ordered.

Members signed the committee report as follows:

"No Recommendation: Senators Groh, Butrovich

"Do Pass" Senators Ray, Poland, Sackett,
 Palmer

"Do Not Pass" Senator Lewis

CSHB 474
 G.O. Bonds
 for Hill-
 Burton

hospital
 construction
 program

(An Act providing for the issuance of G.O. bonds in the amount of \$2.4 million for the purpose of paying the cost of the Hill-Burton hospital construction program)

A proposed Senate Committee Substitute was proposed which would change the amount to \$10.9 million for the purpose of paying the cost of capital improvements to health care facilities. This would include nursing homes, which was not included in the bill referred to committee.

Senator Ray moved that Senate Committee Substitute for CSHB 474 be reported out of committee with individual recommendations. The motion was adopted.

Members signed the committee report as follows:

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

HB 641
G.O. Bonds
Library
Const.

(An Act providing for the issuance of G.O. bonds in the amount of \$7.9 million for the purpose of paying the cost of acquisition of, construction of, and equipment for library facilities in the state).

Senator Groh read the list of libraries proposed by this bill, which included facilities at Barrow, Haines, Homer, Kodiak, Kotzebue, Sitka, Anchorage and Fairbanks. Senator Groh questioned the need for many of these facilities. He said he was opposed to reporting this bill out of committee.

Senator Ray moved that HB 641 be reported out of committee with individual recommendations.

Senator Butrovich seconded Senator Ray's motion. He said Fairbanks was in need of this money for a library facility.

Senator Lewis left the meeting.

Senator Groh left the meeting at this point, urging other committee members to do so. He advised that they were needed at another meeting at this time (free conference on state employees pay bill).

Five minutes later Senator Groh returned to the meeting, but refused to serve as chairman while the committee considered HB 641. Senator Ray asked that Senator Groh appointment a chairman so the committee could consider the bill. Senator Groh designated Senator Ray as Acting Chairman of the Senate Finance Committee.

Senator Ray assumed the chairmanship of the meeting.

Senator Poland moved that HB 641 be reported out of committee with individual recommendations. The motion was adopted.

Members signed the committee report as follows:

"No Recommendation:	Senators Ray, Groh
"Do Pass"	Senators Poland, Butrovich, Sackett, Palmer

Recess

The meeting recessed at 2:12 p.m.

AFTER RECESS
SENATE FINANCE COMMITTEE
April 25, 1974
10:30 p.m.

Present: All members, Senator Willie Hensley, Mary Pat Murphy, Associated Press; Emmett Wilson, Commissioner, Department of Commerce.

CSHB 598
Tourism
Revolving
Fund

Senator Groh called the meeting to order. The first bill the committee considered was CSHB 598 (An Act relating to the Tourism Revolving Fund). Senator Groh explained that the proposed bill deletes the limitation of \$5 million which is currently in effect, which is the limit to which the Dept. of Revenue can purchase these mortgages. Senator Lewis questioned why the limitation was placed on there in the first place. Senator Groh replied that he understood the limitation was placed on there because the Legislature wanted to limit the amount the Department of Revenue could purchase; however, they are running up against the \$5 million limitation. Action on this bill was delayed until Commissioner Wilson arrived to testify on it.

HCR 78
Study of
Corporate
Income
Taxes

(An Act relating to a study of corporate income taxes in Alaska). Senator Ray moved that HCR 78 be reported out of committee with individual recommendations. Senator Palmer seconded the motion. The motion was adopted without objection.

Members signed the committee report for HCR 78 as follows:

"Do Pass"

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

CSHB 598

Emmett Wilson arrived at the meeting. Senator Groh asked him to explain why he wanted to remove the \$5 million limitation.

Mr. Wilson stated that originally, the bill called for replenishing the existing revolving loan fund for \$5 million. It was amended in the House. They felt there was no need for it because the Department has basic control of how many loans are being made. He stated that this year they have loaned out \$4.5 of the \$5 million, so they will have to get approval of another \$5 million, and it gets repetitive. He said the Department has no intention of making any more loans than Revenue can afford.

Senator Poland asked how many loans have been made and what was the largest loan? Mr. Wilson replied that there have been two \$1 million loans, which are the largest (maximum allowed under the program). He said there have been a total of about 14 loans made, and they are in a pretty good cross-section of the State.

Answering Senator Palmer's question, Mr. Wilson said there is not any difference in the criteria for getting a loan under this fund than under the small business loan fund. The interest rate is 8%. Mr. Wilson said he is not aware of any delinquencies.

Senator Ray requested that the Department report annually to the Legislature concerning these loans, amounts, delinquencies, etc. Mr. Wilson indicated that he would do this.

CSHB 598
Tourism
Revolving
Fund

Senator Palmer moved that CSHB 598 be reported out of committee with individual recommendations. The motion was adopted.

Members signed the committee report as follows:

"Do Pass"

Senators Groh, Ray

"No Recommendation"

Senators Poland, Butrovich, Sackett,
Palmer, Lewis

HB 738
Alaska
Business
License
Act

(An Act relating to the Alaska business license Act). Senator Lewis requested that the committee consider this bill. Senator Groh noted that the expiration date of this bill is December 31, 1978.

Senator Lewis moved and asked unanimous consent that CSHB 738 (2d Fin) am be reported out of committee with individual recommendations. The motion failed, with Senators Lewis, Groh, and Butrovich voting in favor of reporting it out.

Adjourn

The meeting adjourned at 10:45 p.m.