

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2639

SENATE FINANCE COMMITTEE
Wednesday, May 14, 1975
3:00 p.m.

The Senate Finance Committee meeting was called to order by Sen. Ray to take up appropriation items for capital projects in SSHB-70 (An Act appropriating for the operating and capital expenses of state government; and providing for an effective date).

CAPITAL
PROJECTS
BUDGET

Members present: Sen. Butrovich, Sen. Sackett, Sen. Rader, Sen. Hohman, Sen. Chance, Sen. Poland, Sen. Ray.

PRESENT

The Committee adopted the following.

	Alloca- tions	Appropri- ation Items	Appropriation Fund Sources	
			General Fund	Other Funds
Department of Education				
Nome-Beltz Roof Replacement \$		\$ 238,200	\$	
Voting for this appropriation were Senators Ray, Rader, Sackett, and Hohman.				
Library Media Center		DELETED		
Senators Chance, Rader, and Hohman voted for keeping this item.				
Library Acquisition Fund for Rare Items		10,000		
Community Library Constr- uction Grants (Fed.)			110,000	
Sen. Hohman voted against this item.				
Acquisition of Museum Arti- facts		25,000		
Sen. Sackett moved for unanimous consent that the Committee accept SSHB-70 figures for the following five items, there was no objection. The motion passed.				
Anchorage FM Radio Station		40,000		
Kotzebue Radio Fire Protection		7,000		
Bethel Radio Fire Protection		26,000		
Dillingham Radio Fire Protection		7,000		
Television Time-Base Corrector		15,000		

EDUCATION

5/14/75

	Alloca- tions	Appropri- ation Items	Appropriation Fund Sources	
			General Fund	Other Funds
State-Operated Schools				
Automotive Equipment, Mobile Homes		70,000		
With the exception of Sen. Hohman, the Committee voted in favor of this item.				
Copper Center Fencing		8,000		
University of Alaska				
Equipment for Fairbanks Campus		DELETED		
Senators Butrovich and Poland voted for this item.				
Library Books, Instruc- tional Materials for Anchorage Campus		150,000		
A motion was made to amend the SSHB-70 figure of \$50,000 upward to \$150,000. Senators Sackett, Rader, Poland, and Chance voted in favor of the amendment. The amendment carried.				
Kodiak Community College				
Parking		30,000		
Sewer Assessments and Connec- tions, Auke Lake Campus		35,000		
Library Books, Instructional Materials, Auke Lake		25,000		
Vocational Education Equipment, Auke Lake		150,000		
Ketchikan Community College Building Repairs		DELETED		
Senators Butrovich and Chance voted for the appropriation.				
Department of Education				
Skill Center Fence and Storage Shed		60,000		
Sen. Ray noted that the House Finance Committee did not approve this item. Senators Chance, Ray, Poland, and Butrovich voted in favor.				
Department of Health and Social Services				
Fairbanks Office Building Walls (Fed.)		DELETED		
Sen. Ray asked for unanimous consent that this item be left in. His motion did not pass.				

SOCIAL
SERVICES

5/14/75

	Alloca- tions	Appropri- ation Items	Appropriation	
			Fund Sources	
			General Fund	Other Funds
Department of Health & Social Services				
Modular Homes, Glennallen		DELETED		
Item was deleted by unanimous consent.				
Fire Safety Improvements, Harborview		DELETED		
Senators Ray, Rader, and Sackett voted to keep this item.				
Alaska Psychiatric Institute Sprinkler System		DELETED		
Senators Chance, Rader, and Sackett voted to keep this item.				
Kitchen, Laundry Equipment, Alaska Psychiatric Institute		23,000		
Sen. Sackett moved that SSHB-70 be amended to include the following item under the Department of Health and Social Services. Voting for the amendment were Senators, Chance, Poland, Sackett, and Ray. The motion passed.				<u>Motion for Inclusion</u>
Health Center at Ft. Yukon		200,000		
Department of Natural Resources				
Special Assessments to State-Owned Lands		540,600		
Merrill Field Subdivision Development (MFRA)			506,700	
Rich Guthrie mentioned that this is identified as General Fund (Federal money). Senators Ray, Rader, Sackett, Chance, and Poland voted for this item.				<u>NATURAL RESOURCE MANAGEMENT & ENVIRONMENTAL CONSERVATION</u>
Department of Fish and Game				
Fire Lake Outlet Control		30,000		
Voting for this item were Senators Sackett, Butrovich, Chance, Poland, and Ray.				
Fire Lake Water Purification		35,000		
Harris Harbor Floats		30,000		
Frazer River Fish Ladder Design		25,000		
Fort Richardson Well Field		DELETED		
Senators Butrovich and Rader voted for this item.				
Fish Transport Unit		DELETED		
Senators Butrovich, Poland, and Ray voted for this item.				

	Appropriation		
	Alloca- tions	Appropri- ation Items	Fund Sources
			General Fund Other Funds
Incubation Buildings, Crooked Creek		DELETED	
Senators Butrovich and Rader voted for this item.			
Side-Scanning Sonar		DELETED	
Voting for this item was Senator Ray.			
Land Acquisition, Matanuska Lake (Fed.)		10,000	10,000
Senators Chance, Poland, Sackett, and Rader voted for.			
Incubation Buildings, Big Lake		DELETED	
Senator Rader voted for this item.			
Stand-by Generator, Crystal Lake		73,600	
Voting for were Senators Ray, Butrovich, Poland and Chance.			
Snettisham Production Feasi- bility Study		20,000	
Radar, Diesel Engine Replace- ment		DELETED	
Sen. Rader told the Committee that they have diesel engines presently, but the engines make too much noise. Senators Ray and Poland voted for the item.			
Department of Public Safety Patrol Vessel Purchase		375,000	
Department of Environmental Conservation Village Safe Water Projects		1,000,000	
Senators Sackett, Poland, Butrovich, Ray, and Rader voted for this item.			
Sen. Ray moved to amend SSHB-70 to include under the Department of Environmental Conservation in the Natural Resource Management and Environ- mental Conservation category the following item. There was unanimous consent to the motion.			<u>Motion for Inclusion</u>
Pelican Sewer System		60,000	

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	Allocation	Appropriation	
		Fund Sources	
		General Fund	Other Funds
Department of Military Affairs			
Armory Mater Plan	DELETED		
Anchorage Armory Design	DELETED		

PUBLIC
PROTECTION

Senator Rader asked unanimous consent from the Committee to delete both of the armories. Motion passed.

Department of Health and Social Services	
Smoke Detection System, Anchorage	25,600
Juneau State Jail Fencing	39,700

ADMINISTRA-
TION OF
JUSTICE

Sen. Sackett moved that SSHB-70 be amended to include under the Department of Health and Social Services in the Administration of Justice category the following item. The Committee voted unanimously for the amendment.

Motion for
Inclusion

Jail at Galena	3,500
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Sen. Sackett explained there was a \$32,220 Federal funding match (LEAA); however, Galena could not come up with the \$3,500.

Court System	
New Court Building, Barrow	DELETED
Senators Sackett and Rader voted for this item.	
New Court Building, Bethel	DELETED
Senators Sackett and Ray voted for this item.	
Remodel Old Anchorage Court Building	DELETED

Senators Chance and Rader voted for this item.

Improvements to New Anchorage Court Building	26,600
Electronic Recording Equipment	DELETED

Sen. Chance voted for this item.

Storage Addition, Bethel	97,000
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Sen. Hohman did not vote in favor of this item.

Juneau Court Building Plaza	130,000
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Sen. Rader voted against this item.

Site Work, Valdez Court Building	DELETED
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The Committee voted unanimously against this item.

	Alloca- tions	Appropri- ation Items	Appropriation	
			Fund Sources	
			General Fund	Other Funds

Office of the Governor
Tourism Impact Study

DELETED

DEVELOPMENT

Sen. Chance voted for this item.

Department of Natural Resources

Plant Materials Center

DELETED

Laboratory, Office Bldg.

DELETED

Dump Truck Purchase

DELETED

Well Drilling

DELETED

The Committee voted unanimously to delete Plant Materials Center.

Department of Public Works

Waters and Harbors Projects

1,253,000 (WCFT)

The Committee moved that this item be allocated as follows:

Harbor Dredging - Nome 2,500

Emergency Repairs - Statewide 50,000

Harbor Facilities - Sitka 150,000

Harbor Facilities - Baranof-
Angoon 75,000

Administration, Planning,
Engineering Costs - State-
wide 410,500

Other Selected Projects 565,000

The Committee moved that the following items be deleted under Waters
and Harbors Projects:

Harbor Facilities - Valdez DELETED

Harbor Facilities -
Ninilchik DELETED

Harbor Facilities -
Petersburg DELETED

Remote Village Radio
Equipment

25,000

The meeting adjourned at 4:00 p.m.

ADJOURN

5/14/75

SENATE FINANCE COMMITTEE
Thursday, May 15, 1975
1:35 p.m.

The Senate Finance Committee meeting was called to order by Sen. Ray to take up appropriation items for capital projects in SSHB-70 (An Act appropriating for the operating and capital expenses of state government; and providing for an effective date).

Members present: Sen. Butrovich, Sen. Sackett, Sen. Rader, Sen. Hohman, Sen. Chance, Sen. Poland, Sen. Ray.

The Committee adopted the following.

	Alloca- tions	Appropri- ation Items	Appropriation Fund Sources	
			General Fund	Other Funds
Department of Public Works				
Replace Ferry Car Decks		500,000		
Saltwater Sanitary Lines		100,000		
Dishwasher Purchase		50,000		
Engine Room Soundproofing		140,000		
Dining Room Conversions		100,000		
Base Radio Station		30,000		
Auke Bay Terminal Improvements		200,000		
Water Storage Facility	50,000			
Sewage Treatment Facility	150,000			
Tractor Purchase		24,000		
Dock Fender Repairs, Haines		100,000		

TRANSPOR-
TATION

The above items were adopted without objection.

Sen. Ray asked that the Committee hold the following items open.

Anchorage Airport Loading Bridges (R.F.)
International Airports Supplementary Approp-
riation (R.F. 1,007,500 Fed. 1,148,500)
Sewer Outfall, Anchorage (R.F.)
Sewer Lines, Lake Hood (R.F.)
Cargo Area Improvements, Fairbanks (Fed.)
Fire/Rescue Vehicle, Fairbanks (Fed.)
Maintenance Equipment, Anchorage (R.F.)
Security & Fire Equipment, Anchorage (Fed.)

Sen. Sackett said he did not understand why the House cut these items out of the budget unless a request came down from the Governor's Office. Jay Hogan was asked to come in to explain the matter to the Committee. Jay said the House cut these out of the budget because the Department would be coming out with a reoriented projects list. This is in connection with SB-311. Most of the

DPW COMOFD JNU

DPW AVIA AHG

MAY 12, 1975

TRACY KALDOR

PLEASE DELIVER IMMEDIATELY TO MR. MURRAY SNYDER, CAPITAL
PLANNER, BUDGET AND MANAGEMENT.

76-1 ANCHORAGE LOADING BRIDGES - ELIMINATE

76-2 SUPPLEMENTAL APPROPRIATIONS. TOTAL COST 2,156.0; FEDERAL
FUNDS 1,148.5; IARF 1007.5

76-3 FAIRBANKS TERMINAL REMODEL - ELIMINATE

76-4 ANCHORAGE SEWER OUTFALL LINE. TOTAL COST 1,300.0; IARF
1,300.0

76-5 FAIRBANKS INTERCEPTOR SEWER. TOTAL COST 820.0; IARF 820.0;
OPERATIONAL COST 65.6

76-6 ANCHORAGE SEWER, LAKE HOOD. TOTAL COST 200.0; IARF 200.0

76-7 FAIRBANKS EAST SIDE CARGO AREA. TOTAL COST 825.0;
FEDERAL FUNDS 771.6; IARF 53.4; OPERATING COST 4.3

76-8 ANCHORAGE, NORTHWEST BUILDING REMODEL - ELIMINATE

76-9 FAIRBANKS TERMINAL MODIFICATIONS. TOTAL COST 140.0; IARF
140.0; OPERATING COST 11.2

76-10 FAIRBANKS FIRE/RESCUE VEHICLE. TOTAL COST 200.0; FEDERAL
FUNDS 160.0; IARF 40.0; OPERATING COST 3.2

76-11 FAIRBANKS SAND STORAGE AND DRYING FACILITY. TOTAL COST
75.0; IARF 75; OPERATING COST 6.0.0

76-12 ANCHORAGE MAINTENANCE EQUIPMENT. TOTAL COST 252.0;
IARF 252.0; OPERATING COST 78.0

76-13 ANCHORAGE SECURITY AND FIRE/RESCUE EQUIPMENT. TOTAL COST
557.0; FEDERAL FUNDS 240.0; IARF 317.0; OPERATING COST 25.4

76-14 ANCHORAGE OTHER MISCELLANEOUS IMPROVEMENTS. TOTAL COST
150.0; IARF 150.0; OPERATING COST 12.0 *Things that come up - like new cameras - Section 12 from 2nd*

76-15 FAIRBANKS, OTHER MISCELLANEOUS IMPROVEMENTS. TOTAL COST
100.0; IARF 100.0; OPERATING COST 8.0

NOTE: FOR FY 1976-2 .SUPPLEMENTAL APPROPRIATION EXPLANATION
SEE:

1. CAPITAL BUDGET PROJECT JUSTIFICATION FORM 02-1026, PAGE
00008.

2. CAPITAL BUDGET SIX YEAR IMPROVEMENT PROGRAM.

HEINZ W. NOONAN
PUBLIC WORKS PLANNER.

CORRECTION: ITEM 76-11 CORRECT 8-4\$ 75.0 OPERATING COST 6.0

DPW COMOFD JNU

CORRECT ITEM 76-11 IARF 75.0 OPERATING COST 6.0

items are tied in with a bond issue that the Department of Public Works requested be cancelled. The Department's proposed revised projects list was received in the Committee later in the meeting (copy attached); however, it had not, at that point, been approved by the Budget Review Committee.

	Alloca- tions	Appropri- ation Items	Appropriation	
			Fund Sources	
			General Fund	Other Funds
Department of Highways				
Maintenance Station, Bethel		350,000		
Sen. Rader moved that the Committee amend SSHB-70 to include the following item. There was no objection, so ordered.				
<u>Motion for Inclusion</u>				
Anchorage Service Road		50,000		
Maintenance Station, Wrangell		DELETED		
Sen. Sackett moved and asked unanimous consent that the above item be deleted entirely. There was no objection, so ordered.				
Roof Repairs		40,000		
Overhead Crane, Valdez		10,000		
Power Transformer, Anchorage		20,000		
Cold Storage Buildings		DELETED		
Sen. Rader moved and asked unanimous consent that the above item be deleted. There was no objection, so ordered.				
Security Fencing		100,000		
Trailer Pads		DELETED		
The above item was deleted by unanimous consent of the Committee.				
Maintenance Equipment		634,000		
Department of Administration				
Data Processing Fire Protection		40,000		
Department of Public Works				
Sen. Sackett moved and asked unanimous consent that the Committee accept all figures for Buildings Projects. There was no objection, so ordered.				
<u>GENERAL GOVERNMENT</u>				
Buildings Projects		693,300		
Boiler Replacement	20,000			
Roof Repairs	100,000			
Juneau State Office Building				
Partitions	25,000			

	Alloca- tions	Appropri- ation Items	Appropriation	
			Fund Sources	
			General Fund	Other Funds
Painting State Facilities	60,000			
Fish and Game Building, Juneau	100,000			
Painting Governor's Mansion	17,000			
Capitol Building Remodeling	200,000			
Juneau Community Building Renovation	26,000			
Juneau Records Center Site Work	28,000			
Juneau Division of Buildings Site Work	35,000			
Kodiak Griffin Building Renovation	20,000			
Juneau State Office Building Control Refinements	32,300			
Sitka Pioneers Home Fire Alarm	30,000			

In the following item Sen. Butrovich noted that there was a discrepancy between the figure listed in SSHB-70 and the figure given in the Six Year Improvement Program. The House adopted the figure given in the Improvement Program. Sen. Butrovich moved and asked unanimous consent that the Senate accept the figure given in the Improvement Program. There was no objection, so ordered.

Communications Equipment	
Purchases	1,726,500

Department of Highways

Jay Hogan informed the Committee that the following item was listed twice in the budget. Once, on page two of SSHB-70, the operating budget, and again on page 49 of SSHB-70, capital projects. This would amount to a total appropriation of \$14+ million. Sen. Ray moved and asked unanimous consent that page two, operating budget of SSHB-70 be amended to reduce the \$18,978,600 Highway Working Capital Fund operating figure by \$7,300,000. There was no objection, so ordered.

Amendment
to Oper.
Budget

The following figure was adopted by the Committee for capital projects:

Equipment Purchases (Hwy. Working Capital)	7,300,000
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The meeting adjourned to a bill meeting at 2:20 p.m.

