

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2586

HOUSE FINANCE COMMITTEE
Monday, March 29, 1976
1:30 p. m.

The meeting was called to order by Chairman Malone. All members were present with the exception of Ms. Itta and Mr. Gruening.

The Operating Budget for the Justice category was before the committee for its review. The following components were taken up with following listed actions:

Public Defender Program, 1st Judicial District

The committee adopted the governor's budget with a change in "03", to read 37.5. The rent was erroneously included for Juneau and Ketchikan in that item. It left a corrected total of 219.6.

Public Defender Program, 2nd Judicial District

The committee adopted the governor's budget.

Public Defender Program, 3rd Judicial District

The following changes were made to the governor's budget:
1) add one position over the G. B., bringing the investigators in Anchorage from two up to three; (2) place one attorney 3 in Kodiak, reducing the Anchorage attorneys from 3 to 2; (3) reduce the travel by \$3,000 in Kenai to add in the Kodiak office to support the new attorney; (4) change the following items: 01 661.4; 02 23.8; 03 151.1; 04 9.4; 05 4.9; 06 - 10.1; and the total 860.7. Total new positions rose to 23.0.

Public Defender Program, 4th Judicial District

The Governor's Budget was adopted with a change in "05" to 1.3 which reflected in the total expenditure change of 429.4. Ten permanent fulltime positions were authorized.

Public Defender Program: Administration

Following are the changes adopted by the committee: 01 98.0; 02 5.0; 03 5.0; 04 1.5; 05 1.9. They added a secretary back in and adjusted that salary into the total by reducing the above items, with a total of 111.4.

Office of the Governor Human Rights Commission

Basically the governor's budget was adopted by the committee. They agreed to move the Human Rights Commission Anchorage office to a more accessible location and this reflected

contractural figure being raised from 172.1 to 152.9. This, however did not raise the total because an overstatement was discovered in the maintenance column (06) in the total expenditure there, and reduced from 594.7 to 570.1. There was discussion of federal positions, in the amount of 122.0 funding.

Criminal Justice Planning, Action Grants
Governor's budget was adopted.

Criminal Justice Planning, Discretionary Grants
Governor's budget was adopted.

Criminal Justice Planning, Planning Program
Governor's budget was adopted at maintenance level. A problem brought up by Chairman Malone was that on the local level it has been difficult getting a grant in, with the paper work; and the rural planner is supposed to help but is not through there enough to provide technical assistance. However, he was not in favor of the program.

Office of the Governor, Standards Council
Budget was adopted, but travel to lower from 14.6 to 10.0. It was objected to by Chairman Malone.

Prosecution, 1st Judicial District
Governor's budget was adopted.

Prosecution, 2nd Judicial District
Governor's Budget was adopted.

Prosecution, 3rd Judicial District
Substantial changes were adopted as follows: 01 - 1215.4; 02 - 43.6; 03 - 231.8; 04 - 05; 06 remained the same as did 07 and 08. Total came to 1587.6 with the following notes: "To provide a permanent full-time secretary in Kodiak and Bethel which breaks out in the budget to one-half each; and one attorney 3 in Anchorage. The increase in permanent full-time positions is then two." The intent of the action was to restore funding for Kodiak and Bethel. Last year, those positions of two full-time secretaries were funded; they are restored this year after having been cut. The governor's budget asks for one additional attorney in Anchorage, but two are needed, with two secretaries. This raises the total approximately 80.0. It was explained that the Kodiak district attorney covers the circuit, Bristol Bay, the Pribiloffs, etc.

Prosecution, 4th Judicial District
Governor's budget, essentially, but Chairman Malone said the agency request was too low in personal services. The committee added two legal secretaries 1 and one attorney more (a "4" because of the Fairbanks placement), with support for travel in contractual. This changed the 01 figure to 552.0, and the 03 figure to 150.1, and the total to 751.3, giving a total of 16.5 permanent full-time positions, with three new.

Prosecution, Administration and Support
Governor's budget adopted. The meeting was adjourned at 5:00
p.m.

Tape H-76- 55

HOUSE FINANCE COMMITTEE

Monday, March 29, 1976

3:55 p.m.

All members were present except Reps. Gruening, Itta, and Naughton. Others present were Jim Rhode, Assistant to Rep. Malone; Sterling Gallagher, Commissioner of Revenue; Bill Boardman, former legislator; and Ted Swick, White, Weld & Co.

PRESENT

Chairman Malone outlined the interests of the committee in HB 779 creating the Alaska Power Authority. He asked Ted Swick to give his comments.

HB 779

Mr. Swick said he had taken the liberty of getting legal advice on the power authority act, but had not received word back from them. The bill should be broadly enough drawn so it has the option of using financing combinations of money which are described in the power study itself. My idea is that any money the authority spends on behalf of the project it should contemplate being repaid for. My reaction to Senator Gravel's proposal is that it's a unique viewpoint and has a lot of merit. He expresses optimism about the provisions in the proposal being adopted.

SWICK TESTIMONY

Rep. Gruening joined the meeting at 4:05.

Mr. Swick said the number he came up with was \$800,000,000 that would be financed by the state of Alaska. The numbers are staggering, but we think it is a doable job. One thing that affects this is Alaska's credit rating. We feel that the credit rating would not be reduced by this kind of debt. We feel it would not hurt the rating.

Chairman Malone explained federal legislation that was proposed. When asked about timing, Mr. Swick replied that the construction design period is four years and the construction period is six years. That provision is very important.

Rep. Haugen commented that we could pass this but it would not have any value until we have federal guarantee.

Rep. Duncan distributed a proposed committee substitute. Chairman Malone asked him to run through the bill.

Rep. Duncan explained the differences between the original bill and the committee substitute. The original bill spoke only to development of hydroelectric sites. The CS has been expanded to include fossil fuel generating sites in the state.

Sterling Gallagher said that page 7 gives the ability to lend the reserve in case the revenues don't go to meet the necessary payments. The power authority owes that money back to the treasury when it's all said and done.

Chairman Malone asked what "eligible borrower" would be defined as. Rep. Duncan said probably a municipality. Jim Rhode said that in checking with the attorneys for the legislation they said there was no problem with loans to private utilities. Rep. Duncan said they might want to get an opinion on that.

Rep. Malone referred to the section of the proposed CS on page 14 relating to legislative approval of the authority to issue debt and asked if there was any problem involved. Mr. Swick said he felt it would not be a deterrent, it would probably be a strength.

Chairman Malone asked in drafting the section relating to the loan program was consideration given to a loan program that would authorize loans for construction per se and/or was it felt that it was better to keep that out of the legislation. Rep. Duncan said that had been discussed in several meetings. It was felt that that was a decision the committee should make.

Mr. Swick pointed out that there was a constraint in federal law about private utilities. It applies to a private utility serving customers in two contiguous counties. Chairman Malone said he knew of no cases where a private utility would be doing that.