ADJOURN

5/15/75

Department of Public Works

Appropriation

Waters and Harbors Projects

allocations

Harbor Dredging - Nome	2,500
Emergency Repairs - Statewide	50,000
Harbor Facilities - Sitka	150,000
Harbor Facilities - Baranof-Angoon	75,000
Administration, Planning, Engineering Costs - Statewide	410,500
Other Selected Projects	565,000
Remote Village Radio Equipment	25,000

SENATE FINANCE COMMITTEE

May 15, 1975

9:05 A.M.

All members present.

Present

SENATE BILL 284 (An Act relating to the membership of the Alaska Public Utilities Commission) was brought before the committee. The fiscal note was discussed, and the fact that office space was highly inflated. Sen. Sackett moved and asked unanimous consent to report SB 284 from committee with individual recommendations. There was no objection; however, the majority of the committee signed the report "do pass."

SB 284

SENATE BILL 104 (An Act making a supplemental appropriation to the Department of Education; and providing for an effective date) was brought before the committee. The amendment offered by the Senate HESS Committee was reviewed, and the committee discussed incorporating the HESS changes into a Finance Committee Substitute and increasing funding for the Boarding Home Program. After discussion, the committee agreed to incorporate the following changes and additions in the Finance Committee Substitute:

SB 104

Foundation Program	\$2,500,000
Boarding Home Program	740,000
Nome School Dist. Disaster Relief	236,000

The other items remained the same, bringing the new total to \$4,350,600. Sen. Butrovich moved and asked unanimous consent to report committee substitute for SB 104 from committee with a "do pass" recommendation. No objection, so ordered.

SENATE BILL 73 (An Act relating to the powers of the Dept. of Education with respect to contractual agreements for the sharing of boarding costs of secondary school students; and providing for an effective date) was brought before the committee, since Mr. Guthrie explained the additional funding for the boarding home program provided in SB 104 would not be granted if SB 73 did not pass. Funding for FY 76 could be put in the budget. Sen. Poland moved and asked unanimous consent to report SB 73 from committee with a "do pass" recommendation. No objection, so ordered.

SB 73

Sen. Sackett moved and asked unanimous consent to report HOUSE BILL 78 (An Act making a supplemental appropriation to the State-Operated School System; and providing for an effective date) from committee with a "do pass" recommendation. No objection, so ordered.

HB 78

5/15/75

CS FOR HOUSE BILL 394 (An Act making a special appropriation to the Department of Education to provide additional funding for school construction; and providing for an effective date) was brought before the committee. Sen. Sackett moved to table the measure and CSHB 394 was returned to the file.

CSHB 394

Sen. Ray noted a request from Carol Beery Davis for funding for 25 Tlingit Indian performers' transportation to Baltimore, June 24-27, to attend the Third World Congress of Poets. The committee decided to draft a bill authorizing funding, and Mr. Guthrie was asked to take care of this.

HOUSE BILL 257 (An Act making a special appropriation to the Gas Pipeline Impact Committee; and providing for an effective date) and CS FOR HOUSE BILL 258 am (An Act creating the Gas Pipeline Impact Committee; and providing for an effective date) was brought before the committee. The committee discussed the fiscal note, and an amendment was suggested for HB 257: change \$150,000 to \$100,000 on page 1, line 10. Sen. Ray moved for the adoption of the amendment, and the committee approved the motion. Sen. Sackett moved and asked unanimous consent to report HB 257 am and CSHB 258 am from committee with individual recommendations. No objection; however, a majority of the members signed the committee report "do pass."

HB 257

CSHB 258
am

The meeting adjourned at 9:40 A.M.

Adjourn

SENATE FINANCE COMMITTEE
Thursday, May 15, 1975
2:20 p.m.

All members of the Senate Finance Committee were present.

PRESENT

Sen. Ray brought up for discussion SENATE CONCURRENT RESOLUTION NO. 46 (Relating to the leasing of space from the Alaska State Housing Authority. SCR 46

Sen. Sackett informed the Committee he had an amendment to propose. Sen. Ray asked him to bring the amendment up on the Floor. There was a brief discussion of the resolution between the Committee members while they waited for Sen. Terry Miller to appear.

Sen. Terry Miller did not arrive; Sen. Ray adjourned the meeting at 2:45 p.m.

ADJOURN

SENATE FINANCE COMMITTEE
Friday, May 16, 1975
9:00 a.m.

Present: Senators Ray, Butrovich, Sackett, Hohman, Chance, Poland.

Also Present: Don Lowell, Director, Alaska Office; Floyd Johnson, Alaska Disaster Office. The following people from the City of Nome:

Robert Renshaw, Mayor
Herv Hensley, City Manager
Ralph Beardsley, Controller
Tom Small, Utility Manager
Floyd Breeden, Councilman
Darroll Hargraves, Superintendent of Schools

Senator Ray called the meeting to order and invited testimony from any of the gentlemen who were present from the City of Nome.

Don Lowell, Director of the Alaska Disaster Office, reported that there are a number of bills pending in the Legislature to allow the State to assist communities in recovering from the major disaster that occurred in the Bering Sea area last November. The bills he referred to are:

- | | |
|--|--------|
| SB 91: "An Act authorizing the governor to make funds available to match federal funds under the Disaster Relief Act of 1974." | SB 91 |
| SB 114: "An Act making a special appropriation to the Department of Revenue, disaster relief fund; (\$400,000)" | SB 114 |
| SB 184: "An Act providing for a natural disaster relief tax and repealing the school tax;" | SB 184 |
| SB 280: "An Act appropriating for shortfalls in revenue and for extraordinary expenditures of boroughs, cities, municipal utility systems and school districts to meet the effects of the natural disaster of November 14, 1974;" (\$862,539 from gen. fund) | SB 280 |
| SB 281: "An act relating to authorizing the Department of Military Affairs to make expenditures to meet extraordinary expenditures and shortfalls in revenue of boroughs, cities, municipal utility systems and school districts incurred as a result of the natural disaster declared November 14, 1974;" | SB 281 |

(SB 280 and 281 are similar to HB 267 and 268)

The delegation from Nome distributed an 8 page list entitled: CITY OF NOME BERING SEA STORM NON-REIMBURSABLE DISASTER COSTS, MAY 9, 1975. See original Senate Finance Committee bill file (SB 280) for a copy of this.

Mr. Lowell in his testimony emphasized two bills: * SB 91; which he said authorizes the state to provide grants to meet the needs of the state under Section 408 of the Federal Disaster Relief Act of 1974 (PL 93-288). This is strictly authorization to allow the state to do what "we have already done." He explained that after the disaster they had an emergency and had to operate under the authority provided by the Governor; however, they don't have the legal authority to do that.

Mr. Lowell said SB 114 appropriates \$400,000 to cover operations in the Bering Sea disaster. These funds were expended to meet the "unmet needs" not covered by any other authorization

Mr. Lowell explained that SB 184 provides for a disaster relief tax for future emergencies in the state. It is the only bill pending which would provide funds for any future major disasters.

[Senator Butrovich arrived at the meeting]

Continuing with his testimony, Mr. Lowell said SB 280 appropriates \$862,539 to cover the shortfall of revenue and extraordinary expenses to cover the Bering Sea disaster of 1974. It is similar to HB 267 and 268 which has been amended to provide \$1 million which would also cover other cities who have suffered losses and will not get any other aid from any agency. Mr. Lowell said these funds are desperately needed to assist these communities in recovering from that disaster.

Mr. Lowell said, originally, SB's 280 and 281 and HB's 267 and 268 included funds to cover shortfalls and extraordinary expenses suffered by the Nome School District, but he understands the funds to cover their losses are included in some other legislation. Mr. Lowell said since they first requested these funds, Nome has had to spend another \$250,000 to purchase land for their new city hall which was damaged beyond repair. They will get 100% federal funding to replace the structure. He added that their total cost at this point is still unknown, and they would like to have the State appropriate \$1 million to cover the shortfall of revenue and extraordinary expenses suffered by all the communities in the Bering Sea area. Anything left over would return to the general fund.

Senator Hohman asked for a list of communities who suffered damage. Mr. Lowell said a list is contained in SB 280. He said up to this point they have only taken care of the emergency work in the Bering Sea area--they will not know the total until the snow and ice thaws.

Mr. Lowell said they have calculated the total cost of the Bering Sea disaster at \$18 million, with \$1.4 million being the share from the State.

Robert Renshaw, Mayor of Nome, said he wanted to impress upon the committee the gravity of the situation in Nome. He said they are not trying to pull a "rip-off"--they have eliminated as much as they can find. He said if they cannot get all they are asking for they will be in serious straits for several years to come.

Herv Hensley, City Manager of Nome, reported that Nome has had a serious financial problem for some time and they were just getting their heads above water then the disaster struck.

Mr. Lowell told the committee that the state has advanced \$250,000 to Nome, based upon a future project application being approved, to replace the Nome City Hall. He stated that the federal government will only advance 75% of eligible funds to Nome until all the work has been completed, inspected and audited. This might be one-and-one-half years from now. He said the state has made arrangements to advance Nome 90% of the authorized funds based upon the firm arrangement that the State will be reimbursed by the federal government. He said this will still leave Nome short \$175,000.

The committee had some questions concerning the Non-reimbursable cost list:

Senator Ray questioned the \$145,000 amount for acquisition of land for a new city hall. Could the city have selected land some other place at less cost? Mr. Hensley replied that they went into this quite deeply and this is about the only possible site in the city limits that meets the specifications of the federal government required for building a new city hall.

Senator Ray wanted to know who Nome is paying the engineering and consulting fees to for Nome Joint Utilities. Mr. Hensley said those monies were paid to their consulting engineers, CH2M-Hill. Mr. Hensley said they felt they had to substantiate their claims rather than just accepting the decision of the federal government. Using the city hall as an example, he said that the federal government said that the city hall could be "remodeled"; however, Nome's consulting engineers said it could not be, and it turned out that the consulting engineers were right.

Senator Ray asked if Mr. Hensley believed the state is responsible for reimbursing Nome for the "loss of personal property tax revenue." Mr. Hensley replied that this has been done for other communities in other disasters. He said these are conservative amounts--the city did lose revenue because the disaster struck in the main business district.

5/16/75

Senator Chance questioned why the city or the state should pick up the cost of cleaning up the Nugget Hotel, Nome Liquor Store, Northern Commercial Co., etc. Mr. Hensley explained that they are operating under a new Federal Disaster Law which says that we should do anything we have to do to protect the property and health and welfare of the citizens. He said there was contaminated foods in the store basements that were flooded and then froze. It was not specified by the feds what was eligible and what was not, but they needed to get the debris out of these places. He said they had anticipated getting the money expended for this clean-up back from the federal government, and then they were told that the federal government would reimburse them for this cost. Later, however, someone higher up in the government made the interpretation that these costs were not eligible.

Mr. Lowell explained that under the new federal law, the state and communities in order to get the President's "declaration of disaster" have to make a commitment of how much they will spend, and that they will not expect reimbursement on. He said they have said they will spend \$400,000 on this disaster--funds they would not expect to be reimbursed on by the federal government.

Mr. Lowell said the state had about \$338,000 left over from the previous disaster relief funding. Of that, they spend some funds on moving an emergency generator from Noorvik and three generators to Kodiak. Consequently, they have exhausted all those funds and right now are operating on funds destined for other purposes.

Senator Ray inquired about the generator the state purchased for Nome. Mr. Lowell said the generator has been checked out and it will be on the barge going to Nome. The generator was purchased for \$262,500, and the balance of the funds appropriated for this purpose over and above that amount will be used to pay for transportation and a facility to put it in. Nome will also spend some money to get it set up. He said the federal government does reimburse for this. He explained that they felt the present power facility in Nome is unstable, but until the ground thaws they will not know the extent of the damage. The federal and state inspectors want to wait until the thaw to make their inspection, at which time they can inspect all the damage.

Senator Ray asked if a claim was originally made to the federal government for the generator. Mr. Lowell said "yes". He added that the generator was needed immediately, since they could not take a risk of Nome being without power this winter.

Senator Ray asked if the federal government will reimburse the \$380,000 appropriated for the generator. Mr. Lowell said if the facility does not have to be replaced, we may be able to get reimbursed.

Senator Chance asked "What about Diesel Generator #1 which was disallowed by the feds?" Mr. Hensley told her that flood waters came in underneath the generator and they had to pump out 1-1/2 million gallons of water from under it and the #5 generator. The bases have been eroded. He did not know why the feds disallowed this item. He pointed out that they are still in the process of appealing this and some of the other federal disallowments; however, most of the items the federal government disallowed cannot be appealed.

Mr. Hensley said Nome will go bankrupt if they do not get money to replace these expended funds.

Senator Ray questioned why the federal government approved repairing damage to the bowling alley and not some of the others. Mr. Hensley said the bowling alley is a public facility and is eligible for replacement in kind. He said he does not really understand their criteria himself.

Mr. Lowell testified that the City of Nome could get a loan to cover the costs--it would have to be repaid in three years at a 25% (?) interest rate. He said, in reviewing their books and expenditures, they find Nome cannot afford it--unless they get some assistance from the State, they are bankrupt. They will have to completely curtail services or raise taxes.

Senator Chance asked Mr. Lowell to repeat the total supplemental they are asking for. Mr. Lowell said "we are requesting \$1 million to cover not only Nome but other communities." He stated that in addition, there is another bill for \$400,000 to cover the State's costs. Mr. Lowell said he was also extremely concerned that the State has no funds to draw upon for future disasters.

Senator Ray asked if the Governor put in any bills for Nome--what has the administration done? Mr. Lowell replied "they support these bills." He said there was a bill submitted by the Governor to provide \$1 million to cover this disaster, but those funds were withdrawn because they were in another bill (HB 250). In other words, HB 250 was amended to delete the \$1 million.

Robert Renshaw told the committee that after the disaster Nome was operating on cash for a few days. Now they are operating on credit and they are running out of credit.

Senator Ray thanked the group for their testimony.

The committee then took up Senate Bill 414:

SB 414

"An Act making a supplemental appropriation to the Department of Administration for salary increases required by statute or agreed to in recent labor negotiations with state employees;"

Senator Ray recommended that the committee report this bill out. He acknowledged that our committee had not yet gone into this bill in detail. However, Senator Ray said he has spoken about this to the Chairman of the House Finance Committee and Rep. Malone has assured him that the House Finance Committee will go into it in depth, since that committee now has time to do so, having concluded consideration of the budget.

After a short discussion, Senator Chance moved that SB 414 be reported out of committee with individual recommendations.

Members signed the committee report as follows:

"Do Pass"	Senators Chance, Ray
"No Recommendation"	Senators Butrovich, Sackett, Hohman, Poland

And so, SB 414 was reported from committee with individual recommendations.

Next bill to be considered was:

CSHB 26: "An Act Authorizing the creation of regional electrical authorities;"

CSHB 26

Senator Ray stated that this bill does not appropriate any money-- it allows the regional corporations to provide money to the regions.

Senator Chance moved that CSHB 26 be reported out of committee with individual recommendations. No objection, so ordered.

All members signed the committee report "do pass" so CSHB 26 was reported out of committee with a "do pass" recommendation.

Next bill to be considered was:

CSHB 394: "An Act making a special appropriation (\$170,000) to the Department of Education to provide additional funding for school construction;"

CSHB 394

Senator Chance moved that this bill be amended to reflect an immediate effective date.

Senator Hohman moved that CSHB 394 be returned to the file. This vote failed, with Senators Hohman and Sackett voting in favor of the motion.

Senator Chance moved that CSHB 394 be reported out of committee with individual recommendations.

Senator Sackett objected. A vote was taken, and the motion to report the bill out failed, with Senator Chance voting in favor of it.

CSHB 394 was returned to the file.

Next bill before the committee was SCR 46:

SCR 46: "Relating to the leasing of space from
the Alaska State Housing Authority"

SCR 46

[Senator Terry Miller had recently arrived at the meeting to testify on this resolution]

Senator Miller told the committee that two years ago the Legislature authorized parking garages in Fairbanks, Anchorage and Juneau. The facilities in Juneau and Fairbanks were cut back because of increased costs of construction primarily. The Fairbanks facility was the most drastically reduced. This facility was important to Fairbanks because it was to accommodate 500 cars in the downtown area. This parking structure is an enclosed one.

Senator Miller stated that the Division of Buildings has said if we are ever going to complete the structure, now is the time to do it (it will never be any cheaper) since the contractor is on the job.

Senator Miller said the cost of the Fairbanks structure is \$5.5 million. Senator Sackett asked if Fairbanks gets the \$2.5 million requested in SCR 46, will the facility cost \$8 million? Senator Miller said "yes."

Senator Miller said he wouldn't try to defend the cost of the structure. He said his personal view is that the Division and ASHA made some costly management errors in construction of this garage. However, unless we act now the facility will be only 60% completed.