On the section dealing with revolving funds which is presently written for the purpose of bringing the project up to the point where it can be financed as a project, we have been discussing the possibility of expanding that to include limited loans of some sort from the revolving fund. If we are making loans for projects that may or may not come to pass, does that have any effect on the credit of an authority or are there ways to insulate negative aspects. Mr. Swick said that once it became declared feasible the design loan would become part of a construction loan. Bill Boardman commented that if this enjoys tax exempt

status how could they make loans to the private sector. Mr. Swick said the U.S. Treasury and IRS are against what Mr. Boardman was implying might happen.

HB 779

Chairman Malone said that the way this is written in power project revolving fund, the loaning agency can enter into an agreement whereby the repayment is deferred until the project has earnings.

Rep. Naughton joined the meeting at 4:55.

Chairman Malone said what we are talking about here is providing at least initially to this fund a direct appropriation. That would mean that the other participants wouldn't have to pay increased costs as a result of a project that collapsed.

Chairman Malone said there had been some reservations on the part of the S.E. Conference on the idea of a power authority bill. He then asked for comments. Mr. Boardman said that if the power authority would work they are all for it. This is different than the public corporations I am familiar with. The collateral behind them have been in the construction area. Here you are launching into a revenue producing thing.

S.E. CONFERENCE

Chairman Malone commended Rep. Swanson and Rep. Duncan for their good work on this bill since it was introduced. He went on to say that one of the problems in developing a program is that it would have to be equally applicable to different areas of the state. One of the concerns is that if the Susitna project is thrown into the equation we find that the state treasury would not be able to directly finance something like that.

Chairman Malone asked Mr. Swick to provide his comments in writing for the committee in regards to problem areas and suggestions for amending legislation.

(Tape changed to H76-54)

Chairman Malone said the legislation had to be comprehensive. It would not be written to include one area of the state and not another or we will get nothing.

The meeting was adjourned at 5:15.

Tape

Beg.	H76-53	1267
End	H76-54	0216

3-29-76

HOUSE FINANCE COMMITTEE
Tuesday, March 30, 1976
8:40 a.m.

All members were present except Reps. Itta and Naughton. Others present were Gene Bennett, Municipal Fire Chief, Anchorage; and Bill Hagevig, Supervisor, Fire Service Training Program.

PRESENT

Chairman Malone said the committee would be discussing bond issues that had emerged as priorities in the legislature. The first one would be HB 549--regional fire training facilities. Rep. Duncan, sponsor of the bill, was asked to brief the committee.

HB 549

Rep. Duncan explained that the committee substitute for the sponsor substitute which was drafted by State Affairs provides for five fire fighter training centers. This is a result of legislation enacted last year that set up fire fighter training. Rep. Duncan then asked for Gene Bennett's testimony.

Mr. Bennett said that legislation had been proposed last year that did not succeed, but that is just as well because this is a better piece of legislation. Mr. Bennett then read a statement from the Alaska Fire Fighter Training Center Commission (see bill file).

Rep. Naughton joined the meeting at 8:50.

Chairman Malone asked about receiving federal money. Bill Hagevig said that the national academy system serves many functions one of which is to support state and local fire fighter training. It's a very comprehensive program. The anticipated funding from the federal government isn't known at this time. The NFPCA is only one year old. The federal government takes the position that fire fighter training is a local and state responsibility and theirs is an assistance role. Across the U.S. and Canada the fire service has been working to provide standards for training. The problem in Alaska is that we don't have the facilities for training fire fighters up to the standard.

HAGEVIG
TESTIMONY

Chairman Malone asked how the centers would be operated. Mr. Bennett said the facilities would be administered by the community college administration system. The facility would be managed in a given location by the

local fire department.

HB 549

Mr. Hagevig said it would be good to utilize facilities that already exist. Three community colleges in Alaska have fire science programs. We felt that the local advisory committee would assist with the operation of the centers. The local fire chief in smaller communities would probably be the key person.

Chairman Malone asked how the operating budgets for these centers would be developed. Mr. Hagevig said that hasn't been done in detail yet. It would be necessary to get together with the community college people. We haven't had a chance to do that.

Chairman Malone asked about the site selection. Mr. Hagevig answered that some were given consideration because they have community colleges operating. Another criteria was the estimated cost of site preparation. An effort was made to keep that down to just construction costs.

SITE
SELECTION

(tape changed to H76-55)

Mr. Hagevig said it was anticipated that the Anchorage center would be operational most of the time. It would also be available for things like police training and emergency medical training. These facilities would require classroom facilities. They would require some equipment and more sophisticated types of training aids. The limited service centers would be limited primarily to fire fighter training, excluding classrooms.

ANCHORAGE
CENTER

Rep. Gruening asked what the difference would be between the Juneau and Kotzebue limited service facilities. Mr. Hagevig explained that in Kotzebue there would be a drill tower and concrete building in the form of a dwelling. The training would center around fire prevention and practical training. In Juneau the tower would be slightly larger--probably four stories. It would involve a burned building structure which is a dwelling structure and warehouse. There would be a flammable liquid prop area. We would also train for marine fires.

JUNEAU
CENTER

Rep. Gruening asked if there was a problem in the bush area with fire fighting apparatus. Mr. Hagevig answered that the problem in the bush is one of communication. Their problem in developing fire departments is in knowing what to buy, how much they need, and how to use

3-30-76

it. They also don't know how to maintain it.

HB 549

Rep. Guy asked about the type of tower planned for Kotzebue. Mr. Hagevig explained that the design calls for three stories, a concrete structure with windows. These buildings are relatively inexpensive to build because they don't contain anything inside except stairways.

KOTZEBUE TOWER

Rep. Buchholdt asked about a full service center. Mr. Bennett said that high rise training was one of the key things. Also there is a need for driver education which requires a large paved area. In general it requires that things be larger. Because of the number of people who will be training, there's a need for larger classrooms and more sophisticated facilities. They should include a complete sprinkler system, for example.

FULL SERVICE
CENTER

Rep. Buchholdt asked for an explanation of the emergency medical program. Mr. Bennett said that the standard that has been established is that fire fighters are trained to the EMT level. Since they must be trained to this level, it should become part of the state fire fighter training program.

MEDICAL
PROGRAM

Chairman Malone asked for cost breakdowns and other written information that could be made available to the committee (copies in file).

Chairman Malone asked the name of the federal act. Mr. Hagevig answered that it was Public Law 93-498-- National Fire Prevention Control Act of 1974.

Chairman Malone thanked Mr. Hagevig and Mr. Bennett for their testimony. They left the meeting at 9:25.

Chairman Malone said the Division of Buildings has done a work-up on the cost. He asked Rep. Duncan to check on it and also to try and get some idea of annual operating cost.

The meeting was adjourned at 9:35.

Tape

Beg. H76-54 2116
End H76-55 0871

3-30-76

HOUSE FINANCE COMMITTEE
Tuesday, March 30, 1976
1:30 p. m.

Chairman Malone called the meeting to order with Ms. Buchholdt, and Mssrs. Guy, Cowper, Haugen and Naughton present.

Again, the Governor's Operating Budget for Justice was before them for review, beginning with page 33.