Senator Ray pointed out that Juneau's situation is a little different. In Juneau's case, the State has entered into an agreement with the City to provide the parking spaces, which it has done done. He said "we are 30% under."

Senator Sackett said he was opposed to spending \$8 million for a parking garage.

Senator Miller said he anticipated there will be a lawsuit with the City of Fairbanks if the structure is not completed.

Senator Chance commented that the letters she has concerning the Anchorage parking garage say they are two floors short of completion.

This concluded the testimony on SCR 46.

Adjourn: The meeting adjourned at 10:07 a.m.

Adjourn

SENATE FINANCE COMMITTEE
Saturday, May 17, 1975
9:10 a.m.

The following Senate Finance Committee members were present: Senators Rader, Chance, Hohman and Ray.

PRESENT

Also present was Senator Orsini.

Sen. Ray brought up for consideration the following legislation:

CSHCR 24 Proposing a study of the feasibility of a marine maintenance facility in Alaska.

CSHCR 24

The money for the study was already passed out. Sen. Ray moved that the Committee pass CSHCR 24 out with a "DO PASS" recommendation. There was no objection; it was so ordered.

HB 67 An Act relating to the computation of state aid under the public school foundation program; and providing for an effective date.

HB 67

Sen. Chance moved that the Committee pass HB 67 out with individual recommendations. The Committee Report was signed "DO PASS."

SB 442 Special appropriation to the Office of the Governor/Council on the Arts.

SB 442

Sen. Ray moved that the Committee pass SB 442 out of Committee with a "DO PASS" recommendation. The motion passed with Senators Ray, Chance, and Poland signing the majority report and Senator Rader making no recommendation.

CSHB 208 An Act relating to the Alaska net income tax deductions and credits; and providing for an effective date.

CSHB 208

Sen. Rader noted that the bill would bring in \$33 million additional taxes. Someone would be paying for this, and if they know of it, they would be pretty uptight. It was also noted that this bill was not assigned to any other Senate Committee. Sen. Chance moved that CSHB 208 be passed out of Committee with individual recommendations. There was no objection; it was so ordered.

CSHB 394 An Act making a special appropriation to the Department of Education to provide additional funding for school construction; and providing for an effective date.

CSHB 394

Sen. Rader brought CSHB 394 up for consideration and moved that the Committee pass it out with a "DO PASS" recommendation. There was no objection; it was so ordered.

The meeting adjourned at 9:30 a.m.

ADJOURN

CITY OF NOME
BERING SEA STORM
NON-REIMBURSABLE DISASTER COSTS
MAY 9, 1975

CITY OF NOME

Engineering Consulting fees	\$ 20,000.00
Telephone extraordinary costs	3,600.00
Loss of real property tax revenue - see schedule	7,160.00
Loss of personal property tax revenue - see schedule	8,805.00
Loss of sales tax revenue - see schedule	5,920.00
Disallowed disaster claims by the Federal Government - see schedule	122,664.43
10% withheld on Federal Disaster claims	170,000.00
Land given to King Island Village for the new houses	7,500.00
Extraordinary administrative salaries, travel and related office expense	56,000.00
Cleanup of seawall for debris that is now surfacing due to spring thaw	15,000.00
Acquisition of land for new City Hall Building including destruction and removal of the existing building on that land	<u>145,000.00</u>
 TOTAL - CITY OF NOME	 <u>\$561,649.43</u>

5/16/75

CITY OF NOME
BERING SEA STORM
NON-REIMBURSABLE DISASTER COSTS
MAY 9, 1975

CITY OF NOME
NOME JOINT UTILITIES

Engineering Consulting fees	\$ 54,750.00
Administrative salaries, travel and other related expense	67,200.00
Loss of electrical revenues	61,300.00
Extra labor to clean up sewer plant not on disaster claims	<u>2,500.00</u>
TOTAL - CITY OF NOME UTILITIES	<u>185,750.00</u>
 TOTAL claim for the City of Nome and Nome Joint Utilities	 <u>\$747,399.43</u>

5/16/75

CITY OF NOME
MAY 9, 1975

<u>DAMAGE SURVEY REPORTS</u>		<u>PROPOSED EXPENDITURE</u>	<u>ALLOWED BY FDAA</u>
City Damage Reports			
A-1	West K Street, cleanup	\$ 2,734.00	\$ 2,734.00
A-2	Seppala Drive, cleanup	49.00	49.00
A-3	Prospect Street, cleanup	95.00	95.00
A-4	Belmont Street, cleanup	134.00	134.00
A-5	Seppala Drive, cleanup	42.00	42.00
A-6	West F Street, cleanup	4,512.00	4,512.00
A-7	River Street, cleanup	551.00	551.00
A-8	Front Street, cleanup Alleys and Parking lots	1,801.00	1,680.00
A-9	Nome Library - alley, etc., cleanup	583.00	583.00
A-10	Front Street, Federal Building Parking Lot, cleanup	583.00	583.00
A-11	Front Street, New State Office Building Parking Lot, cleanup	621.00	621.00
A-12	Cavota's Store, cleanup	1,893.00	-0-
A-13	King Island Village	18,584.00	17,954.00
A-14	Breakers Bar, cleanup	4,628.00	-0-
A-15	Nugget #3 Hotel, cleanup	3,270.00	-0-
A-16	Nome Liquor Store, cleanup	273.00	-0-
Supplemental DSR's not Allowable			
A-17	New State Office Building, cleanup	655.20	655.20
A-18	Northern Commercial Co., cleanup	7,804.06	-0-
A-19	Board of Trade, cleanup	<u>4,542.08</u>	<u>-0-</u>
Total A, DSR's		<u>\$ 53,354.34</u>	<u>\$ 30,193.20</u>
City Damage Reports			
B-1	Animal and rat control	\$ 1,098.00	\$ 1,098.00
B-2	Board up City Hall	49.00	49.00
B-3	Sand bag and pump out Power Plant	4,384.00	4,384.00
B-4	Caving in of Snake River by Power Plant	-0-	-0-

5/16/75

	<u>DAMAGE SURVEY REPORTS</u>	<u>PROPOSED EXPENDITURE</u>	<u>ALLOWED BY FDAA</u>
B-5	King Island Village, cleanup	\$ 4,494.00	\$ -0-
B-6	Move contents out of City Hall	1,712.00	1,712.00
B-7	Move Police Station	3,069.00	3,069.00
B-8	Drinking water at fire hall for the citizens of Nome	340.00	340.00
B-9	Nome Elementary School sleeping quarters	125.00	125.00
B-10	Miscellaneous disaster work, hauling goods from airport	730.00	730.00
B-11	Freight costs	<u>1,068.96</u>	<u>1,068.96</u>
	Total B, DSR's	<u>\$ 17,069.96</u>	<u>\$ 12,575.96</u>

Permanent DSR's

E-1	Nome City Hall, new building	\$ 436,590.00	\$ 436,590.00
E-2	Diesel Generator, Power Plant No. 1 & 5 - realignment	10,670.00	5,300.00
E-3	Bowling Alley	186,731.00	186,731.00
E-3-A	Bowling Alley, cleanup	7,735.00	7,915.00
E-3-B	25,000 gallon fuel tank	-0-	-0-
E-4-B	Repair back door of library	312.00	312.00
E-5	Water Storage Reservoir	8,000.00	-0-
E-6	Power Plant, leveling pads	<u>26,355.00</u>	<u>21,855.00</u>
	Total Building, DSR's	<u>\$ 676,393.00</u>	<u>\$ 658,703.00</u>

Light and Power Emergency DSR's

FE-1	Dry Creek Crossing, main oval district line #2 and 3	\$ 6,023.00	\$ 6,011.00
FE-2	Diesel Engine #5	4,876.00	4,876.00
FE-3	Power Line to Nome/Power Line	12,496.00	12,496.00
FE-4	Downtown Nome, Power Lines	2,562.00	2,562.00
FE-5	Front Street, Nome Power Lines	70,187.00	70,187.00
FE-6	Nome to Channel Highway, Power Lines	31,798.00	31,798.00
FE-7	Old King Island Village	49,200.00	49,200.00

5/16/75

	<u>DAMAGE SURVEY REPORTS</u>	<u>PROPOSED EXPENDITURE</u>	<u>ALLOWED BY FDAA</u>
FE-8	New King Island Village	\$ 45,221.73	\$ 20,918.00
FE-9	Diesel Generator #1	<u>36,700.00</u>	<u>-0-</u>
	Light and Power Total DSR's	<u>\$ 259,063.73</u>	<u>\$ 198,048.00</u>
<u>Nome Water and Sewer DSR's</u>			
FS-1	Sewer Treatment Plant	\$ 6,676.85	\$ 6,676.85
FS-4	Underground Sewage lift station	8,245.00	8,245.00
FS-2	Sewer Treatment Plant, River and C Street	7,550.00	7,550.00
FS-3	Sewer Treatment Plant, River and C Street	15,650.00	15,650.00
FS-5	Water/Sewer Utilidor	15,050.56	-0-
FW-1	Water/Sewer parts in basement of City Hall	6,160.00	6,160.00
FW-3	Water line - Front Street	3,967.20	3,967.20
FW-4	Emergency heating salt water fire pump	<u>3,200.00</u>	<u>3,200.00</u>
	Total Water/Sewer DSR's	<u>\$ 66,499.61</u>	<u>\$ 51,449.05</u>
E-4-A	Temporary City Hall - rent and utilities for 12 months	\$ 48,150.00	\$ 48,150.00
FW-2	Fire pump system	2,820.00	2,820.00
II-1	Chamber of Commerce	<u>1,253.00</u>	<u>-0-</u>
		<u>52,223.00</u>	<u>50,970.00</u>
	GRAND TOTAL	<u>\$1,124,603.64</u>	<u>\$1,001,939.21</u>
	Amount Disallowed		<u>\$122,664.43</u>

5/16/75

CITY OF NOME
BERING SEA STORM
Real Property Tax Revenue

Non-Governmental Real Property subject to Real Property Tax

Assessment at 1-1-75.

Real Property located on the Bering Sea Flood Plain, Front
Street, Nome.

Adjustment downward of assessment as compiled by the City
of Nome, Assessor:

	\$400,000.00
rate	<u>17.9</u> mills

Probable loss of 1975-76 Real Property Tax Revenue \$7,160.00

5/16/75

CITY OF NOME
BERING SEA STORM
PERSONAL PROPERTY TAX REVENUE

The loss of Personal Property Tax Revenue cannot be specifically calculated, due to the fact complete affidavits will not be finalized until after February 28, 1975.

Our calculations to date are:

<u>Inventory flood loss of Major Business Concerns</u>	<u>Jan. 1 1975</u>	<u>Jan. 1 1974</u>
1 general merchandise store	16,211.00	34,266.00
7 taverns	<u>126,161.00</u>	<u>600,000.00*</u>

*As computed by Insurance Adjuster.

TOTALS	142,372.00	634,266.00
Inventory Loss	491,894.00	
millage rate	17.9¢	
Loss of Personal Property Tax Revenue	<u>8,805.00</u>	

Other business concerns had replaced their merchandise lost by the flood, by the assessment date of January 1, 1975.

5/16/75

CITY OF NOME
BERING SEA STORM
SALES TAX REVENUE

SALES TAX COLLECTION

	<u>1974-75</u>	<u>1973-74</u>
November	\$23,495.35	\$21,155.82
December	27,063.59	23,284.21
January	<u>28,531.73</u>	<u>20,798.12</u>
TOTAL	79,090.67	65,238.15

Deduct -

Assume 25% increase in sales
volume and selling prices
79,090.67 x 25%

(19,772.67)

\$59,318.00

\$65,238.15

Estimated loss of Sales
Tax Revenue

5,920.00

5/16/75

SENATE FINANCE COMMITTEE
Sunday, May 18, 1975
1:15 p.m.

Present: All Members

Chairman Ray called the meeting to order and stated that the committee will consider the budget bill (CSSSHB 70):

CSSSHB 70: "An Act appropriating for the operating and capital expenses of state government; and providing for an effective date."

CSSSHB 70
(Budget
Bill)

Copies of the Senate Finance Committee Substitute for this bill were in the committee's folders for review.

Senator Sackett moved and asked unanimous consent that Senate CS for CSSSHB 70 be reported out of committee with a "do pass" recommendation.

No objection so ordered. All members signed the report "do pass".

Senator Ray requested that the committee consider CSHB 324:

CSHB 324: "An Act establishing the Alaska mineral lease bonus permanent fund;"

CSHB 324

Senator Ray suggested an amendment to the bill on page 1, line 23: "Change Ninety per cent to Fifty per cent."

Senator Rader said he did not want to consider the bill. He asked for a vote as to whether or not the bill is taken up in committee.

A vote was taken on the question: "Shall CSHB 324 be considered?"

The motion to consider the bill failed, with only Senators Chance and Ray voting in favor of it.

Senator Chance moved to amend the bill to change 50 per cent to 90 per cent. However, Senator Rader called for another vote on whether or not this bill will be considered at this time (some members had indicated that they were not listening when the first vote was taken).

A second vote on whether or not to consider CSHB 324 was taken and again failed, with Senators Chance and Ray voting in favor of it.

Recess: Senator Ray adjourned the meeting at 1:25 p.m.

Adjourn

SENATE FINANCE COMMITTEE
Tuesday, May 20, 1975
9:00 a.m.

Finance Committee members present: Senators Sackett, Poland, Chance, Hohman, Rader (arr. late), Butrovich (arr. late).

PRESENT

The following people also attended the meeting: Billy G. Berrier, Legislative Affairs Agency; Sterling Gallagher, Commissioner of Revenue; Cheryl Probst, Anchorage Daily Times; Senator Willis.

Sen. Ray called the meeting to order and brought up for discussion the following bill:

CSSB 433 An Act relating to purchase of municipal bonds in cases of suit.

CSSB 433

Sen. Willis was asked to speak to the Committee on this bill. A summary of the presentation, composed by Gary Thurlow, Borough Attorney, Greater Anchorage Area Borough, was distributed to the Committee members (a copy is attached to the minutes). Mr. Willis said the problem was brought about in the aftermath of the State Supreme Court striking down the Eagle-Chugiak Borough. The bonds requested have been challenged. The State Supreme Court is to let the Greater Anchorage Borough know whether their bonds are actually valid. The problem is further detailed in the last three paragraphs of the attachment.

The Committee was informed there would be \$8.2 million in bonds utilized. The attachment gives an explanation of the approved bond issues. The \$2 million to be utilized for sewers in the Boniface-DeBarr area is critical. It is the worst situation the Anchorage Borough faces this summer. The Bond issue could result in additional housing units to house up to 18,000 persons. There will be a heavy impact from people coming up for the pipeline. Without going to market with these bonds there could be a delay in all the projects for at least one year.

Commissioner Gallagher informed the Committee that the Department would like CSSB 433 amended "page 2, line 20, delete'seven and one-half per cent'and insert'eight per cent'..." The market is now at seven and one-half per cent.

Sen. Ray, addressing Commissioner Gallagher, stated that the Committee has had experience with the Greater Anchorage Borough before on bonding proposals. After the Borough was paid, in that instance, they came back to the State asking to pick up the interest which was acquired by selling the bonds for them. He asked what would happen this time. Commissioner Gallagher answered that the Anchorage Borough has asked that the profit go back to them in this legislation. Sen. Ray expressed his discontent with this.

5/20/75

Sen. Chance asked Sen. Ray, if the State sells for a profit, why should the State keep the profit? Sen. Ray answered since the State is investing money, they should be receiving money on their investment. Anchorage would be receiving interest off of the State's money.

(Senators Butrovich and Rader arrived at this point)

Sen. Chance said all that the State is doing is holding the bonds until litigation is over. The Borough will be taking the profit or the loss.

At Sen. Ray's request, Commissioner Gallagher explained there are two sorts of income on Bond issues. (1) Underwriting - This is the gain (or loss) for taking the risk of underwriting. The underwriting profit under the legislation would to the City and the loss debt would be paid by the City. (2) Coupon Interest - The State treasury would get this.

Sen. Willis stated the reason he was at the meeting was there is a problem with the marketability of the Bonds because of litigation. Sen. Sackett asked what would happen if the case was thrown out of court. Commissioner Gallagher responded that the litigation is to determine whether or not the Eagle-Chugiak area would be included in the debt. The Anchorage Borough is still liable to pay the debt. Sen. Chance asked, then the Greater Anchorage Borough can still market the bonds, only the spread would be different. Commissioner Gallagher answered this was correct.

Non-members of the Finance Committee left the meeting at this time.

Sen. Ray brought up for consideration the following bill:

<u>CSHB 324</u>	An Act establishing the Alaska mineral lease bonus permanent fund; and providing for an effective date.	CSHB 324
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Sen. Chance moved that the Committee adopt the following amendment to CSHB 324. There was no objection, it was so ordered.

Page 1, Line 23 - Delete "ninety" per cent and Insert "fifty" per cent

Sen. Chance moved that CSHB 324 as amended be passed out of Committee with individual recommendations. There was no objection, it was so ordered.

The following bill was brought up for consideration:

<u>SCS CSHB 171</u>	An Act relating to creation of a water resource revolving loan fund; and providing for an effective date.	SCS CSHB 171
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The Bill was put aside.

<u>SB 433</u>	An Act relating to purchase of municipal bonds in cases of suit.	SB 433
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Sen. Chance moved that the Committee adopt the following Motion
amendment to CSSB 433. There was no objection, it was so
ordered.

Sen. Chance moved that the Committee Substitute replace SB 433 and that CSSB 433 as amended be reported out of Committee with individual recommendations. Sen. Ray asked for a hand vote, the motion passed. Motion

CSHB 216 am An Act relating to motor vehicle licenses CSHB 216
am

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

May 19, 1975

SENATE BILL 433

Senate Bill 433 amends existing legislation which permits the Commissioner of Revenue to buy Alaska municipal bonds where their marketability is affected by actual or threatened litigation. *Revised*

Senate Bill 433, if enacted, would permit the Commissioner of Revenue, in his discretion, to buy up to 8.2 million in Greater Anchorage Area Borough bonds approved by the voters on February 11, 1975 plus \$430,000 in Emergency Medical Services bonds approved by the voters on October 1, 1974.

These same bonds were submitted to the voters on October 1, 1974 and were turned down by a large margin, except for the emergency medical service bonds which were approved.

Residents of Girdwood-Alyeska and owners of certain properties in the Muldoon, Sand Lake Lake Otis, Dimond Road and Tudor Road areas considered these sewer bonds critical and raised a great deal of money to advertise the need for sewers and emphasizing that the bonds would be repaid from property

However, to make the bonds marketable, it was necessary to have an election areawide in order to pledge the full faith and credit of the Borough.

All of the bonds proposed to the voters on February 11, 1975 passed by a heavy majority. Much of the credit for the yes vote is attributable to Girdwood-Alyeska

THE BOND ISSUES APPROVED ARE:

1. \$430,000 for two Emergency Medical Service bonds. a) An Emergency Medical Service facility to the Fire Station in Spenard. b) To construct an Emergency Medical Facility near Merrill Field. We have postponed selection of an architect pending word on marketability of bonds. These bonds will be paid areawide. c) Two million for Girwood/Alyeska sewer system. A May 7, 1975 report of the Borough Department of the Environmental Quality indicated that pollution in the stream that flows past the Alyeska Lodge now ranges from 38 to 300 times safe limits. The water looks clear but it is far too polluted to touch. The standard for direct contact recreations, wading or dabbling, is not more than 400 fecal coliform per 100 milliliter. The actual coliform count is 38 to 300 times this maximum. The problem is that the ground is saturated from sewage from septic tanks (and some damaged holding tanks) cannot accept any more sewage. Warning signs are now being posted. It is obvious that no additional construction of housing units can be permitted until sanitary sewers are installed.. These bonds

will be repaid by property owners in the Girdwood/Alyeska area.

2. \$2,000,000 sewer trunk bonds to sewer areas in Muldoon (NW of Boniface and DeBarr, both sides of Lake Otis between Dowling and Abbot Loop Road, South of Dimond, north of Sand Lake and on both sides of Tudor between Arctic Blvd. and Old Seward Hwy. This is about 2,000 acres, which with a density of 3 housing units to an acre and 3 persons to a unit would house 18,000 persons or, if only 1000 acres are developed as residential, and assuming a higher density (some apartment houses) would yield 5 units to an acre, 3 persons to a unit for 15,000 new housing starts.

Work was scheduled to begin in Muldoon and Lake Otis early this summer (June 1, 1975) but has been delayed. As soon as trunk construction begins housing construction will start. For example, Collin Baxter has 30 acres off 68th near the New Seward Highway. He will start construction of 100 houses the second he knows that sewer trunks will be built.

There were 15,000 new people in Anchorage in 1974. There will be more than 15,000 new people in 1975. Sewering these 2000 acres will go for meeting the demand for new housing. These bonds will be repaid by the property owners in the areas to be sewerred.

3. \$2,600,000 in road and street bonds for widening to four lanes.

Spenard Road from McRae to International Airport Road

Old Seward Hwy from 33rd Avenue to Dowling Road

36th Avenue from Spenard to Arctic

Plus a number of collector streets--Wisconsin St., Arlene St., Cranberry 100th, 2nd, Turpin and 10th.

These bonds will be paid by residents of service area 35 (Most of the Anchorage bowl excluding the City of Anchorage and Hillside)

4. \$300,000 in bike trail bonds for 14 miles of bike trails along C street, Northern Lights, Dimond Blvd., Northwood Street, Alaska RR right of way and Jewell Lake Rd. This will separate pedestrians and bike traffic from heavily traveled arterials. It will save lives. Construction on all 14 miles would begin this summer if bonds could be sold in time. The attached letter in the Anchorage Times explains the need:

Bike Paths

Dear Editor:

We have just said good-bye to a very dear friend, Paula LeBlanc. She was a beautiful, gentle, loving and talented girl. She died after being struck by a car while riding her bicycle along the Old Seward Highway; her death has touched all of us.

But whatever happened to the Campbell Greenbelt? Where are all the bike paths? Too many people have been

killed or injured riding bicycles on Anchorage's battered and badly maintained roads. We now know, all too late, that we do need the bike paths.

They won't bring Paula back to us, but they may save someone else from another tragedy. We could deeply appreciate any action taken toward the creation of these paths.

Daniel M. Carroll

PAGE THREE

These bonds will be repaid by the residents of Service area 35, the same as the road bonds.

5. \$820,000 fire bonds for two fire stations in the Hillside - O'Malley area of Anchorage. Land is already being acquired for the buildings. These bonds will be repaid by residents of Service area 13 (Most of the Anchorage bowl excluding the City of Anchorage)

Not all of the bonds have to be sold this summer. Much of the 2,600,000 road and street bonds can be deferred because the road contractors probably have more work than they can handle this year. Sale of about one half of the 2,000,000 sewer bonds can be deferred for a time. The Commissioner of Revenue would not buy the bonds unless State money is available and will buy no more bonds at any given time than is necessary to permit construction to start without delays.

The State will not lose money or make money by buying Borough bonds.

We hope to get the State Supreme Court to tell us that our bonds are valid. They have agreed to hear the State's petition for rehearing in the Eagle River-Chugiak case as to the validity of the bonds. Given time periods for filing briefs, etc., the State Supreme Court may indicate whether it will give a final ruling on bonds as early as September 1, 1975. Certain Eagle River-Chugiak residents have filed a brief opposing the State Supreme Court taking up this issue, arguing that the more appropriate procedure is to file a test case on the bonds in the Superior Court and then to appeal the Superior Court's decision to the State Supreme Court. This is the usual procedure. They do not appear to be opposed to the bonds.

If the State Supreme Court buys their argument, we will have to file a lawsuit in Superior Court, try to expedite proceedings and then arrange for an appeal to the State Supreme Court. This would probably take at least 15 months, meaning that we would miss not only this summer's construction season, but also next summer's.

We do expect to establish the validity of the bonds so that they can be ultimately marketed.

Gary Thurlow
Borough Attorney
Greater Anchorage
Area Borough

SENATE FINANCE COMMITTEE
Tuesday, May 20, 1975
2:40 p.m.

Committee members present: Senators Butrovich, Sackett, Rader, Hohman, Chance, and Ray. PRESENT

Mr. Dave Walker of Legislative Affairs was also present.

The following bill was brought up for discussion:

HB-375 An Act relating to the Fishermen's Fund; and providing for an effective date HB-375

Subsection (2) of Sec. 5 was discussed. There was general uncertainty as to the definitions of cardio-vascular and occupational diseases. The Committee was concerned that occupational diseases would drain the \$2,500. Sen. Chance suggested the possibility of amending the bill to delete "or occupational" disease on line 24, page 2.

Mr. Dave Walker of Legislative Affairs arrived at the meeting, and the Committee took up SCS CSHB 171.

SCS CSHB 171 An Act relating to creation of a water resources revolving loan fund; and providing for an effective date SCS CSHB 171

Sen. Sackett asked Mr. Walker, under eligibility for project loans, it only takes care of existing utilities--it would apply to new commissions. Mr. Walker responded in reference to the Committee Substitute, page 2, it provides that it must be an operating utility in the State for at least two years. If the utility was not in operation for two years, it would not qualify. He mentioned that this was a policy decision.

Sen. Rader moved that SCS CSHB 171 be amended as follows: Motion

Page 2, Line 26 - Insert the words "economically and" after "the project is"

There was no objection, it was so ordered.

Sen. Sackett proposed amending SCS CSHB 171, page 2, line 20 to insert the word "or," after "(C);" He explained that he was attempting to say that any public utility defined under AS 24.05.701(2)(A) can apply for a loan if they meet the criteria of a public utility or after operating two years. Sen. Ray objected saying that according to the proposed amendment it would not be necessary to be a public utility in order to operate. Motion

After further discussion, Sen. Sackett restated his amendment to say: Motion

Page 2, Lines 21 - 24 - Delete subsection (2)

Mr. Walker read AS 42.05.701 to the Committee. He said by deleting subsection (2), the requirement that it would have to be an operating utility in the State for two years would be eliminated. He said this was assuming that subsection 3 would remain intact.

Sen. Ray asked for a vote on Sen. Sackett's amendment. The motion passed with Sen. Ray the only opposing vote.

(Dave Walker left the meeting.)

Sen. Chance moved that the Committee adopt the Senate Committee Substitute as amended for CSHB 171. There was no objection, it was so ordered. Motion

Sen. Chance moved that SCS CSHB 171 as amended replace CSHB 171 and that SCS CSHB 171 be passed out of Committee with individual recommendations. Motion
Sen. Ray called a hand vote, the motion passed.

SB-27 An Act relating to the transportation allowance of legislators; and providing for an effective date SB-27

Sen. Ray moved that the Committee adopt the Committee Substitute for SB-27. There was no objection, it was so ordered. Motion

Sen. Ray moved that CSSB-27 replace SB-27 and that CSSB-27 be reported out of Committee with a "do pass" recommendation. The motion passed. Motion

The meeting adjourned at 3:10 p.m. ADJOURN

SENATE FINANCE COMMITTEE
Thursday, May 29, 1975

Present: All members

Chairman Ray called the meeting to order and announced that the first bill the committee will consider is:

CSHB 216 am: "An Act relating to motor vehicle licenses."

CSHB 216 am

Senator Ray spoke in favor of adopting a proposed Senate committee substitute for this bill. Reading from the committee substitute, he listed the proposed new rates to be applied to motor vehicles. He stated that all truck rates will be increased by \$10.00

Senator Butrovich commented that Alaska is "pick up country" and he does not want to see the fees for private pickups raised.

Senator Poland moved that SCS for CSHB 216 am be reported out with individual recommendations. All members except Senators Butrovich and Hohman voted "do pass". Senators Butrovich and Hohman voted "no rec". Therefore, the bill was reported out with a "do pass" recommendation.

Next bill to be considered by the committee was:

CSHB 393 (Fin): "An Act relating to assistance to the aged, blind, and disabled."

CSHB 393 (Fin)

Senator Butrovich moved that CSHB 393 (Fin) be reported out with individual recommendations. All members voted "do pass", and so CSHB 393 (Fin) was reported out with a "do pass" recommendation.

Next bill to be considered was:

CSHB 479: "An Act extending the term of the Bristol Bay Regional Development Council."

Senator Ray explained that the Bristol Bay Development Corporation was asking for a time extension from June 30, 1975 to February 15, 1976, so they can spend money appropriated to them, rather than having it lapse.

Senator Sackett moved that HB 479 be reported out with individual recommendations. All members voted "do pass", and so the bill was reported out with a "do pass" recommendation.

HB 479

Next bill before the committee was:

CSHB 480: "An Act making a special appropriation to the Office of the Governor (\$175,000)."

CSHB 480

This bill is tied in with HB 479. It is the appropriation for the Bristol Bay Regional Development Council.

Senator Sackett moved that CSHB 480 be reported out of committee with a "do pass" recommendation. No objection, so ordered. All members voted "do pass."

Next bill before the committee was:

SB 447: "An Act relating to the number of superior court judges."

SB 447

Senator Ray noted that this bill requires an appropriation of \$6.5, which is the difference between the salary of a district court judge which was requested in the budget at \$33,500 and the salary of a superior court judge (\$40,000). The proposal now is to authorize a superior court judge instead of the district court judge.

Senator Poland moved that SB 447 be reported out of committee with individual recommendations. All members except Senators Ray and Hohman voted "do pass". Senators Ray and Hohman voted "no rec".

11:02 a.m. - The meeting was recessed so committee members could attend a caucus that had just been called.

Recess

5/29/75

SENATE FINANCE COMMITTEE

May 30, 1975

2:30 P.M.

All members.

Present

Sen. Ray called the meeting to order and brought HOUSE BILL NO. 307 am (An Act disallowing certain credits under the Alaska net income tax; and providing for an effective date) before the committee. The committee examined the fiscal note and discussed fiscal impact. Sen. Sackett moved HB 307 am be reported from committee with individual recommendations; however, a majority of the committee voted it do pass.

HB 307 am

CS HOUSE BILL 246 am (An Act relating to liquor licenses, fees, and municipal regulation of the sale of intoxicating liquor) was brought before the committee. The committee discussed replacing the committee substitute with the original House bill, but decided to hold the bill for further study. CSHB 246 am was returned to the file.

CSHB 246
am

CS HOUSE BILL 441 (An Act making a special appropriation to the Office of the Governor; and providing for an effective date) was brought before the committee. Sen. Sackett moved CSHB 441 be reported out with individual recommendations; however, a majority of the committee voted it do pass.

CSHB 441

CS HOUSE BILL 433 am (An Act relating to tuition grants; and providing for an effective date) was brought before the committee. Sen. Sackett moved CSHB 433 am be reported out with individual recommendations; however, a majority of the committee voted it do pass.

CSHB 433
am

CS HOUSE BILL 267 (An Act relating to authorizing the Department of Military Affairs to make expenditures to meet extraordinary expenditures of boroughs, cities, municipal utility systems and school districts incurred as a result of the natural disaster declared November 14, 1974; and providing for an effective date) was brought before the committee. Sen. Rader moved and asked unanimous consent CSHB 267 be reported out with a do pass recommendation. No objection, so ordered.

CSHB 267

CS HOUSE BILL 268 (An Act making a special appropriation to the Department of Military Affairs for extraordinary expenditures of boroughs, cities, municipal utility systems and school districts to meet the effects of the natural disaster of November 14, 1974: and providing for an effective date)

CSHB 268

5/30/75

was brought before the committee. Sen. Sackett moved and asked unanimous consent CSHB 268 be reported from committee with a do pass recommendation. No objection, so ordered.

Sen. Ray asked that CS HOUSE BILL 237 (An Act relating to mediation in divorce actions) be brought up at this time. CSHB 237
The committee objected, and upon vote only three members were in favor of acting on CSHB 237. The bill was returned to the file.

The meeting adjourned at 3:10 P.M.

Adjourn

SENATE FINANCE COMMITTEE

May 31, 1975

2:45 P.M.

All members.

Present

Sen. Ray called the meeting to order.

The committee signed the committee report for CS HOUSE BILL 429 am (An Act relating to the public facility procurement policy of the state; and providing for an effective date), recommending it be replaced with a Senate Committee Substitute and accompanied by a letter of intent. (See bill file.) Action on this bill had been taken at a previous meeting, and the recommendation was that the Finance Committee Substitute do pass.

CSHB 429
am

HOUSE BILL NO. 375 (An Act relating to the Fishermen's Fund; and providing for an effective date) was brought before the committee. The committee discussed amending the bill by deleting the words "or occupational" on page 2, line 25, and also eliminating all the new language added on page 1, lines 15, 16 and 17. After discussion, HB 375 was returned to the file.

HB 375

HOUSE BILL NO. 344 (An Act making a special appropriation to the Office of the Governor, Alaska State Council on the Arts, for theatre development projects in southeast Alaska; and providing for an effective date) was brought before the committee. Sen. Butrovich moved HB 344 be reported out with individual recommendations. No objection, so ordered.

HB 344

CS FOR HOUSE BILL NO. 237 (An Act relating to mediation in divorce actions) was brought before the committee. Sen. Hohman moved the Senate Committee Substitute for CSHB 237 be reported out with individual recommendations. No objection, so ordered.

CSHB 237

The meeting adjourned at 3:00 P.M.

Adjourn

5/31/75

SENATE FINANCE COMMITTEE
Sunday, June 1, 1975
2:30 p.m.