Adult Confinement Program, Palmer Adult Camp

The governor's task force on corrections report was passed out to members of the committee. The governor's budget was adopted with a slightly lower total of 1944.2, reflecting a subtraction of 2.0 from equipment. Full-time positions were same as last year.

Adult Confinement at the Anchorage State Jail

The total was changed up by 11.0 to read 586.3 in the total. The total net effect was to add nine full-time positions, with 5 transferred from Eagle River. This reflected a task force recommendation. Rep. Buchholdt (Anc.) was out of the room during this portion and could not be consulted as to whether they want the down-town facility or not.

Adult Confinement, Serici-Juneau

The governor's budget was adopted with removal of what amounted to an incorporated "slush fund" item into the total, which now stands at 1534.6. Mr. Haugen asked about the 03 and 06 items and it was explained that the ASHA rents could be more easily identified by taking them out of contractual and placing them in land and buildings.

Adult Confinement, NRCI - Fairbanks

Governor's budget was adopted, with one changed line: contractual was lowered to 214.4. The \$31,000 was moved from 03 to 01 to hire a maintenance man, in line with task force recommendations.

Adult Confinement, Ketchikan State Jail

Governor's budget was adopted, with one change: lowering item 03 to 70.4, bringing a new total to 599.5. There were 18 f.t.p.

Adult Confinement, Anchorage City Jail

Governor's budget, essentially, with a lowering in line 01 to 684.7, reducing misc. to zero, and changing the total to 118.3. The governor's budget is transferring five f.t.p.s to Ridgeview Manor, a new women's facility, a new component.

Adult Confinement Program, Scri-Eagle River

Governor's budget, except Line 08 was adopted. Five positions are transferred to the Anchorage state jail and also five they are transferring five other positions to Ridgeview, the new component. It was explained that although 01 is high, there will be extensive revisionx to make in order to put the task force recommendations in effect. The Ridgeview component was not in this book.

Adult Confinement, local facilities

Governor's budget was adopted. This provides an answer to the Human Rights Commission's complaints and other reasons, to add 171.6 additional monies for an adult half-way house, a privately contracted facility, out of the original governor's request, the March 2 amended. The total expenditure figure of 765.5, part of the March 15, amended request, placed part of the half-way house allocation to Ridgeview. Ridgeview will house 28 to 35 women. The total then reads 841.1, reflecting also a 96.0 deletion in the original governor's budget.

Adult Confinement, out-of-state institutions

Governor's budget was adopted.

Juvenile Confinement, McLaughlin Youth Center

Governor's budget was adopted.

Juvenile Confinement, local facilities

Governor's budget was adopted with a lowered travel figure to 60.0, resulting in a lowered total of 1413.6. It was noted that the governor's budget had reduced state beds from 85 to 75 and that showed in the contractual figure under the 03 column, (1220.0)

Juvenile Confinement, out-of-state cont. services

Budget was adopted.

Probation & Parole, 1st Judiciary District

Governor's budget was adopted.

Probation & Parole, 2nd Judicial District

Governor's Budget was adopted.

Probation & Parole, 3rd Judicial District

Changes in the governor's budget were made: 01 - 1047.9; 02 - 15.0; 03 - 185.7; 04 - 15.7; 05 - 8.3; Other items remained. The total was 1277.1. Full-time positions will up from 40.0 to 46.0, reflecting task force recommendations for four new f.t.p.s.; but not part of the task force would be the New Start Center, Anchorage, for a 142.6 total, there. Naughton noted that if that expenditure kept four out of jail, it would pay for itself. Other adjustments in positions were to delete the clerk-typist in Palmer, delete the two positions for the training program, to let them do it within existing authorizations. In addition, a probations officer for Kodiak was put in for 19.0.

Probation & Parole, 4th Judicial District
Governor's budget was adopted. (Change to Tape H57).

Department of H&SS, Administration/Corrections

The following changes were made in the governor's budget:
01 - 747.9; 02 41.5; 03 208.2; 04 17.2; 05 2.8;
and the total reads 1017.6. The governor's task force recommendations passed the committee and were reflected in the figures. The full-time positions went from 20 to 28.0. This was a task force boost of the guards, (corrections officers). One of the task force recommendations, that of manner of classification, was objected to in form of a motion from Mr. Guy. His feeling was that history has shown in many instances the minority within classified groups have tended to be abused. If the proposed classification took place, it might turn out poorly for the native. The committee, and especially Mr. Cowper felt that it was better than the way classification now took place, and that some training how to do it couldn't do anything but help. His motion failed.

Department of H&SS, Parole Board

Governor's budget adopted with a lowering of travel to 40.0 bringing the total to 120.7.

Department of H&SS, Violent Crimes Compensation

The Governor's budget was adopted.

Department of Labor, Wage & Hour

Governor's Budget was adopted with a lowering in contractual to 127.5 and a total of 627.8.

Department of Labor, Workmen's Compensation

Personal Service was raised to 257.0, contractual lowered to 96.1, Grants, Claims raised to 481.0 and the total resulted in 458.8. Other items remained unchanged. The increase in the grant program covered additional workmen's compensation. Chairman Malone recommended "Alternate No. 'B'" of the department's recommendations. The total f.t.p.s raised from 10.0 to 11.0.

Department of Labor, Wage & Hour Local Hire

Governor's Budget was adopted.

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

Tape: H-76-56
Begin 0000
End 1720

HOUSE FINANCE COMMITTEE
Tuesday, March 30, 1976
7:30 p. m.

Chairman Malone called the meeting to order with all members present excepting Ms. Itta. Other Representatives present were Kathryn Ostrosky, Helen Bierne, Charles H. Paar, Tim Wallace, Bob Bradley and Lisa Rudd. John Carlson, Mayor of the city of Fairbanks, also was present. Legislative budget analyst Bob Shroeder was present.

After the chairman introduced the mayor from Fairbanks, Mr. Carlson took a seat and presented his fact sheet in support of HB 748, an Issue of 4.5 million dollars in General Obligation Bonds for the Chena River Flood Control Project. HB 748

The Chena River Project funding was broken down as follows:

201.49	federal government
186.00	federal share
15.490	non-federal share
	90% of non-fed. share is 13.941 state share
	10% remaining is the 9.5 m 1972 bond funds
	which the bonds must pick up.

4.444 short-fall.

Carlson: The North Star Borough will have to come in with \$450,000 match cost to meet the local share in order to meet the accelerated cost over the time we acquired the property for the flood control and the drainage.

Chairman Malone: What is the status of the project now?

Carlson: We have acquired all of the land along the Chena River necessary for the levy. There are three drainage ditches that will drain the water and are in the process of having the property appraised to acquire necessary to begin construction next spring. (He also explained the second phase of the project in outline.)

Carlson: There is an agreement between the Borough and the Corps that we would pick up the cost. We would fall back on local government. We have picked up a lien of 10%, which is roughly the percent of the nine million we would have to come up with -- \$450,000. Should the state share fail, they'd proceed.

Malone: Are the questions settled in the suit from the last bond election, the legality of it?