Present: Senators Ray, Butrovich, Sackett, Rader, Hohman, Chance

Chairman Ray called the meeting to order and announced that the committee will consider various bills in committee. First bill to come before the committee was:

SCR 46: Relating to the leasing of space from
the Alaska Housing Authority.

SCR 46

Senator Butrovich moved that SCR 46 be reported out of committee with individual recommendations.. No objection, so ordered.

Next bill to be considered was SB 429:

SB 429

SB 429: An Act relating to a loan to the Alaska State
Housing Authority for low-income housing at
Fairbanks.

A vote was taken on whether or not to consider this bill at this time. Senators Sackett, Butrovich and Hohman voted "yes", and so SB 429 was returned to the file with no action.

Senator Sackett requested that the following bills be taken up at this time, stating that two days ago we passed the authorization for it, and these bills include the funding:

HB 332: An Act making a special appropriation (\$70,000)
to the Department of Community and Regional
Affairs to establish a central office of
housing assistance.

HB 332

HB 335: An Act making a special appropriation (\$100,000)
to the Department of Community and Regional
Affairs, housing development revolving loan
fund.

HB 335

A vote was taken on whether to consider these bills at this time, and it failed, with Senators Sackett and Butrovich voting "yes." HB 332 and HB 335 were returned to the file with no action.

SCR 51: Relating to a new lease or leases of space
from the Alaska State Housing Authority for
existing State projects, and providing for
lease payments in excess of \$12,000.

SCR 51

Senator Ray spoke in favor of reporting this resolution out of committee. He stated that the original bonds that were sold were sold at inflated rates and now they are trying to get out from

under it. In other words they drew down on the treasury in trying to get a favorable deal and went for 20 years instead of 30 years. Therefore, ASHA rentals are more than they should be.

Senator Hohman questioned how this will be renegotiated. Senator Ray replied that they have new leases of space from existing state projects and they changed the leases so they could be in excess of \$12,000. They have to do that in order to conform to the real costs.

Senator Hohman moved that SCR 51 be reported from committee with individual recommendations. A vote was taken, and all members voted "do pass". SCR 51 was reported out with a "do pass" rec.

The meeting was adjourned at 2:45 p.m.

Adjourn

SENATE FINANCE COMMITTEE

June 5, 1975

11:00 A.M.

Senators Ray, Poland, Butrovich and Rader.

Present=

Sen. Ray called the meeting to order and brought HOUSE BILL NO. 450 (An Act relating to compensation for state employees; and providing for an effective date) before the committee. The committee noted the State Affairs Committee had offered an amendment to delete ranges 29 and 30 from page 2, lines 12 and 13, and discussed the effect of this amendment. Sen. Rader moved the Finance Committee offer an amendment to delete line 13, page 2; however, the motion failed. Sen. Rader moved and asked unanimous consent HB 450 be reported from committee with individual recommendations. No objection, so ordered.

HB 450

HOUSE BILL NO. 520 (An Act making a supplemental appropriation to the Legislative Affairs Agency; and providing for an effective date) was brought before the committee. Sen. Ray moved HB 520 be reported from committee, and all members voted for a "do pass" recommendation.

HB 520

HOUSE BILL NO. 362 (An Act making a special appropriation to the Department of Community and Regional Affairs; and providing for an effective date) was brought before the committee. Sen. Ray moved HB 362 be reported from committee, and all members voted for a "do pass" recommendation.

HB 362

The meeting adjourned at 11:15 A.M.

Adjourn

SENATE FINANCE COMMITTEE
Tuesday, April 15, 1975
1:40 p.m.

PRESENT: Senators Ray, Butrovich, Sackett, Rader, Hohman, Chance

PRESENT

Also Present: Representative Clark Gruening; Paul Brown, Alaska State Council on the Arts; Connie Boochever, State Council on the Arts; Betsey McGuire, Executive Director, Office of Child Advocacy; Dr. Preston Bruce, Office of Child Development, Washington, D. C.; Dr. Nathaniel H. Cole, Deputy Commissioner of Education; William D. Thompson, Director of Administration, Department of Education.

EDUCATION

Senator Ray called the meeting to order. First order of business was to hear testimony from the Alaska State Council on the Arts in response to the committee's request for additional information.

OFC. OF
GOVERNOR

Mrs. Connie Boochever displayed a chart indicating last year's budget which showed the federal funds that are being generated by each state dollar. She stated that no other program she knows of generates this many federal dollars. Mrs. Boochever reported that the Governor had taken some money off their administration request; however, it is the money that was deleted from the programs that they do not think they can live with.

State Arts
Council

(Senator Rader arrived at the meeting: 1:45 p.m.)

One particular aspect commented on by Mrs. Boochever was the Governor's cut, which she outlined as follows: They asked for \$81,000 in programs money and \$110,000 extra for the bicentennial program which they had worked out with the Bicentennial Commission. Since the Governor's original cut, he has put \$50,000 back in for Arts and Public Places.

Mrs. Boochever urged the committee to put the \$60,000 back in. The breakdown for this money is as follows:

\$30,000 for visual arts group which will travel the State
\$30,000 for professional theaters (mainly education).

She said she would like to see the entire \$60,000 put back in, but she felt if part of it had to be deleted, it should not be the money for the theaters. She said this money is used to bring up professional people to conduct workshops in the State, and the Council must pay their transportation costs, fees, etc. Mrs. Boochever stated that she would prefer Alaska hire, i.e., she would like to have a few professional people stay in the State and therefore spend their money in Alaska.

Paul Brown, Executive Director of the Arts Council reported that the \$50,000 the Governor put back in the budget did not show that it was put back in. He then distributed a sheet showing what has been put back in the budget. He asked the committee to reconsider their original request, and in particular, the theater project.

Mr. Brown told the committee that, generally, the National Endowment for the Arts does not support the beginning of a theater through a State agency. But they are willing to give money once the project is off the ground. If \$30,000 is to be taken from the general fund, they can get \$35,000 from the National Endowment to continue their plan and enter into the first year of implementation of the program. He said this appears in detail in the "long form". He said their research dictates that the research will be more "into the schools" than it was. The basic intent of the program, which is to initiate and develop a professional theater in this state is the same.

Senator Sackett asked Mr. Brown to repeat his figures on the cost of this. Mr. Brown replied that with \$30,000 from the state, the National Endowment will match it with \$30,000 through the Bicentennial project.

Senator Sackett wanted to know what the \$50,000 for Arts and Public Places was. Mr. Brown stated that the \$50,000 for Arts and Public Places is used for community projects, again to be matched with Bicentennial monies. It is to be used for whatever a community wants to do to improve the looks of its community.

There were no further questions concerning this budget.

OFFICE OF CHILD ADVOCACY, P. 6 of the short form.

Betsey McGuire, Executive Director of the Office of Child Advocacy, introduced Dr. Preston Bruce of the Office of Child Development in Washington, D.C. who she said was doing an evaluation of their agency. She said Dr. Bruce would like to ask the committee members some questions concerning plans for children in Alaska.

Dr. Preston explained that he will be reviewing the functions of this office and he would like to have the legislators' particular perspectives of the Office of Child Advocacy. In other words, could they give him some notion as to how they view the role of the agency?

Senator Chance replied that she has been able to get good information out of the Office of Child Advocacy, i.e., she can contact just one office and they can help provide the information she needs.

Senator Rader stated that he is on the Governors Commission for Criminal Justice Planning, and his own views are the same as those set out in the "red book".

As an example of what he wanted from the legislators, Dr. Bruce stated that he is trying to determine such things as whether the agency has the resources to respond to its written "mission". He said the language describing the agency's goals indicates that they have a certain mission; however, can the present staff respond to that mission?

Senator Chance said she views the agency's role as a coordinating one, whereby they would utilize the staff and resources available to them through other departments.

SOCIAL
SERVICES

OFC. OF
GOVERNOR

Ofc. of
Child
Advocacy

Senator Rader remarked that the agency has corresponded with him on numerous pieces of legislation.

At this point, Senator Ray commented that we have subcommittees to handle Social Services, of which the Office of Child Advocacy is a part, and he thought maybe Senator Sackett, the Chairman of that subcommittee, could better help to answer these questions. He said that although we are very interested in the programs, this committee is primarily interested at this time in going through the budget. Senator Sackett suggested that the proper place to hear this testimony would be the Health & Social Services Committee which Senator Hohman chairs.

Ms. McGuire and Dr. Bruce thanked the committee for its time and left the meeting.

The committee then undertook its review of the EDUCATION budget.

EDUCATION

FOUNDATION PROGRAM, P. 11 short form. Senator Ray noted that the original request for the Foundation Program had been an increase of \$14,422.5, from \$78,917.0 to \$93,339.5. Since that time it appears that these figures have been readjusted, and they are now requesting \$94,614.5. Why is this?

DEPT. OF
EDUCATION

Financial
Support
Programs

Nat Cole, Deputy Commissioner of Education said the \$78 million figure was an appropriation before the change in the foundation support to increase the value in each impact unit. \$86,712.5 represents that increase and also some public law impact transfers. He said they did not have this in their previous request.

Senator Ray noted that the Governor has allowed an increase to \$112,364.1 which indicates that we are attempting to provide 93% support. Mr. Cole stated that the increase in the impact unit is from \$21,750 to \$23,500. PL 874 impact is \$3,300.0.

There were no further questions concerning the Foundation Program.

PUPIL TRANSPORTATION/PUBLIC. P. 15 short form. Senator Ray noted that here again the figures have been adjusted since the original request. Bill Thompson, Director of Administration, Department of Education, explained the difference.

Senator Hohman questioned whether air transportation for students was covered. Mr. Cole explained that the State pays 50% of this cost for air transportation. When asked why it did not pay the whole amount, Mr. Cole said it would require an adjustment in their regulations. He said he supports the idea of paying full transportation costs, adding that it is much cheaper than building a school.

Mr. Hohman reiterated, for those who could not hear him before, that there is a situation at Naknak where students are transported by airplane daily to a school just across the river. He understands that the rates are pretty reasonable. He said Mr. Cole has indicated that they are precluded from participating in air transportation to the same extent as ground transportation because of departmental regulations, but that Mr. Cole would not object to funding it on the same basis as ground transportation.

PUPIL TRANSPORTATION/PRIVATE. P. 17 short form. Senator Ray stated that there is no change in this budget from last year's (\$100.0).

Answering an inquiry from Senator Ray, Mr. Cole said he has heard no further complaints about Monroe School in Fairbanks.

STATE IMPACT (Revenue Sharing). P. 19 short forms. Senator Ray pointed out that the original request shows \$2,900.0 for FY 75 and the FY 76 request is for \$3,354.2, which is a \$454.2 increase. However, the short form shows that they were allocated \$5,809.2 in FY 75 (p. 11 short form). Mr. Cole said the short form must be in error--they were allocated \$2,700.0.

DEBT RETIREMENT/LOCAL. P. 21 short form. Senator Ray remarked that the figures here have also changed from the original request of \$7,700.0 to \$9,121.0. Why?

Mr. Cole explained that they have better information now. Last year there was a proration downward to about 80%. In the current year, they will hit about 90-95% of the entitlement.

Senator Ray asked if Mr. Cole remembered the history of this. It was a compromise because there was \$125,000 left over and this was put in here. It was to have been a "one time deal only." Mr. Cole said he remembered.

Senator Hohman asked if the increase was to make up for shortfalls from previous years. Mr. Cole replied that it is projected to take care of 100% funding. They will hit about 90-95% this year of the 50%, with one exception: The tobacco tax is deducted from the 50%. However, there is a bill in the legislature which might have some impact on that.

Senator Hohman asked if we are required to pay 50% or can we prorate. Mr. Cole replied that we have prorated for the last two years.

SABBATICAL LEAVE. P. 23 short form. Senator Ray acted that the Governor had disallowed any sabbatical leave. What is the reason behind that? Dick Emmerman, Budget and Management, answered that by saying that it did not appear to the Governor that educators were any more entitled to sabbatical leave than other professional groups, especially in view of the State's austerity program.

FEDERAL PROGRAMS. P. 23 short form. No change from last year's request. Senator Butrovich asked why there had been a jump from the 1974 budget (\$6,291.6) to the 1975 budget (\$8,200.0) but there was no change from the 1975 budget to the present request. Mr. Cole replied that the big jump of \$2 million came in two programs (1) special education under the Title I umbrella program, and (2) school food services. He said federal laws and appropriations determine the amount and they project on the basis of the law and the President's budget--the figures are not hard and fast. He remarked that if President Ford gets his "deferred spending" the figure could be considerably lower. A ballpark "low" figure is \$6 million.

OUT OF DISTRICT STUDENTS, P. 27. Senator Ray noted that the 1975 authorization was \$800.0, and they had been requesting \$900.0; however, it now appears they have increased their request by \$300.0 (Total request is \$1,200.0). Why?

Mr. Cole explained that there are two factors involved in this increased request: (1) until last year all of the tuition for wards of the State were paid for by SOS. However, in reviewing their regulations, they found that the Department of Education should be paying for these wards. This accounts for \$400,000 of the increase. Also, House Bill 592 which was adopted last year provides for some other functions, such as 3 to 5 year olds, special education needs, increases in state transfers, increases in out of state transfers. These all add up to the increased cost.

Senator Sackett said he thought he had received testimony that HB 592 was included in the foundation formula. Mr. Cole explained that this particular year, the 3-5 year olds will be included there, but diagnostic testing, which was not done this year will not be included there. They have included that in another section called "Supplementary Programs." One other factor is that the out of district students includes the family death program. He said that is one of the most costly programs in the State. The cost figures will be about \$10 - \$11,000 per pupil.

TOBACCO TAX DISTRIBUTION. P. 29. No change from last year's request or authorization (\$1,800.0).

Senator Hohman wanted to know about the proposed legislation that would affect the tobacco tax. Mr. Cole said a bill has been introduced at the Governor's request that would delete language in Chapter 249 relating to debt retirement. If the bill passes, there would be an increase of \$1,800.0 which would go to debt retirement.

NOME-BELTZ HIGH SCHOOL, P. 33 short forms. Senator Ray noticed that the Governor granted only \$10,000 of a \$200,000 request. Mr. Cole stated that the \$10,000 is showing an intent. He stated that there is a building up there called the "Nome-Beltz complex" owned jointly by the State and the City. The capacity of that facility is three times the number of students they have in it. He said it would be unreasonable for the State to assume all the costs. He said they have been able to relieve some of the costs by bringing in boarding home students; however, they do not know if this will take place next year. If it does not, it will cost about \$200.9 for the state's part of the "underutilization of overspace."

Nome-Beltz
High School

SUPPLEMENTARY PROGRAMS. P. 35 of short forms. Senator Ray was puzzled by this request until it was explained that "Supplementary Programs" is different from "Supplemental Programs". Mr. Cole said supplementary programs are not new. They have been authorized by law since 1971. He said that one time in the past they requested \$3 million, which didn't get very far. He explained that this request contains diagnostic testing and some unique kinds of vocational training to bring in students from rural areas on a short-term basis for training programs. The balance of the \$750.0 request was for career education start-up, all of which are under that authority in the program.

Supplemen-
tary
Programs

Senator Sackett wanted to know what the total impact of HB 592 is for this year. Mr. Cole replied that he thought it was around \$600,000.

Senator Hohman asked whether there is something that precludes the diagnostic testing being done by a travelling psychiatrist. Mr. Cole said there was nothing to preclude it; however one man cannot get around to many people, especially in the rural areas. In addition, the method they are using now gives them a faster turn-around.

Senator Hohman asked if it was not more expensive to have the people flown to another area to be tested as opposed to flying to them. Mr. Cole replied that he is not sure if it is so much a question of expense, but rather a problem of getting a team of people to go out and do the job.

Senator Hohman wanted to know how much it usually costs to do a diagnostic test. Mr. Cole said there was one that they took from Skagway to Anchorage and the total cost for transportation, chaperone, housing and testing was \$1,000. He estimated that the testing itself cost about \$300-\$400. He thought that particular figure might have been a little on the high side, rather than an average cost.

Senator Butrovich wanted to know if people from Southeast Alaska were flown to Anchorage for testing rather than Juneau, and if so, why? Mr. Cole replied that they were flown to Anchorage, and this is because Juneau does not have the "testing capabilities" at this time."

Senator Chance remarked that Mr. Cole is talking about cases that are too complicated to diagnose at home, and these complicated cases must travel to the "diagnostic center."

ADMINISTRATION AND SUPPORT, P. 37 of short form. There was no consideration of this BRU at this time since Senator Ray recessed the meeting because there was a joint session. He said the committee could reconvene in 30 minutes and continue with this budget; however, he had a meeting with the Governor.

ADM. &
Support

The meeting recessed at 2:55 p.m.

RECESS

SENATE FINANCE COMMITTEE
Wednesday, April 16, 1975
2:00 p.m.

Sub-committee for Education. Members present: Senator Sackett and Senator Chance. The following people were also in attendance: Dr. Richard Spaziani, Deputy Director, Education Program Support, Department of Education; Dr. Nathaniel H. Cole, Deputy Commissioner, Department of Education; Judy Crondahl, Office of Budget & Management, Department of Administration; Dick Emerman, Office of Budget & Management, Department of Administration; Ernest Polley, Coordinator, Planning & Research, Department of Education; Richard B. Engen, Director, Libraries & Museums; Bill Thomson, Department of Education.

PRESENT

EDUCATION

DEPT. OF
EDUCATION

Sen. Sackett brought the meeting to order and took up Administration and Support for consideration. William Thomson explained that the one new position was an Accountant 4. They now have in the Finance Accounting Department an Accountant 3 for Federal Grants, the Fiscal Office, in addition to serving the Department internally. He also assists the local school districts.

Adm. &
Support

Sen. Sackett went to Education Program Support. He noted that they were asking for one new position and three transfers. Mr. Thomson answered that the three new positions added were: Specialist for Reading, Clerk Typist 3 for the Career and Vocational Education School, and Career Education Specialist. The Governor allowed the Career Education Specialist. Sen. Sackett asked if this was a new BRU. Mr. Thomson answered yes.

Education
Program &
Support

Sen. Sackett asked for a justification for the Education Specialist 2. Mr. Spaziani answered that other States were moving to present vocational development for children ages 12 through high school. Their Department is absorbing more rural schools and with the increases they cannot meet the responsibility in staff. They have four positions for secondary programs, this includes adult education.

Sen. Sackett asked Dr. Cole to send the Committee backup data on past years for the vacancy turnover.

Sen. Chance requested this information for Administrative Support also.

The Committee turned to Professional Teachers Practice Commission. Sen. Sackett asked for an explanation for the increase in

Profes-
sional
Teacher
Pract.
Comm.

contractual. Dr. Cole responded that in contractual, they had anticipated demands of professional teachers in practices, contract negotiations, etc. He referred to the Governor's allowance. Their purpose is merely to serve teachers. They have only had the Executive Director two years. They have not established what the work load will be. The secretary position was requested on a full-time basis. Only a half-time position was allowed in the Governor's budget. The Executive has an office in his house, and this is quite limiting. The contractual is to pick up office space and personal services for the school districts to enable contract negotiations, etc.

Domiciliary Services was discussed next. Sen. Sackett asked the Department to provide the Committee with a detailed breakdown on the contractual. He wants a memo from them on what they will have for coming years. Dr. Cole explained that there would be a \$565,000 supplemental. There is \$1,028,000 based on serving approximately 758 students. This is for starting some of the new secondary programs. Next year they expect to serve 900 students. The contract increases were in effect adding to the supplemental, and is inflationary only. Dr. Cole referred to pages 2995/6 of the red budget book and asked Sen. Sackett if this satisfied his request for a breakdown.

Domiciliary Serv.

Sen. Sackett reiterated, the number of students you will be servicing will be up to 900 students, based on \$2,205 per student? Dr. Cole responded it will be for contracts for the 750 students, the boarding payments were operated directly. There is a breakdown on page 2996 of the stipend payments. On page 2993 are the travel costs. Sen. Sackett remarked if Sen. Ray wants more data, he will ask for it.

The Committee took up Correspondence Study. Sen. Sackett asked what the differences were. Dr. Cole answered that at the time of the request, the Department requested a maintenance level budget. The request was based on operating FY 76 in the same manner FY 75 was operated. Between the time of the request and the Governor's allowance, the operation changed and there was a decision in procedure change made. This was the decentralization activity in the school districts. The Governor's allowance is based on this. Since that date, there has been some discussion that the State Board of Education has taken action on still another budget. They are preparing to go before the Budget Review Committee.

Corresp. Study

Sen. Sackett asked concerning a bill that was passed by the legislature, if the Department wouldn't need a new BRU for the cost. He asked them to send this information to the

Committee in writing. He wanted information on the cost of the Bill and information on the new budget proposal.

Dr. Cole informed Sen. Sackett they will have to maintain this budget until such point in time they decide to decentralize. When they do decentralize, the districts will have input. He went on to say that their budget request next time will look like the maintenance initially looked.

Sen. Sackett informed Dr. Cole that the Committee probably will not approve the S.O.S. Correspondence Study program. It will remain in this BRU. Dr. Cole said this would be another consideration. The General Fund figure would be much larger. Sen. Sackett asked what the funding source was for S.O.S. Dr. Cole answered it was General Funds. They will be asking for about \$80,000 more in General Funds. Sen. Sackett asked him to break this out into separate components in the budget.

The Committee turned to Alaska Commission on Post Secondary Education. Sen. Sackett asked for a rundown on contractual and personal services. Dr. Cole said the Commissioner was just appointed. The operation in the current year is very limited. They have a contractual person to assist the Commissioner. This budget request was at best a guess at what they might perceive their needs to be. At this time they do not know if the request is accurate to actual need. The Governor's allowance is considerably lower.

Post Sec.
Education
Comm.

Sen. Sackett asked if the \$80,000 in the Governor's allowance will be sufficient. Dr. Cole answered that the Department had made a fiscal note of \$110,000. He doesn't know if the Governor's allowance will be adequate.

Sen. Chance asked there are four currently approved positions? Dr. Cole answered yes. Sen. Sackett asked, there is a clerk typist on top of this? Dr. Cole responded that they had expected the Commissioner to start acting in January. The practical matter now is that it will not be established until next year. They are willing to withdraw the request. Rich Guthrie inserted that the reason for the Administrative Assistant instead of a clerical position was the assumption the Executive Director would be travelling. An Administrative Assistant could act in his absence.

[Sen. Chance left the meeting - 2:35 p.m.]

W.I.C.H.E. was considered next. Sen. Sackett asked this went from \$295,000 to \$472,000 under grants? Judy Crondahl answered that the program's budget is put together by the University and then it is sent to the Department. The funds come out

WICHE

of the Department to the University. They are to do two things: (1) increase the number of programs; (2) increase the number of students.

Sen. Sackett asked if there was backup material for the request in the red budget book. The answer was yes. Sen. Sackett asked if this was based on actual. Judy Crondahl answered that it was based on what they currently have minus their current graduates and taking into consideration the enrollees next year. The largest increases are in the Law program; they have admitted approximately 40 new students in 1976. There were also increases in the graduate programs of Public Health, Nursing, and Library Studies.

A.R.T.I.C. was taken up. Sen. Sackett asked what the additional request on contractual was. Judy Crondahl answered that there were two things: (1) The urban center in Anchorage so students could come in from the field centers. This would be for experience in urban education. (2) Increase in student stipends. Ms. Crndahl said "this is a Federal requirement of \$90 to \$140 per week. The dependent support stipends would go to \$130 per week." ARTIC

For the record Sen. Sackett asked them for a comment on 1975 as the final year for State funding of support. Dr. Cole answered that the Department was aware of it. The budget was placed in the Department on an interim basis. The request is to continue this for another year. They do not feel that this particular program should be the total responsibility of the Department of Education. Judy Crondahl stated that it was her belief that basically the legislative intent was that the program, in the immediate future, be a program of the University. It was decided in the interest of the program's integrity that it be kept another year in the Department. The program should be continued, it is a worthwhile program. It is in the Governor's budget. Rich Guthrie stated that in the Free Conference Committee, they said the program would be discontinued.

Sen. Sackett informed the others that last year, in Finance, the intent was given that there would be absolutely no funding for another year. The funding was granted then because there would be no more funding. This gave the Department a year to look for other sources of funding. He asked the Department to send the Committee a letter that will explain why this was included in this year's budget. He also suggested that they look for money elsewhere.

The Committee took up Student Financial Aid. Dr. Cole announced that this BRU was part of the Alaska Commission on Post

Student
Fin. Aid

Secondary Education. The large increase is principally the pro rate based on legislative mandated loan payments to students. They find there is a higher percentage than the initial 70%. This is the reason it went from 4,334.2 FY 76 to the governor's budget of 3,834.2.

As far as the two new positions are concerned, they are anticipated and Legislative Audit is suggesting they be prepared to follow out loans so that they do not have the 40% - 50% loan default ratio they have had in the past.

On the tuition grants, the request for \$950,000 was developed looking at AMU and Sheldon Jackson to continue. Sheldon Jackson will increase. They couldn't break this out so they left the money there. These funds will serve two or three functions: (1) the University will pick up AMU increases (2) the need of Sheldon Jackson's increase in tuition grants; and (3) transfer into scholarship loans if the volume is up.

Sen. Sackett asked what portion of the \$950,000 is Sheldon Jackson. Ms. Crondahl answered in the area of 300. Sen. Sackett understood it to be below 300 and Dr. Cole said he had been informed by Sheldon Jackson to kick it up 400 - 450. Sen. Sackett asked Rich Guthrie to get the actual facts on this. The committee wants to know what they will need to run the current programs and also to spell out what they will need for new programs. He also wanted to know the amount of credits a student can acquire before he is required to pay tuition.

The Committee turned to Manpower and Adult. Ernest Polley testified to the Committee. In the request of the whole BRU they are asking for an additional position in the Adult Basic Education area because of increases in activities and workload and new programs in the Aleutian Chain, Nome and Northern areas. Travel would consequently increase. Commodities actually went down, and equipment stayed the same.

Manpower
& Adult

Sen. Sackett asked Rich Guthrie if in his review of Adult Vocational Education it was broken out. Rich answered that since the reorganization was taking place, it would be simpler for the Department to indicate where the positions went in a breakdown other than in the budget. Sen. Sackett asked Mr. Polley to give Rich Guthrie the whole budget breakdown in writing.

Rich Guthrie mentioned that last year in the Senate Finance Committee it was their intent that the college support go directly to the University of Alaska. He received a phone call about a month ago from Region 10 that this would create some problems.

Dr. Spaziani responded to this by saying that the Region 10 Department of Education asked for a legal opinion on the transfer of the \$1,350,000 State funds under maintenance of contractual provisions of the State plan. Latest word from R-10 is that it is on its way from the Commissioner, U. S. Department of Education. The legal implication of the legislation the board would be the sole agency. Under Federal provisions, it is the States legal responsibility of being able to transfer money. Consequently, it was suggested in the letter that in order for this to happen in maintenance effort provision, the State legislature must take some action which removes the board from Post Secondary. The board is the only one able to solicit money. The legislature will have to designate the University of Alaska to handle post secondary funds for education and not the State board.

Rich Guthrie asked for a letter to be sent to the Committee outlining this change in law and also explaining the options.

Sen. Sackett asked how much of this year's Govern's request was for community college support. Mr. Spaziani did not know. This would be the University of Alaska's budget.

Rich Guthrie asked how much potential Federal funding was in jeopardy. Dr. Spaziani answered approximately \$1 million for FY 76. However, they may get a contingent for 1976 until the problem is resolved.

Educational Broadcasting Commission was taken up. Sen. Sackett mentioned that the budget seemed slightly high and asked what the breakout was for the individual stations. Dr. Cole answered that the figures are provided by the individual stations, he did not know the estimate. Sen. Sackett asked him to find out. Educational Broadcasting

Sen. Sackett asked if there were any changes in total Commission budget based on any bills that are presently in or in changes of attitude. Will there be any new BRU? Mr. Cole answered no.

Judy Crondahl pointed out to Sen. Sackett that the Forms 18 in the red budget book contains budgets on individual stations. He asked how closely this was analyzed out, how accurate. He asked that this be given to him.

In answer to Rich Guthrie, Dr. Cole said the State has the right to go into money that is a grant in their audits. There has been no legislative audit and there has been only one internal audit concerning the purchase and resale of a building.

State Museums were considered. Richard Engen testified. Sen. Sackett asked him to explain the three new positions, Museums

the increases in travel, and the increases in contractual. Concerning the positions there are four: (1) Security Visitor Services. There are two floors in the building, each with various sections. They need someone who can walk around the floor. They anticipate having a closed circuit T.V. monitoring service (2) Collections Assistant. One person who can organize correlate, and bring into shape after 40 years of non-maintenance of adequate records. (3) Field Representative. They need someone who can help the communities display collections and in preserving the displays. (4) Exhibits Assistant. This person will start exhibits that are not completed. Some exhibits, there is difficulty obtaining material.

The travel increase is for testing AME. These are special learning kits to go out to learning schools. They field test such kits. The Field Representative must have adequate travel support.

The large increase in contractual is for hiring specific expertise for a limited amount of time. Such an expert would be a Conservator. This is an expert in arresting deterioration of museum pieces such as ivory, fur, etc.

The next thing taken up was the State Libraries. Mr. Engen stated that they were requesting additions in two areas: (1) The largest area held their capital improvement budget. This is to establish Statewide film services for everyone in the State (video cassetts). Individual libraries cannot afford their own film libraries. This library is to be centralized.

State
Library
Oper.

Sen. Sackett asked, the Governor gave you one-half of your request? Mr. Engen answered that the original concept in running State operated schools was instructional. Therefore, the film assistance they are asking for in Anchorage was disallowed by the Governor. Ideally PERCY would continue to serve the State operated schools and the library could use the services. If S.O.S. is decentralized, the library could be transferred to the State library. Judy Crondahl clarified that she did not think there was an intent to have a statewide instructional center and PERCY. There would be one statewide center and a cooperative agreement between the State library and S.O.S.

Sen. Sackett stated that out of the total budget of \$1,002,000 the committee would need a breakdown of the total film library concept costs that they did include. Take out the personal services, contractual services, commodities. Mr. Engen said he would send this to the Committee in memo form.

Sen. Sackett asked about personal services. Mr. Engen stated they have a request for a reference librarian 1, cataloger; a clerk 4 to assist the present clerk, clerk typist 3, mail services.

Sen. Sackett asked, what is ABE? The answer was Adult Basic Education.

Mr. Engen stated that the request for support was turned down by the Governor's budget.

Sen. Sackett took up Special Education Grants. Dick Emerman, DEPT. OF Office of Budget and Management, testified. He said that this H&SS is H&SS. The original request was maintenance level. Basically Special Educ. Grants the statute requires that it serve exceptional children not covered under other programs. This would be children under the age of 3 years. In the past this was used exclusively for a summer camp in Juneau. This is a \$50,000 - \$45,000 Governor's program to provide therapist and specialists who will go into the homes of parents with exceptional children under the age of three to help the parents.

AMU Nursing Program was taken up. Judy Crondahl told the Committee that this was left in the Governor's budget, knowing that support for the program must be included somewhere. They plan to operate the AMU program next year as this year instead of contracting with AMU under a contract with the University of Alaska. Sen. Sackett noted that there were several changes and he asked that they be sent over. Ms. Crondahl answered that they would be sent to the Committee. Sen. Sackett also asked that an analysis be given on whether or not it was more preferable fiscally if the program was continued under contract or whether it was better to do it themselves. He believed there would be some duplications. The Committee would hold on this BRU until a response was given. AMU Nursing Program

Rich Guthrie asked if the Committee was aware of what the University is doing to resolve the problem of giving a 2-year nursing program or a 4-year nursing problem. Sen. Sackett asked Judy Crondahl to look into this. If it is determined, start with the senior college. See if the University has money in the existing budget to absorb the \$200,000.

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

ADJOURN

SENATE FINANCE COMMITTEE
Monday, April 21, 1975
1:30 p.m.

Sub-Committee for Transportation. Members of the Committee present: Senator Chance, Senator Butrovich, Senator Hohman, Senator Sackett, and Senator Ray.

PRESENT

TRANSPORTA
TION

Others present:

Sharon Trimble, Division of Marine Transp.,
Department of Public Works
W. R. Hudson, Division of Marine Transp.,
Department of Public Works
S. D. Burton, Division of Marine Transp.,
Department of Public Works
Robert G. Dwyre, Deputy Commissioner, Department
of Public Works
Charles A. Neggitt, Manager, Fairbanks International
Airport, Department of Public Works
Carl Gonder, Budget & Management, Department
of Administration
Robert Rowan, Division of Aviation, Department of
Public Works
Donald M. Candey, Division of Aviation, Department
of Public Works
Peter Hoepfner, Division of Aviation, Department of
Public Works
Wendell Miller, Division of Aviation, Department
Public Works
Jack Peck, Director, Division of Aviation, Department
of Public Works
John Nesheim, Division of Aviation, Department
of Public Works
Heinz W. Noonan, Division of Aviation, Department
of Public Works

Sen. Ray opened the meeting stating he would read the Committee's figures obtained from the Department's original budget request and corrections and clarifications can be made as he goes along.

DEPT. OF
PUB.
WORKS

The first BRU taken up was Department of Public Works, Marine Transportation, Southeast Region. There was no discussion on the figures; however, "Other" was further explained under the various categories. Contractual - Part of the increases is that line handling charges have gone up; laundry has gone up. Commodities - This is the budget for gift shop items.

Marine
Transp.
S.E.Reg

Sen. Chance asked what the grants were for. Ms. Trimble answered \$5,000 is for the two cadets training with the licensed pilots.