Carlson: Yes. (He presents backup material, displaying maps and indicated the phases of development plans. (A short recess took place in order for members to examine the material.)

Malone: Thank you very much, Mayor Carlson, for coming here to testify. I understand you will be testifying before the Senate tomorrow.

Next, the chairman brought up HB 708 and HB 709, a companion pair in support of a community service internship program, by which the student earns academic credit for working for an employer who acts as an "adjunct professor". Mr. Guy presented the two bills on which he had worked during the previous week.

Rep. Buchholdt asked how many persons in this program would be employed by McLaughlin youth detention center, or other state agencies? Rep. Bierne replied she knew of five students working at McLaughlin, and that agency furnishes the entire salary. API also was good about paying the full salary. She explained how Alaska Methodist and University of Alaska Fairbanks and Anchorage campuses were involved in the program now through use of federal grants with match from the state. The phase-out system was explained so that by 1978 the federal government will be out, and the state would be expected to pick up the program. This was implied in the fiscal note.

Chairman Malone asked to what extent the public had become involved. Bierne replied that at first, students were working their 32 hours a week (for academic credit with perhaps evening seminars), in the social services. Gradually, the program began moving into the private employer sector so at present, about one-fourth to one-third of the students employed were in private employ.

Chairman Malone brought up the question of why two full-time positions were needed to administer the program, and that HB 142 would cause more people to be hired in this area; and again HB 861, now in Judiciary, will require more. Each related to post-secondary and/or education grants programs. It seemed with the new positions, the work of administering this could be absorbed.

Rep. Charles Paar said he would have to see what the fiscal notes said on those bills, but he thought that opinion was correct; the person just had to get the checks off to the institutions once a month.

Rep. Gruening made a motion to revise the fiscal note and to delete authority for the positions and associated costs. Discussion from Bierne brought out the fact that the federal regulations which would need to be drawn up the first year. These would need to be checked, and that Kerry Romesburg, executive director of Postsecondary Education Commission, would have to speak on that technicality. The motion was adopted.

Rep. Duncan made a motion to report out HB 708. It was adopted.

Rep. Buchholdt made a motion to report out HB 709. It was adopted.

HB 749, an appropriation for a statewide community schools program, by Bradner, Bierne and Miller came up next for consideration.

Bierne and Rudd testified on community schools. "It gives a sense of community" said Bierne. Carl Pahjola, statewide director of the program, told her there are some applications in now from the rural areas. Haugen asked if it was not in the foundation program, and was there local support? Bierne said that it cost one-fourth of one percent of the school budget. The community is asked to put a lot of "in kind" into the program, such as volunteer services, use of buildings, their utilities, janitorial service (although in some cases, the program pays janitorial). Otherwise, with available state funds, the program could not operate, so the communities have to kick in.

Rep. Gruening recommended in the form of a motion they lower the funding figure on the face of the bill to \$834,000 in order to fund programs to schools now ready to receive it.

Cowper asked about the areas of friction and competition which crop up between programs of community colleges and community schools. Rudd and Bierne described gardening and how-to-do type courses which typify the community schools program, and they felt should there be competition, the community colleges should reexamine their courses and make them more academic.

The motion to report out HB 749 by Gruening was adopted, with added section suggested by the chairman, to stipulate that reallocation of lapsed monies would not remain within the department but would revert to the general fund. These corrections and additions would be retyped as HB 749, a Finance CS.

The meeting was adjourned at 9:30 p.m.

H-76-56
Begin: 1720
End: 2319 (end)

mb

HOUSE FINANCE COMMITTEE
Wednesday, March 31, 1976
8:45 p.m.

All members were present except Reps. Itta, Naughton, and Gruening. Others present were Rep. Ramona Kelley; Milt Barker and Alison Farnan, Fiscal Analysts, Legislative Finance.

PRESENT

The first topic of discussion was HB 805 and HB 806 dealing with the senior citizen housing development program. HB 805 HB 806

Rep. Cowper said that if this was set up the department would have to create a new bureaucracy. He asked if ASHA was set up to handle this or would they need more people. Chairman Malone said that last year legislation was passed creating housing responsibilities in the Dept. of Community and Regional Affairs, the Housing Development Revolving Loan Fund.

Rep. Haugen asked about the qualifications necessary to get this kind of housing. Chairman Malone said it was available to any person 60 years of age or over.

Rep. Cowper suggested putting it in ASHA. Rep. Kelley said she felt that if the people that are involved in it manage it they take better care of it.

Rep. Naughton joined the meeting at 8:55.

Rep. Cowper asked if this would be used primarily for multiple housing. Rep. Kelley said it would. She didn't envision it ever being used to buy single family dwellings for senior citizens to live in.

Rep. Cowper asked where the \$6,000,000 figure came from. Rep. Kelley said it was hard to come up with a figure. It was decided that \$6,000,000 would go a long way toward alleviating some of the problems.

Rep. Cowper moved to report out a Finance Committee Substitute for HB 805 incorporating the suggested amendments of the House Community & Regional Affairs Committee and asked unanimous consent. There was no objection, so the motion was adopted. The committee report was circulated with the majority signing "do pass" recommendation. So, HB 805 was reported out with a "do pass" recommendation.

HB 805
CS REPORTED
OUT DO PASS
RECOMMENDATION

Rep. Duncan moved to report out a CS for HB 806 amending it by deleting "grants" where the word appears. There was no objection, so the motion was adopted. The committee report was circulated with the majority signing "do pass" recommendation. So, a CS for HB 806 was reported out with a "do pass" recommendation.

CS for HB 806
REPORTED OUT
DO PASS
RECOMMENDATION

The next topic of discussion was CSSB 547. Rep. Duncan outlined the amendments suggested by Bob Gates. On page 1, lines 11 and 20, change "fractional credit" to "partial year service credit". Change the effective date to "July 1". There was discussion of the revised fiscal note which applies to Dept. of Education and University of Alaska. Rep. Cowper said there was another group of people who should possibly be included--teachers who had resigned teaching to go into public service and then gone back to teaching.

CSSB 547

Chairman Malone assigned the legislation to Rep. Cowper to find answers for his questions.

The next item on the agenda was HB 587 dealing with exemptions from municipal special assessments. Within the technical revisions in the legislation there were some points that were raised by Greg Machyowsky. The bill has been reported out, but the committee should have additional input. One of the points mentioned is that there's no provision for prorata in the bill.

HB 587

Chairman Malone said it might be simpler in the administration of this to tie the annual application into the application for the senior citizen tax exemption. It could be done on the same form. Mr. Dozier is opposed to doing that.

Greg Machyowsky joined the meeting at 9:40. He said there should be a provision for proration.

That omission is also true of the senior citizens housing bill that's been on the books for some years. There's also no provision for appropriating anything but the full amount when actually an installment payment would be sufficient. The bill also does not require the land holder to be a resident or occupy the property after the initial application.

HB 587

Rep. Haugen raised several questions about the bill, so he was asked to look into the bill and report back to the committee.

The meeting was adjourned at 10:00.