Sen. Hohman asked, referring to Personal Services, why they requested 16.2 million for the same number of positions that the Governor was allowing for \$14.3 million. Sen. Ray explained they anticipated contractual increases and the Governor cut it out because there is no satisfied agreement. There will be no satisfied agreement until the first of the fiscal year, if there is one. This is Union contracts for salary increases. Sen. Ray asked the Department if the contractual arrangement will be completed in October. The Department answered yes, they are backed up to July 1975 in this particular instance. Sen. Ray mentioned that the Committee can anticipate a supplemental.

Sen. Chance noted that there was a difference between what was in the short form and what was authorized in FY 75. Jay Hogan explained that there was a Revised Program to create shore facilities last fall. Budget and Audit allowed \$40,000 to be transferred out.

Sen. Ray also noted that the salary increase negotiated and effective October 1 was not in. There should be a budget revision of \$2,253,100.

The Department notified the Committee that there would be a revised budget submitted. The new budget would be a more accurate attempt at forecasting their actual costs. Sen. Ray asked that the revised budget be submitted to the Committee in writing.

As a point of interest, Sen. Ray asked if the ferries provided any non-smoking areas on their vessels. The reply was that is is being given consideration.

The Committee took up Southeast Shore Facilities. There were no questions; however, the Committee was informed that in the revised budget, contractual would increase.

S.E. Shore
Facilities

Southwest Vessel Operations. A breakdown of the \$45,000 program equiment was read from the red budget book. Sen. Hohman asked about the reduction in the number of days the Portage-Whittier train would give service. It was answered that they were cut back to 130 days, the time the ferries were actually in port, and the cost was approximately \$1,700 a day. The seventh day, they were servicing a private tour boat. They felt that the legislature should budget this in if they wanted this service provided to a private operation.

S.W.
Vessel
Oper.

The Department also mentioned that they were cutting off two weeks in May and at the end of September. There was \$7,000 eliminated in the Budget Review Committee. Sen. Hohman asked the amount of the train subsidy. Ms. Trimble replied that 68.7 was the total for the full season. There is \$177.7 for 130 days, and \$1,700 a day.

Sen. Ray mentioned that an additional \$30,000 should just about do it.

Southwest Shore Facilities. No questions.

S.W. Shore
Facili-
ties

Aleutian Island Ferry Subsidy. They provide train conductors, etc. and charge the State for it. She mentioned a \$50,000 appropriation for winter service for running two days a week. Sen. Ray asked why they were taking out the Chatham Icy Straits service. Ms. Trimble answered that the operation was discontinued. She went on to say that there was some discussion of putting this in Community and Regional Affairs. Sen. Sackett asked if there are any existing or forthcoming contracts with Alyeska. The answer was no.

Remote
Routes
Subsidy

Advertizing and Promotion. Sen. Ray asked why the big increase in advertizing. The response was that the actual cost this year was \$16,400. Sen. Sackett asked for a further explanation. The Department responded that the revised authorization for FY 75 was \$87,000, this is with a supplemental. Sen. Ray asked which supplemental? The Department answered the one just passed for FY 75.

Adverti-
zing &
Promotion

Marine Transportation - Administration and Support. No questions.

Adm. &
Support

Anchorage International Airport (Field Maintenance). Messrs. Peck and Rowan testified. Sen. Ray asked for a breakdown in writing of the increases in contractual and commodities. It was understood that this would be done for the entire Aviation Division budget.

Anch.
Intl.
Airpor
Field
Maint.

[Senators Sackett and Butrovich left the meeting - 3:05 p.m.]

Anchorage International Airport (Building Maintenance). No questions.

Bldg.
Maint.

Anchorage International Airport (Security). Sen. Hohman asked what \$5,000 for Hogans Alley was. Mr. Peck answered that it is an in-door shooting range.

Secur-
ity

[Senators Sackett and Butrovich return - 3:15 p.m.]

Anchorage International Airport (Custodial). Sen. Chance inquired about the carpet contract. She wondered if this was one of the increases. Mr. Peck answered that the carpet is a lease contract type of thing. Sen. Chance also asked if the three janitorial positions were to take over this. Mr. Peck answered no. This is a contract to pick up increased traffic in the terminal. Custodial

Anchorage International Airport (Administration - Maintenance). No questions. Adm. Maint.

Fairbanks International Airport (Field Maintenance). Messrs. Peck and Hoepfner testified at this point. There were no questions. Fairbanks Intl. Airport Field

Fairbanks International Airport (Bldg. Maintenance). Sen. Ray asked what a Johnson Control System was. The answer was that this is a sophisticated air conditioning and ventilation system. Maint. Bldg. Maint.

[Sen. Hohman left the meeting - 3:25 p.m.]

Fairbanks International Airport (Security). Sen. Chance asked what other was under Commodities. The Division answered it was for fire fighting equipment. Mostly training equipment. It is listed in the red budget book. Security

Fairbanks International Airport (Custodial). Sen. Ray asked referring to Commodities, aren't janitorial supplies provided by the janitorial service? The Division answered that these are supplies not normally provided by a janitorial service. Custodial

There were no questions on the following:

Fairbanks International Airport (Administration) Adm.
Fairbanks International Airport (PLI Building Maintenance) Fairbanks
Fairbanks International Airport (PLI Security) Intl.
Fairbanks International Airport (PLI Administration) Airport--
PLI

[Sen. Ray left the meeting - 3:42 p.m.]

Sen. Sackett chaired the Committee meeting.

Trunk & Secondary Airports, Regional Operations. Messrs. Peck and Nesheim testified. Sen. Sackett noted that there were differences between the short forms and Sen. Ray's working budget in Personal Services, Contractual and Commodities. Trunk & Secondary Airports
Jim Fennel answered that there was nothing in the red budget book to justify \$3+ million. Reg. Oper

Under Commodities, Sen. Sackett asked for an explanation of other for \$46,000. Mr. Nesheim replied that line item 390 total figure of \$599,525 is to pay Highways to provide maintenance work for the Airports. He also gave a breakdown of contractual services: 953,700 for the dry rental capital fund; 900,084 wet rental. Sen. Sackett asked Jim Fennel if he was satisfied with what is in the red budget book. Mr. Fennel answered yes.

Trunk & Secondary Airports, Administration. No questions.

Adm.

Trunk & Secondary, Regional Operations (PLI). There was a discrepancy in the program receipts figure. Sen. Sackett said the Committee would check it out. There were no other questions.

Trunk &
Secondary
Airports
(PLI)
Reg. Oper.

Trunk & Secondary Airports, Administration (PLI). A question was asked on the funding of program receipts. Mr. Gonder stated that a request was made from General Fund that this program not generate receipts for PLI impact. Program receipts did not materialize this year and they will not next year either.

Adm.

Aviation Engineering, Chief Engineering. Sen. Ray chaired the meeting. Messrs. Peck and Miller testified. There were no questions.

Aviation
Engineer-
ing
Chief Eng.

[Sen. Sackett left the meeting - 4 p.m.]

Aviation Engineering, Planning. No questions.

Planning

Aviation Engineering, Design. No questions.

Design

Aviation Engineering, Construction. No questions.

Constr.

Aviation Administration, Administration. Under Personal Services, the Department corrected Sen. Ray stating that one of the positions is new and one was transferred. Under Travel, Sen. Ray noted a difference between the red budget book and the short form. Short form shows \$6,000 and the Department is really asking for more.

Aviation
Adm.
Adm.

Aviation Administration, Lands & Leasing. No questions.

Lands &
Leasing
ADJOURN

The meeting adjourned at 4:30 p.m.

SENATE FINANCE COMMITTEE
Tuesday, April 22, 1975
1:30 p.m.

Sub-Committee for Transportation. Members present: Senator Ray and Senator Chance, and Sen. Butrovich.

PRESENT

Others present:

TRANSPOR-
TATION

Department of Highways

Frank Baxter
Dennis Dooley
Sandy Williams
Walter B. Parker, Commissioner

Department of Administration

Carl Gonder

Department of Public Works

Tracy Kaldor

Anchorage Times - Philip Todd
Alaska Radio - Elaine Mitchell

Sen. Ray brought the meeting to order to take up the Transportation budget.

DEPT. OF
PUB. WORKS
Admin.
Comm. Off.

Department of Public Works, Administration (Commissioner's Office). Tracy Kaldor testified. Mr. Kaldor mentioned that the increases were caused by Union negotiations. The Committee had no questions.

Administration & Support. No questions.

Admin.
DEPT. OF
HIGHWAYS
Admin.
Cent. Dist

Administration & Support, Central District (Highways). Frank Baxter and Commissioner Parker testified. No questions.

Administration & Support, Interior District (Highways). Under Personal Services, Commissioner Parker informed the Committee that the Storekeeper II position was deleted at the Budget Committee hearing. Sen. Ray mentioned that he was referring to the Department's original request.

Interior
Dist.

Sen. Ray noted that Travel did not add up. The Commissioner answered that he believed there was a typo error made. His Department would get a correct copy of the budget to the Committee. Convention and meetings were \$5.5; \$2.5 out of

State, and \$2.0 in State.

Administration & Support, Southeast District (Highways).
No questions

S.E. Dist

Administration & Support, Western District (Highways). No
questions.

Western
Dist.

Administration & Support, South Central District (Highways).
No questions.

So. Cent.
Dist.

Administration & Support, Headquarters & St. Lab (Highways).
No questions.

Hdqtrs. &
Lab.

Maintenance, Central District (Highways). Sandy Williams
and the Commissioner testified. No questions.

Mainten-
ance

Maintenance, Interior District (Highways). No questions.

Cent. Dist
Interior
Dist.

Maintenance, Southeast District (Highways). In answer to
Sen. Butrovich, Sen. Ray stated that his revised figure was
\$3,328.8. There was a revision because of wage increases.

S.E. Dist

Maintenance, Western District (Highways). No questions.

Western
Dist.

Maintenance, South Central District (Highways). Sen. Ray
noted that under Personal Services there was a difference,
and it seemed to be in the Clerk III position. The Committee
would work it out. No other questions.

So. Cent.
Dist.

Maintenance, Overweight Permits (Highways). Under Personal
Services Sen. Ray noted originally the request was exactly
the same as 74. Now you request three new positions. These
are not in the original request. It was answered that the
total is \$37.9: Clerk Typist III - \$12.2; Engineering Assistant
II - 20.5; part-time Clerk Typist - \$5.2. There were no
other questions.

Overwt/
Oversize
permits

Maintenance, Contingency Reserves (Highways). No questions.

Contingen-
cy Resv.
ADJOURN

The meeting adjourned at 2:35 p.m.

SENATE FINANCE COMMITTEE
Wednesday, April 23, 1975
1:30 p.m.

Executive Session committee meeting to close out the operating budget for Transportation.

TRANSPORTATION
Closeout

Members present: Senator Butrovich, Senator Sackett, Senator Hohman, and Senator Ray.

PRESENT

Marine Transportation, Southeast Vessel Operations. Sen. Ray moved that the Committee adopt the following figures: Personal Services, \$14,053.6; Travel, \$59.3; Contractual Services \$2,069.8; Commodities, \$5,265.5; Equipment, \$80.3; Grants, Claims, Shared Revenue, \$5.0 (the Governor's figure); Total, \$21,533.5. Sen. Ray mentioned that he took \$210.1 out of benefits; 18% of the benefits received with salaries do not apply to vessel personnel.

Marine Transportation, Southeast Shore Facilities. Sen. Ray moved that the Committee adopt the following figures: Personal Services, \$399.2; Travel, \$1.0; Contractual Services, \$679.8; Commodities, \$30.0; Equipment, \$5.0; Total, \$1,115.0. It was mentioned that under Contractual, the Department was asking for an additional \$16,000 for funding dock facilities in Prince Rupert. A Departmental memorandum dated April 8 was referred to.

Marine Transportation, Southwest Vessel Operations. It was moved that the Committee adopt the following figures: Personal Services, \$2,428.6; Travel, \$14.0; Contractual Services, \$527.0; Commodities, \$726.3; Equipment, \$37.0; Total \$3,732.9. At the request of Sen. Sackett, the subsidy for the Portage-Whittier train was moved from the Contractual category of this BRU to Remote Routes Subsidy BRU.

The meeting recessed at 2:10 p.m.

RECESS

AFTER RECESS
3:00 p.m.

Members present: Senator Butrovich, Senator Ray, and Senator Sackett.

PRESENT

Marine Transportation, Southwest Shore Facilities. It was moved that the Committee adopt the following figures: Personal Services, \$120.0; Travel, \$2.8 (the Governor's figure); Contractual Services, \$115.0; Commodities, \$11.0; Equipment, \$2.2; Total \$251.0.

Marine Transportation, Remote Routes Subsidy. Sen. Ray moved that the Committee adopt the following figures: Contractual Services, \$189.0; Total, \$189.0. Sen. Ray stated he was allowing \$25,000 for the Chatham Icy Straits subsidy and \$129,000 for the Portage-Whittier train subsidy.

Jay Hogan gave the following breakdown on the Portage-Whittier train service which he received from the Department. The Alaska Railroad charges \$1,786 a day. The train runs 137 days annually. This is \$244,682 plus there is an amount of overtime. Revenues accruing to the State's account is estimated at \$140,000 annually. This leaves a net required appropriation of approximately \$129,000.

Department of Public Works

Administration, Administration. The Committee adopted the following figures: Personal Services, \$550.0; Travel, \$2.3; Contractual Services, \$62.5; Commodities, \$2.7; Equipment, \$.7; Total, \$618.2. The figures for Travel, Contractual Services, Commodities, and Equipment are the same as the Governor's figures. Sen. Ray told the Committee this was taking the same positions that the Governor allowed, but also taking a \$10,000 vacancy turnover.

Department of Highways

Administration, Central District. The Committee adopted the following figures: Personal Services, \$610.2; Travel, \$10.0; Contractual Services, \$526.4 (Governor's figure); Commodities, \$11.1 (Governor's figure); Equipment, \$3.7 (Governor's figure); Total \$1,161.4. Sen. Ray stated that under Personal Services \$24,000 vacancy turnover was taken.

Administration, Interior District. The Committee adopted the following figures: Personal Services, \$609.6; Travel, \$5.5 (Governor's figure); Contractual Services, \$550.0; Commodities, \$9.0 (Governor's figure); Equipment, \$3.7 (Governor's figure); Total, \$1,177.8.

Administration, Southeast District. The Committee adopted the following figures, Sen. Sackett was in agreement: Personal Services, \$394.8; Travel, \$8.0; Contractual Services, \$180.0; Commodities, \$30.0; Equipment, \$2.9 (Governor's figure); Total \$615.7.

Administration, Western District. The Committee took the Governor's figures on this BRU.

Administration, Southcentral District. The Governor's figures were taken.

Administration, Headquarters & Laboratory. The Committee adopted the following figures: Personal Services, \$2,167.8; Travel, \$120.0; Contractual Services, \$450.0; Commodities, \$64.0; Equipment, \$7.0 (Governor's figure); Total, \$2,808.8.

Maintenance, Central District. The Committee adopted the following figures: Personal Services, \$3,722.0; Travel, \$61.0; Contractual Services, Commodities, and Equipment, the Governor's figures were taken; Total, \$10,423.7. The Governor had offered to pull a substantial amount out of Contractual and make one Contingency Reserve, this was allowed for.

Maintenance, Interior District. The Committee adopted the following figures: Personal Services, \$3,141.2; Travel \$51.0; Contractual Services, Commodities, and Equipment, the Governor's figures were used; Total, \$7,461.6.

Maintenance, Southeast District. The Committee adopted the following figures: Personal Services, \$1,437.9; Travel, \$27.0; Contractual Services, Commodities; and Equipment the Governor's figures were taken; Total \$3,989.4.

Maintenance, Western District. The Committee adopted the following figures: Personal Services, \$520.1; the Governor's figures were taken on the other line items for a Total, \$1,255.4.

Maintenance, Southcentral District. The following figures were adopted: Personal Services, \$1,727.9; Travel, \$52.0. The Governor's figures were taken on the remaining line items for a Total, \$4,474.9.

Maintenance, Overweight/Oversize Permits. The Governor's budget was adopted without objection.

Maintenance, Contingency Reserves. The Governor's Budget was adopted without objection.

Legislative Intent

Legislative Intent

Expenditures from the Contingency Reserves program should be allocated as needed through revised program procedures set out in the Executive Budget Act. These revised programs will require the approval of the Governor and the Legislative Budget and Audit Committee prior to expenditure of the funds from the Contingency Reserves.

Debt Service. The Governor's budget was adopted without objection.

Department of Public Works

Anchorage International Airport, Field Maintenance. The Committee adopted the following figures: Personal Services, \$866.8; Travel, \$1.8 (Governor's figure); Contractual Services, \$1,220.0; Commodities, \$490.0; Equipment \$17.4 (Governor's figure); Total, \$2,576.0.