Tape H76-57
Beg. 1337
End 2388

HOUSE FINANCE COMMITTEE
Wednesday, March 31, 1976
2:35 p.m.

Members present: Reps. Malone, Buchholdt, Itta,
Naughton, Guy, Haugen, Duncan, Gruening, Cowper.

Others present: Bob Schroeder, Fiscal Analyst; and
Rep. Fred Brown.

JUSTICE

P. 3 Public Defender--1st Judicial District

JUSTICE

Recommend Governor's budget, except:

Contractual	37.5 (The rent included here is not needed.)
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No objection.

P. 7 Public Defender--3rd Judicial District

Contractual	151.1 (Subtract rent duplication)
Total	860.7
Full time positions	23.0

Rep. Gruening objected to the number of new positions.

P. 13 Office of the Governor--Human Rights Commission

Recommend total figure of 570.1. It was suggested that
a field representative position for Barrow come out of the
total.

P. 77 Dept. of Public Safety--Community Relations

Recommend Governor's budget. No objection.

P. 79 Enforcement--Detachments and CIB

Recommend Governor's general fund figure of 10845.7
as minimum budget figure.

Rep. Duncan brought petitions from the residents of
Juneau requesting five additional troopers to the
attention of the committee.

P. 81 Enforcement--Division Headquarters

Recommend Governor's budget. No objection.

P. 83 Enforcement--Narcotics Unit

JUSTICE

Recommend Governor's budget. No objection.

P. 85 Administrative Services--Records and Identification

Recommend Governor's budget. No objection.

P. 87 Administrative Services--Laboratory Services

Recommend Governor's budget. No objection.

P. 89 Administrative Services--Central Communications

Recommend Governor's budget. No objection.

P. 91 Administrative Services--Housing Programs

Recommend maintenance budget. No objection.

Legislative Intent: Public Safety use trailers in areas where housing problem is the most acute, regardless of whether they are in rural or urban areas.

LEG. INTENT

P. 93 Administrative Services--Office of the Commissioner

Recommend Governor's budget, except:

Personal Services	943.0	
Equipment	.5	
Total	1097.0	
FT positions	39.0	(Delete Sec. I, Juneau)

No objection to recommendation.

P. 95 Administrative Services--Research and Planning

Recommend Governor's budget, except:

Personal Services	176.3	
Travel	7.0	
Equipment	.9	
Total	599.7	
FT positions	7.0	(Delete Stat. Clerk, Juneau)

No objection to recommendation.

P. 97 Administrative Services--Training

JUSTICE

Recommend Governor's budget, except:

Personal Services	764.3
Total	1297.1
Program Receipts	13.9
FT positions	12.0 (Add Clerk Typist)

No objection to recommendation.

P. 99 Dept. of Public Safety--Judicial Services

Recommendation as follows:

Personal Services	1305.1
Travel	83.8
Contractual	208.4
Commodities	13.0
Equipment	Governor's budget
Rent, Buildings	Governor's budget
Total	1680.7
FT positions	45.0 (Add 1 trooper for Anchorage and 1 for Fairbanks)

No objection to recommendation.

Legislative Intent: That the Governor's Task Force recommendations be carried out within the allowance.

LEG. INTENT

Meeting adjourned at 5:10.

Tape H76-58
Beg. 0000
End 2657

HOUSE FINANCE COMMITTEE
Thursday, April 1, 1976
9:00 a. m.

Chairman Malone called the meeting to order. With the exception of Rep. Itta and Cowper, all members were present. Kerry Romesburg, director of postsecondary education and Rep. Charles Paar were present. From the press corps was Joe LaRocca.

HB 715, relating to the scholarship loan program with effective date, had come out of Rep. Paar's committee and he was present to explain it. He said taxpayers were complaining that monies for education should stay here in the state, and yet many programs which students needed did not exist here or were underprorammed; so they came up with a compromise as to 1) who shall decide who goes out of state for postsecondary education, and 2) perhaps the university system, then receiving more monies, will in turn provide the programs which students now seek out of state. HB 715

The postsecondary commission has not taken a position on this bill, because they had not met since its inception. The student advisory council had not taken a position on the bill.

Chairman Malone questioned Table 4, backup material, (see bill file), which showed out-of-state numbers of students in the year 1974-75, and he asked "what is the capability of educational institutions to absorb these numbers -- leaving program requirements out of it?"

Kerry Romesburg spoke. It could, with some cost, be absorbed. The problem is not in programs -- the money is in graduate programs and a number of those are not in the state. He did not have any idea.

Mr. Paar replied to the question; only two Ph.D. programs existed in the state, about 30 master's programs, so the real impact would be on the undergraduate students.

Gruening wanted to hear their definition of "what is inadequate". Weak were several discipline areas, listed by Paar. Gruening

pursued the term "adequate" in terms of quality. Answering, Mr. Romesburg said the committee had discussed that subject but there would be no way, they felt, that any standard of quality could be established. A more realistic approach would be to judge on the basis of whether or not programs existed, period.

Paar added "the kind of objective of the student will be considered in the decision".

Gruening stated the question of student freedom-of-choice. Paar reiterated his original statement concerning complaints from taxpayers, and to what extent should the state subsidize for other than adequate reasons.

Gruening said the term "adequacy" forecloses any argument on the part of the student.

Further discussion occurred about curricula adequacy within the state and the possible reaction to this which might come through the Commission. Married students and their possible split when it came to "adequate" course selections was brought up but not resolved, nor had this question been resolved in the committee on education previously. More students were leaving the state for education than staying. The biggest number of those who left last year went to Northwest schools, then California followed by Hawaii.

Mr. Paar suggested as an alternative, Miller's bill of last year, (HESS) might be reconsidered. Rep. Buchholdt called for more data on which to base her decision. Malone expressed opinion that it might be hard on unmarried students as well as married students. He then assigned the bill to Mr. Gruening for his sub-committee review and recommendation.

Next before the committee was SB 579. The staff had prepared a CS. After the history and fiscal note were presented by the chairman, he said if the committee wishes, they would change the bill to come out as a House Finance Committee Substitute with a new Sec. 2. (See bill file.) Section 1 would remain. Mr. Haugen moved and asked unanimous consent to report out HCS for CSSB 579. During discussion, Buchholdt referred to line 20 and 25, word "official". Mr. Malone checked the code. The existing word was kept with no objection. The vote was a majority DO PASS.

(Tape 61 begins here.)

HB 699, Mr. Naughton's bill, was brought out as a committee substitute. Without legislating each year, the bill does these things: The interest rate on bonds should increase, and bond councils agree; the commissioner of revenue is

to report each year to the legislature what the money did.

On a question of policy of Mr. Duncan's, Chairman Malone replied that once the state sells the bonds, it is obligated to pay the debt service. The state can sell bonds at any time. The legislature has not raised the money to pay the debt service, although it has appropriation power, it needs to have people be aware of it.

Naughton said the legislature already passed the bond bill and the voters approved it. He said "we don't have any say-so once those bonds are authorized. When have we ever been consulted?" He then moved and asked unanimous consent to report out CS HB 669. The vote was majority DO PASS.

(Recording was not functioning. Machine reactivated during the previous action, at Log #0800.)

HB 779 creating the Alaska Power Authority by original sponsors Duncan and Swanson, was before the committee in the latest draft, March 23. A total of 13 amended wordings in 12 motions were adopted. 43 771
They were as follows:

- 1) Duncan moved to amend p. 2, l. 18-19 to delete the sentence, "The directors serve at the pleasure of the governor". No objections.
- 2) Chairman Malone moved to delete the sentence on p. 3, lines 3-4, "Employees and agents of the authority other than legal counsel and the executive director are in the classified service under AS 39.25. No objections. This motion was made following Duncan's suggestion that the language creates more state employees.
- 3) Chairman Malone moved to delete the words on p. 4, line 32, and on top of p. 5 above line 1, "...on request of municipalities...".

Mr. Gruening made a motion to insert the words "...or other..." on p. 5, line 1 to provide for other forms of power, (wind and geo-thermal); following a vote, however, his motion failed 5 to 2 with Haugen also dissenting.

- 4) Mr. Gruening made a motion to delete the words on page 5, lines 6-7, "...and declaration taking in accordance with..." No objection. The justification was that due process is minimal, though the words "eminent domain" is necessary.
- 5) Chairman Malone made a motion to change the language on p. 10, line 15, to insert the words "House and Finance Committee after the word 'the' and before the word 'authority'.

The chairman pointed out the Tax Exemption section language on p. 12, line 14. In discussion, Mr. Naughton made the point that judgments could be made by the Board of Directors. A motion was not initiated.

6) Chairman Malone made a motion to insert on p. 13, line 20, after the word 'engineering' and before the word 'of', the words "and construction". Naughton amended the motion to delete the word "and" after the word 'engineering' and before the word 'design', on the same page and line. The amendment to the motion was adopted. No objection to the main motion.

7) Chairman Malone made a motion to delete the words on p. 13, line 25 "of principal" after the word 'repayment' and before the word 'may'. No objection. This motion was based on Duncan's concern that something could go wrong if the authority was not responsible.

8) Chairman Malone moved to delete the words "and (C)." on p. 13, line 30. No objection.

9) Chairman Malone made a motion for insert the words "legislature and the" on p. 14, line 5, following the words 'to the' at the end of the line. No objection. He asserted they were talking about legislative approval. It was felt that no "screen" was needed in the language.

10) Chairman Malone moved to delete the words on p. 15, lines 8-9, "in a form prescribed by the governor", after the word 'report' and before the word 'describing'. No objection.

11) Chairman Malone moved to change the word "complying" to the word "accordance" on p. 15, line 21. No objection.

12) Chairman Malone moved to change the word "devises" to the word "measures" on p. 16, line 6. No objection.

Mr. Gruening moved and asked unanimous consent to have the amendments adopted and incorporated into a committee substitute (Finance). The motion was adopted. Mr. Gruening made a motion to report out CSIB 779. The vote was majority DO PASS. Although no fiscal note was ready, Mr. Duncan said he would get it.

The meeting was adjourned at 10:15 a.m. by Chairman Malone.

Tape H-76-60 (last portion near the end)
Tape H-76-61 000 - 800 blank
0800 - 0947

HOUSE FINANCE COMMITTEE
Thursday, April 1, 1976
2:25 p.m.

Members present: Reps. Malone, Haugen, Naughton,
Buchholdt, Gruening, Duncan, Itta, and Guy.

Others present: Bob Schroeder, Fiscal Analyst.

JUSTICE

P. 13 Office of the Governor--Human Rights Commission JUSTICE

Recommend the following, which includes funding for a
regional office in Barrow:

Personal Services	379.9
Travel	53.5
Contractual	136.7
Commodities	8.1
Equipment	4.8
Total	582.8

Legislative Intent: That they call for classification
register prior to the fiscal year and have the position
available and filled in Barrow on July 1, 1976.

LEG. INTENT

P. 103 Alaska Court System--Supreme Court

Recommendation as follows, Chairman Malone objection.

Total	1195.9
FT positions	28.0

(Tape stopped at 0977)

P. 105 Alaska Court System--District & Superior Courts

Recommendation as follows, Rep. Gruening objection:

Personal Services	6802.8	
Travel	201.6	
Contractual	5773.8	
Commodities	117.8	(Magistrates equipment fully funded)
Land, Building	26.5	
Miscellaneous	198.4	
Total	13157.2	

JUSTICE

LEG. INTENT

Legislative Intent: Suggest the Court system use their vacancy funds in personal services to fill required positions.

Within the equipment budget, the equipment for the Magistrates office is fully funded.

P. 109 Alaska Court System--Administration & Support

Recommendation as follows:

Total	2419.1
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Tape H76-60

Beg. 0382

Stopped at 0977

HOUSE FINANCE COMMITTEE
April 1, 1976
7:50 p.m.

Members present: Reps. Cowper, Haugen, Duncan,
Malone, Gruening, Naughton, Buchholdt, Itta.

PRESENT

Others present: Reps. Terry Gardiner and Red Swanson; Sen. Pete Meland; Bill Boardman; Sterling Gallagher, Commissioner of Revenue; Tony Motley, Commissioner of Commerce & Economic Development; Jay Hogan, Director of Legislative Finance; and Eric Wohlforth, Anchorage attorney.

The first topic for discussion was HB 700--making a special appropriation to the water resources revolving loan fund in the amount of \$3,000,000. Rep. Gardiner, prime sponsor of the bill, reviewed it for the committee. After hearing testimony on the bill from those present, Rep. Haugen moved and asked unanimous consent to report out HB 700. There was no objection, so the motion was adopted. The committee report was circulated with the majority signing do pass recommendation, so, HB 700 was reported out with a "do pass" recommendation. A letter of intent will be drafted stating two things: 1) that the letter of intent forwarded by the Judiciary Committee not be adopted but that eligible applicants be funded within the amount of the appropriation, and 2) that it might be more appropriate to have a portion of the appropriation made dealing with electrical generation (approximately \$2,700,000) transferred to another fund. The letter of intent will be drafted for the committee's review.

HB 700

REPORTED OUT
DO PASS REC

The next item on the agenda was HB 779--Alaska Power Authority. A draft Committee Substitute had been prepared by Rep. Duncan, prime sponsor of the bill. Witnesses were asked to speak on the bill. Some changes were suggested which the committee considered. Action will be taken on the bill at a later date.

HB 779

The next item was HB 669, a continuing appropriation to the Dept. of Revenue. There were argument for and against the bill. Larry Eppenbach had submitted a draft (copy in file) for the committee's consideration.

HB 669

Tape changed to H76-60.

HB 669

Rep. Duncan objected to the continuing appropriation idea. Rep. Naughton moved to prepare a Committee Substitute incorporating suggested changes into the CS from Mr. Eppenbach. The motion carried. Chairman Malone asked Rep. Naughton to have a CS drafted in proper legal form for consideration of the committee at their earliest convenience.