Anchorage International Airport, Building Maintenance. The Governor's budget was adopted without objection.

Anchorage International Airport, Security. The Committee adopted the following figures: Personal Services, \$1,600.0; The Governor's figures for Travel and Contractual Services; Commodities, \$128.7; Equipment, \$42.4; Total \$1,821.4.

Anchorage International Airport, Custodial. The following figures were adopted: Personal Services, \$460.0; Contractual Services, Governor's figures; Commodities, Governor's figures; Equipment, \$5.0; Total, \$768.3.

Anchorage International Airport, Administration. The following figures were adopted by the Committee: Personal Services, \$237.7; Travel, the Governor's figure; Contractual Services, \$402.5; Commodities and Equipment, the Governor's figures; Total, \$654.2. One position was cut for 11.1.

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Fairbanks International Airport, Field Maintenance. The Committee adopted the following figures: Personal Services, \$362.5; Travel, the Governor's figure; Contractual Services, \$275.0; Commodities, the Governor's figure; Equipment, \$25.0; Total, \$730.2. One position was cut.

Fairbanks International Airport, Building Maintenance. The Committee adopted the following figures: Personal Services, \$301.3; Travel, the Governor's figure; Contractual Services, the Governor's figure; Commodities, \$58.0; Equipment, the Governor's figure; Total, \$666.5. Sen. Butrovich moved that the position of Maintenance Mechanic be cut. The motion passed.

Fairbanks International Airport, Security. The following figures were adopted by the Committee: Personal Services, \$1,136.6; Travel the Governor's figure; Contractual Services and Commodities, the Governor's figures; equipment, \$14.0; Total, \$1,287.9. Under Personal Services, Sen. Ray moved that the Committee consider \$25,00 vacancy turnover and the deletion of five clerk positions. In answer to Sen. Butrovich, Jay Hogan answered that the \$4,700 professional fees were technical consultant fees.

Fairbanks International Airport, Custodial. The Governor's budget was adopted with no objections.

Fairbanks International Airport, Administration. The Committee adopted the following figures: Personal Services, Travel, the Governor's figures; Contractual Services, \$175.0; Commodities and Equipment, the Governor's figures; Total, \$319.4. Sen. Sackett asked if the insurance and bond figures were actual or an estimate. Jay Hogan responded that the figures in the red budget book are probably estimates.

Fairbanks International Airport (PLI), Building Maintenance. The Committee adopted the Governor's figures with no objections.

Fairbanks International Airport (PLI), Security. The Committee adopted the Governor's figures with no objections.

Fairbanks International Airport (PLI), Administration. The Committee adopted the Governor's figures with no objections.

The meeting adjourned at 4:10 p.m.

ADJOURN

SENATE FINANCE COMMITTEE
Thursday, April 24, 1975
2:10 p.m.

Present: All members

Chairman Ray called the meeting to order and stated that the committee will continue with close-out of the TRANSPORTATION budget category.

P. 67, Trunk & Secondary Airports, Regional Operations:

TRANSPORTATION
CLOSE-OUT

Personal Services reduced to \$2.693.9; Contractual to \$2.5 million. Governor's figures accepted for remaining line items. Total is \$5.937.3. No new positions allowed.

(Senator Ray moved for \$2.5 million for contractual and there was no objection).

P. 69, Trunk & Secondary Airports, Administration:

Governor's figures accepted without objection.

(2:23 p.m. Senator Chance arrived at the meeting)

P. 73, Trunk & Secondary Airports (PLI), Regional Operations:

Governor's figures accepted without objection.

P. 75, Trunk & Secondary Airports (PLI), Administration:

Governor's figures accepted without objection.

P. 79, Aviation Engineering, Chief Engineer:

There was a discussion about the number of positions being transferred it. Jay Hogan reported that he thought the transfers-in were portions of positions which were formerly being charged totally to capital improvement programs. Many times federal auditors will insist that a portion of the position cost be charged someplace else, since an employee may be working on other state matters part of the time.

It was determined that the number of positions listed on the short form was in error, and Mr. Hogan was going to check this out.

Senator Ray moved for a total of \$107.8 for this BRU. No objection, so ordered.

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P. 81, Aviation Engineering, Planning:

TRANSPORTATION
Close Out

Governor's figures adopted without objection.

P. 83, Aviation Engineering, Design:

Senator Sackett moved that the Governor's figures be adopted. No objection, so ordered.

P. 85, Aviation Engineering, Construction.

Senator Sackett moved that the Governor's figures be adopted. No objection, so ordered.

P. 89, Aviation Administration, Administration:

Personal Services: Reduced to \$269.7. No new positions allowed.
Travel: 7.0; Governor's figures for Contractual, Equipment
& Commodities. Total is \$689.7.

P. 91, Aviation Administration, Lands & Leasing:

Governor's figures adopted. Clerk Typist position allowed.

That completed the CLOSE-OUT of the TRANSPORTATION CATEGORY.

HEALTH CATEGORY BUDGET CLOSE-OUT

HEALTH
Close Out

Budget Analyst Milt Barker distributed the Subcommittee Recommendation for the Health Category. Senator Sackett is the Chairman of the sub-committee. (See budget category file and/or original copy of minutes for the sub-committee's recommendations)

2:55 p.m. - Senator Poland arrived at the meeting.

P. 2, Public Health Nursing:

Senator Sackett spoke in favor of allowing an Administrative Assistant position (\$19,300) in Bethel since, he said, there are 11 nursing personnel in Bethel with no Administrative Assistant. Such a position would allow nurses to devote more time to nursing.

Senator Sackett moved for \$2,240.7 for personnel services. No objection, so ordered.

Legislative Intent: To Budget and Management: There appears to be a need for a Nurse Supervisor in the Administration component to coordinate activities between the Nursing Section and the Division of Mental Health. This position should be requested next year in the Div. of Mental Health budget.

Leg.
Intent

Other figures approved by Committee for Public Health
Nursing: Travel: \$227.4; Contractual \$424.7; Commodities:
\$55.8 and Equipment: \$14.1, for a total budget of \$2,962.7.

P. 14, Communicable Disease Control:

HEALTH
CLOSE-OUT

Subcommittee recommendation to disallow the Epidemiologist was approved. Following was adopted: Travel: \$87.9; P.S.: 336.9
Contractual: \$254.0; Commodities: \$193.4; Equipment: \$500.
Total Budget: \$872.7

Senator Sackett spoke in favor of adopting the following legislative intent: "The VD Control program has exploded due to the practice of the Div. of Public Health of soliciting, testing, and treating VD at no expense to the client. It is the intent of the Legislature to require the Division to institute a program that the client pay a small amount for the treatment of VD. This would reduce greatly the amount of General Fund monies presently used to purchase penicillin, etc.

Senator Sackett moved to adopt this intent. A vote was taken, and the motion failed with Senators Sackett and Butrovich voting in favor of the motion.

Senator Sackett stated that he was willing to reword the intent to state that they merely investigate the possibility of the patient paying some part of the treatment. After a short discussion, he decided not to pursue it.

P. 24, Environmental Health.

Subcommittee recommended that no new positions be allowed. After some discussion, Senator Sackett recommended that a new position of Sanitarian II in Juneau for seafood be allowed. \$625.0 was adopted for personal services, to include the above-mentioned sanitarian position. No other new positions allowed.

Other Line Items: Travel: \$68.0; Contractual \$128.5;
Equipment \$800; Commodities: \$7.1. Total Budget: \$829.4.

P. 30, Family Health

Subcommittee recommended personal services of \$501.4. This would be a reduction of \$41,200 fed. family planning funds.

Senator Poland moved that \$41,200 be put back in for family planning. She suggested cutting something else.

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A vote was taken as follows:

Yes: 2 - Poland and Chance

No: 5 - Butrovich, Sackett, Rader, Hohman, Ray

And so, the motion failed.

Budget adopted for Family Health BRU: Pers. Serv: \$501.4;
Travel: \$200.0; Contractual: \$750.0; Commodities: \$46.3;
Equip: \$9.0; Grants \$238.1. Total Budget \$1,744.8.

P. 44, Laboratories:

Subcommittee recommendation approved as follows:

Pers. Serv. \$555.2; Travel: \$9.0; Contractual: \$160.4;
Commodities: \$104.6; Equipment: \$11.0. Total Budget
is \$840,200.

P. 50, Health Program Support.

Subcommittee recommendation was to disallow \$15.0 for "Tumor" registry. He said he is cutting this because he thinks it is not needed and there is a real question of personal rights involved--one should not be forced to register his tumor.

A discussion about tumor registry followed. Senator Chance said tumor registry is different from the "register of human impairments" but the same people operate it. She thought we should allow tumor registry--that it is important to have the information available.

A vote was taken on the question: "Shall Tumor Registry be funded," with the following result:

Yes: 3 - Chance, Hohman, Ray

No: 4 - Butrovich, Sackett, Rader, Poland

And so the motion failed.

For this BRU the subcommittee's recommendation was adopted:
Pers. Serv. \$318.3; Travel \$27.1; Contractual \$42.8;
Commodities \$47.7; Equipment \$3.0; Grants \$500.0. Total
budget: \$938.9

As part of the subcommittee rec. the following Legislative Intent was adopted:

Legislative Intent:

- a) in FY 77 the Health INformation System component, a budget for one person, should be consolidated with Public Health Administration.
- b) The State will not fund the Women, Infant, and Children (WIC) Nutrition project if federal funding is cut.

Legislative
Intent

P. 68, Health Facilities Certification & Licensing:

Subcommittee recommendation accepted. Pers. Serv.: \$150.1;
Travel: \$52.7; Contractual: \$23.9; Commodities: \$1.5;
Equipment: -0-. Total is \$228.2.

P. 70, Public Health Administration:

Subcommittee recommendation accepted. Pers. Serv.: \$306.4;
Travel: \$13.6; Contractual: \$29.6; Commodities: \$4.3;
Equipment: .7. Total is \$354.6.

P. 72, Nursing - Pipeline Impact

Subcommittee recommendation was to add an Admin. Asst. I position at Fairbanks since there are 15 Nursing Section personnel in Fairbanks with an Administrative Assistant. This will allow the nurses to devote more time to nursing. subcommittee also recommended additional funds in the other line items for support for the Admin. Asst.

Senator Ray moved for adoption of the Governor's figure. (no positions allowed).

Senator Sackett objected.

A vote was taken on the question: "Shall the Adm. Asst. I position be allowed?" and it failed, 6 to 1, with Senator Sackett voting in favor of it.

The Governor's budget of \$84.4 was approved.

P. 74, Communicable Disease Control.

Governor's budget of \$59.6 adopted.

P. 82, Environmental Health- Pipeline

Subcommittee recommendation was "0" because of insufficient justification. A discussion of this BRU followed, in which Senator Ray spoke in favor of adopting the Governor's figure of \$88.7.

A vote was taken on the question: "Shall the subcommittee recommendation of "0" be approved" with the following result:

Yes - 6 - Butrovich, Sackett, Rader, Hohman, Chance, Poland

No - 1 - Ray

And so, the motion was adopted.

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P. 84, Laboratories - Pipeline

Subcommittee recommendation adopted. Pers. Serv.: \$65.8; Travel: \$1.5; Contractual: \$8.9; Commodities: \$22.5; Equipment: "0". Total: \$98.7.

The following legislative intent recommended by the subcommittee was adopted:

Legislative Intent: "It is the intent of the Senate that the Department is to implement a policy to require major industries to pay for the full cost of laboratory tests for personnel directly related to that industry." Leg. Intent

P. 86, Alaska Psychiatric Institute.

Subcommittee recommendation to accept Senator Ray's recommendation was approved. Pers. Serv.: \$3,757.3; Travel: \$25.3; Contractual: \$461.4; Commodities: \$306.2; Equipment: \$10.0; Grants: \$11.1. Total: \$4,571.3.

P. 88, Harborview Memorial Hospital:

Subcommittee recommendation to accept Senator Ray's recommendation was approved. Pers. Serv.: \$2,392.4; Travel: \$10.5; Contractual: \$581.3; Commodities: \$331.0; Equipment: \$11.1; Lands: \$3.0; Grants: \$8.6. Total: \$3,337.9. Three new positions by priority allowed. Recommended that there be "no more free food for staff."

P. 90, Contract Institutions:

Senator Butrovich moved to adopt Senator Ray's recommendation of \$994.8.

The subcommittee recommendation differed from Senator Ray's recommendation. One of the differences was that Senator Ray recommended disallowing the ARCA activity center and Hope Cottage D because of lack of federal funding. Subcommittee recommended funding the ARCA Activity Center for \$45.2 and Hope Cottage D for \$80.6.

Milt Barker pointed out that this whole function used to be budgeted under Family and Children Services and has now been transferred to Mental Health.

Senator Chance said she would like to accept the subcommittee's recommendation but would first like to check to see if Family and Children Services is claiming the same budget, when they should have "backed this out" of theirs. (Mr. Barker had told the committee that Fam. & Child. Svcs. was still counting the mentally ill and mentally retarded in their case load.)

4/24/75

Senator Chance moved to accept the subcommittee's recommendation of \$1,090.4.

A vote was taken on the question of accepting the subcommittee's recommendation, with the following result:

Yes - 3 - Rader, Chance, Sackett

No - 4 - Butrovich, Hohman, Poland, Ray

And so the motion failed.

Senator Ray, with the committee's approval, said that this BRU would be left open until we get the information we need.

RECESS: The committee recessed at 4:20 p.m.

RECESS

SENATE FINANCE COMMITTEE
Friday, April 25, 1975
9:15 a.m.

Present: All members

Present

The meeting having been called to order, Chairman Ray announced that the committee will continue with the close-out of the HEALTH budget category, starting on p. 92.

HEALTH
CLOSE OUT

P. 92, Psychiatric Security Unit:

Subcommittee recommendation of \$262.2 for pers. serv. accepted. Subcommittee suggested Senator Ray's figures for remaining line items be approved. So ordered. Travel: \$10.4; Contractual: \$3.6; Commodities: \$5.0; Equipment \$10.8. Total: \$308.0. All requested positions except Clerk Typist II allowed.

P. 96, State Mental Health Centers:

Subcommittee recommended that Senator Ray's recommendation to approve the BRU's request of \$607.5 be adopted, with the following legislative intent added:

Legislative Intent: 75% or more of the Anchorage State Mental Health Center budget will be transferred to the Anchorage Community Mental Health Center if it becomes a reality. No objection, so ordered.

Legislative
Intent

No. objection, so ordered.

P. 104, Community Mental Health Centers:

Subcommittee's recommendation was \$8.4 for travel and \$364.4 for Contractual (\$264.4 for Existing Centers and \$100.0 for new centers), with an Explanation as follows: 75% of the Anchorage Mental Health Center will be transferred to the City of Anchorage. Therefore, due to the necessity to cut budgets and new programs because of fiscal restraints, grants will be further reduced from \$250.0 to \$100.0 for new programs. Mental Health will have to wait one year.

After a brief discussion, the committee recommendation was adopted.

P. 110, Mental Health Administration:

Subcommittee recommended that the Medicaid Officer (\$18,300) and the support monies in other line items for this position be deleted, for a total budget of \$418.0, as follows:

Pers. Serv.: \$270.9; Travel: \$27.5; Contractual: \$79.9;
Commodities: \$4.2; Equipment: \$1.5; Grants: \$34.0.

HEALTH
CLOSE-OUT

Milt Barker told the committee that the Medicaid Officer was requested because they are instituting a medicaid reimbursement for the mentally retarded at API and Harborview. However, there is \$34.0 of contractual monies in the Medical Assistance Administration budget (Larry Sullivan's shop).

Subcommittee's recommendation was adopted: \$418.0 total.

P. 112, Medicaid:

Subcommittee recommendation was for \$13,177.1, as opposed to \$11,062.5 in Senator Ray's recommendation.

In explaining the subcommittee recommendation, Milt Barker said he took the 75 appropriation, added the supplemental (\$3,425.5), and provided for an increase in medical costs and additional people using the program next year, added in the Travel (\$100.0). All of this added up to the FY 76 subcommittee recommendation of \$13,177.1.

After some discussion, the committee decided to adopt \$13,000.0 as a total for this BRU.

P. 114, General Relief Medical:

Subcommittee recommended accepting the Governor's figure of \$3,210.4, with Legislative Intent that hospitals will absorb 20% of unpaid services as charity care.

Leg.
Intent

Senator Sackett said there is a problem in this respect since hospitals are suppose to absorb the cost of charity care but they refuse to do so.

There being no objection, \$3,210.4 as set out in the Governor's recommendation was adopted.

P. 115, Medical Assistance Administration:

Subcommittee recommended accepting Senator Ray's figures as follows:

Personal Services \$420.0; Travel \$44.2; Contractual: \$283.4; Commodities \$10.6; Equipment "0". Total: \$758.2. No new positions allowed. Other components adjusted to provide adequate level of service.