CS TO BE DRAFTED
FOR CONSIDERATION

There was no further business, so the meeting was adjourned at 11:10.

Tape H76-58 2657 - end of tape
Tape H76-60 0000 - 0309

HOUSE FINANCE COMMITTEE
Friday, April 2, 1976
8:30 a.m.

The meeting was called to order by Chairman Malone with all members present excepting Mr. Cowper and Ms. Buccholdt.

First to be considered in the Operating Budget for Public Protection:

Department of Law Consumer Protection. With the following exceptions, the governor's budget was adopted:

The chairman moved out one p.f.t. position, a tariff analyst. This left 9 permanent f.t. positions; but one part-time was added. The travel money reduction would be put into a Ketchikan position, a budget analyst.

Department of Revenue Alcoholic Beverage Control Governor's budget was adopted with the following changes: travel, take out the per diem inflation figure, leaving 37.7 and contractual, reduced to 53.0. Total, 325.6.

OSHA Administration Governor's budget adopted. There was discussion of the governor's authority to create positions; in August, 1975 they took a contractual position and put it into personal service using monies already in this appropriation. Gruening mentioned a bill coming, and moved to delete the new administrative assistant position in Juneau. The chairman objected. The motion failed.

OSHA Compliance Inspection Governor's budget was adopted.

OSHA Health Inspection Malone recommended eliminating the new position and to subtract from contractual about 25% of the cost, (37.8) due to direct increase in staff of one position. Figures will read: 01 - 132.6; 02 - 7.0; 03 - 21.5; 04 - 4.9; 05 - 4.0; total - 170.0. There are four p.f.t. positions, eliminating the 1 industrial hygienist at 38.6.

OSHA Research Governor's budget adopted.

OSHA Training and Consultation Governor's budget adopted.

OSHA Planning and Standards Governor's budget adopted.

Department of Labor State Inspection (Mech. Eng.) Governor's budget adopted.

Department of Commerce Weights and Measures Governor's budget with some changes: 01 - 708.4; 02 - 22.0; 04 - 16.0; 05 - 5.0; total - 902.8. There are 28 permanent f.t.p. Malone's recommended deletions of the new positions was adopted at a savings of 15.9.

Department of Commerce Weights and Measures (PLI) Naughton moved to zero out the entire budget request unit. Adopted.

Banking, Securities, et al Banking and Small Loans Governor's BUDGET s adopted with changes in 03 - 10.0; total - 180.2.

Banking, Securities, Et Al Securities and Land Sales Governor's budget adopted. Gruening thought the travel budget could have been reduced by their writing instead of travelling. The figure however was kept.

Banking, Securities, Et Al Corporations Governor's budget was adopted.

Banking, Securities, Et Al Administration Governor's budget adopted.

Insurance, Insurance Companies Governor's budget adopted, excepting the 02 figure was kept at maintenance level, 11.3.

Insurance Rates and Policy Forms Governor's budget adopted.

Insurance, Licensing Governor's budget adopted.

Insurance Investigation Governor's budget adopted.

Department of Commerce Public Utilities Commission The chairman recommended there be no tariff rate analyst but would allow the 1 consumer information specialist to handle complaints growing recently. He noted as an aside that HB 631 was sent out, with the communications engineer position reclassified and that Bob Schroeder would make up a fiscal note to cut down to the minimum, then present this to the committee. Figures on this BRU read: 01 - 992.5; 02 - 60.0; 03 - 135.0; 05 - 2.0; total - 1198.3. Total positions are 34.0.

Department of Commerce Transportation Commission Governor's budget adopted with the recommendation the budget on page 47 be combined with this. Equipment rentals would be taken out for the charter, including inflation figure of 4.4. Contractual will read 136.7, bringing the total down to 995.1. There are 26 p.f.t. positions.

Department of Commerce Pipeline Commission In the contractual, the people have not performed the function for which this was established. Malone gave examples: last year they were

told to get onto the pipeline case and the intra pipeline case and they have not done it. (Itta left.)

Department of Commerce Transportation Comm. (PLT) Naughton moved and asked unanimous consent to zero out the entire budget request on this component. Gruening objected. He said the commissioners themselves take out time to go "hear". A chief hearing examiner was needed. A vote was taken and the motion by Naughton was adopted.

Department of Commerce Occupational Licensing Boards The recommendation was to delete the new positions requested as this person would just write more regulations. Also the vacancy factor could be pulled out of personal service to read 351.0; 02 - 135.0; At this point Naughton made a motion to reduce the recommended figure to 110.0 for 02. This was adopted. Commodities reads 6.4 and the total, 590.9, with an adjusted 17 p. f. t. positions.

(Itta returned).

Department of Commerce Administration Governor's budget adopted. Upon Gruening's motion, which was adopted, the 04 item was reduced from 7.9 to 6.5 reflecting deletion of line items, library and stationary.

Department of Commerce Rent Control Governor's budget was recommended. Also recommended was a shift of funds from contractual to personal service, a governor's amendment. Haugen made a motion to delete the entire rent control unit. This motion was adopted by the committee. He justified this motion saying a couple of secretaries could handle the work of processing compliance papers at far less cost. It was a cosmetic program, he said, as the law has no teeth. It could be done through the Consumer Protection Division, Haugen said.

Chairman Malone adjourned the meeting.

(Untaped at request of the chairman.)

mb

HOUSE FINANCE COMMITTEE
Friday, April 2, 1976
7:00 p.m.

Chairman Malone called the meeting to order. All members were present excepting Itta and Cowper. Also present were Kerry Romesburg, Director Postsecondary Education, Rep. Charles Paar and Joe LaRocca, press.

First bill before the committee was HB 715 relating to the scholarship loan program which had come out of Paar's committee. His testimony emphasized that taxpayers were complaining that money spent for higher education should remain in the state. There are programs which exist in the state and money for tuition should not go out where it is needed to bolster the University system.

HB 715

Romesburg said the commission had not taken a position on the bill due to the fact they had not met since its writing. Neither had the student advisory council taken a position on the bill. Discussion covered questions as to Ph.D. programs and other post-graduate programs offered in the state; how to define "inadequate"; how the Commission could or could not establish a standard of quality; the kind of student objectives there might be to be considered; the right of the student to judge "adequacy". The other side of the program, said Paar, is to say to the University "your psychology program is not adequate". We need to have somebody other than the University stipulate that, he said.

ROMESBURG

STUDENT
LOANS

Duncan pointed out the problem of married couples, saying there had been discussion in Paar's committee on it but no resolution. Itta asked for information of how many students who graduate return to work in Alaska, and the answer was promised by Romesburg, later. Where were students going also was discussed.

UNIVERSITY
PROGRAMS
STUDENT
OBJECTIVES

Seeing there was further thought needed on the subject, the chairman assigned the bill to the sub-committee on education, chairman Gruening to return HBB 715 either with or not with a recommendation. Those who testified were thanked.

Next, the chairman turned to CSSB 579, retirement coverage of former elected state officials, with a fiscal note of 76.5 for FY 77. Background was reviewed and the note examined. A new committee substitute was proposed whereby a new Section 2 be added (see bill file). (Tape 61 begins here). During discussion the letter to Bob Ziegler from Wally Kubley was discussed, a letter which showed he thought that he was fully vested but was not. He pointed out many others in the same position, in his letter due to negligence of the DOA in not notifying previous legislators they had sixty days to write the Department if they wanted to come under P.E.R.S. The bill, therefore, was to address the problem put forth in Kubley's letter and also to add, within Section 2, provision for a surviving spouse if the death occurred after June 28, 1975. This was a delicate matter and entailed providing for one spouse but not another.

CSSB 579

MOTION

A motion was made to adopt and report out CS for CSSB 579. Hearing no objection, it was adopted majority do pass.

DO PASS

HB 699 was next reviewed, making a continuing appropriation for the payment of debt service on general obligation bonds of the state, bond anticipation notes, and revenue anticipation notes. Naughton presented the proposed committee substitute his subcommittee prepared. He said it did increase the interest rate on bonds and provide for the Commissioner of Revenue to report what the money did. The state has the obligation to pay the debt service. The legislature first authorizes the debt service by passing the bond bill then it has to be ratified by the people of the state of Alaska, it was agreed, so it was just a matter of making sure you have the money by raising revenues. Duncan argued against it as a matter of policy and eventually recommended a "do not pass" on the committee report. The matter impinged upon legislative vs. administrative input at the point of bond sale. But once the legislature had passed the bond bill and voters approved it the bonds are authorized. This was Naughton's rebuttal, and he then moved and asked unanimous consent to adopt CS for HB 669. With no objection, the motion was adopted with majority do pass.

HB 699

CS PROPOSED

CSHB 699

DO PASS

HB 696, supplemental appropriation to the Office of Governor for pipeline coordinator was next given review. (Note: tape recorder was not working. At this point #800, tape is beginning to record.)

HB 696

A Commerce Committee amendment forwarded for review was included into a motion made by Duncan to report the bill out. Motion carried with majority do pass and two "no recommendations".

DO PASS

HB 779, creating the Alaska Power Authority, was next reviewed. Malone pointed out there needed to be several

HB ~~779~~ 779

NUMEROUS
AMENDMENTS

things resolved yet since the last draft of the bill. The changes were: 1) a motion by Duncan to delete on lines 19-20, p. 1, the sentence "The directors serve at the pleasure of the governor"; 2) a motion by Malone to delete language on p. 3, lines 3-4-5, the sentence "Employees and agents of the authority other than legal counsel and the executive director are in the classified service under AS 39.25", (Although Duncan felt the language makes state employees out of them; 3) Malone moved to delete "on request of municipalities", p. 4, line 32 and page 5 above line 1; (Gruening moved, but failed to insert words "or other" p. 5, line 1, to include wind, geo thermal power); 4) Gruening to delete on p. 5, lines 6-7 "and declaration taking", saying eminent domain is necessary but the due process in the other language is minimal, and to change the code number on line seven from "09.55.460" to "09.55.410"; 5) Malone's motion to delete on line 15, p. 10 the words "chairmen of the house and senate committees" and to insert after the word "and" and before the word "his" the words "the legislature"; 6) Malone's motion to insert on line 20, p. 13, words "and construction" after the word "design" and before the word "of"; 7) Naughton's motion to delete the word "and", same line, same page, following the word "engineering" and before word "design"; 8) Malone's motion to delete words "of principal", line 25, p. 13; 9) Malone's motion to delete "and (C)", line 30, page 13; 10) Malone's motion to insert the words "legislature and the" at end of line 5, p. 14; 11) Malone's motion to delete words ", in a form prescribed by the governor", lines 8-9, p. 15; 12) Malone's motion to delete word "complying" after word "in" and before word "with", line 21, p. 15, and to insert in its stead the word "accordance"; and following these twelve changes, Mr. Gruening moved to adopt the proposed committee substitute incorporating those amendments for CSHB 779. The motion was adopted with majority do pass. There was yet no fiscal note, but Mr. Duncan said he would get it.

CSHB 779
DO PASS

Chairman Malone adjourned the meeting, hearing no further business, at 10:15 pm.

mb

HOUSE FINANCE COMMITTEE
Saturday, April 3, 1976
1:30 p.m.

Members present: Reps. Malone, Buchholdt, Naughton,
Guy, Gruening, Haugen, Duncan.

Others present: Jim Rhode, Assistant to Rep. Malone;
and Milt Barker, Fiscal Analyst.

PUBLIC PROTECTION

PUBLIC
PROTECTION

P. 55 Dept. of Military Affairs--Civil Air Patrol

Recommend Governor's budget, except:

Grants, Claims	20.9
Total	238.0

No objection to the recommendation.

P. 57 Alaska Disaster Office--Field Services

Recommend Governor's budget, no objection.

P. 59 Alaska Disaster Office--Radiological Program

Recommend Governor's budget, no objection.

P. 61 Alaska Disaster Office--City Participation

Recommend Governor's budget, no objection.

P. 63 Alaska Disaster Office--Flood Control

Recommend Governor's budget, no objection.

P. 65 Alaska Disaster Office--Training

Recommend Governor's budget, no objection.

P. 67 Alaska Disaster Office--Disaster Relief Act

Recommend Governor's budget, no objection.

P. 69 Alaska National Guard--Office of Adjutant General

Recommend Governor's budget, except:

Personal Services	561.9	<u>PUBLIC</u> <u>PROTECTION</u>
Equipment	1.4	
Total	871.5	
FT positions	22.0 (Delete Messenger I, Anchorage, and Acctg Clerk II, Juneau)	

Chairman Malone and Rep. Duncan objected to the recommendation.

Recommend reclassifying positions within the number authorized.

P. 71 Alaska National Guard--State Armories

Recommend Governor's budget, except:

Contractual	107.3
Commodities	82.1
Total	339.3

No objection to recommendation.

P. 73 Alaska National Guard--Federal Armories

Recommend Governor's budget, no objection. Full time positions should be 13.0. There was a mistake in budget forms.

P. 75 Alaska National Guard--Army Training Support

Recommend Governor's budget, no objection.

P. 77 Alaska National Guard--Air Training Support

Recommend Governor's budget, no objection.

P. 79 Alaska National Guard--Organized Militia Benefits

Recommend Governor's budget, no objection.

P. 81 Alaska National Guard--Hitchhike

Recommend Governor's budget (0.0), no objection.

P. 83 Agricultural Inspection--Plant Industry

Recommend Governor's budget except:

Travel 7.7
Total 92.6

PUBLIC
PROTECTION

No objection to recommendation.

P. 85 Agricultural Inspection--Animal Industry

Recommend Governor's budget, no objection.

P. 87 Dept. of Public Safety--Fire Safety

Recommend Governor's budget, except:

Travel 30.0
Equipment 1.5 (For blueprint files)
Total 516.0

No objection to recommendation.

P. 89 Traffic Safety--Driver Licensing

Recommend Governor's budget, except:

Personal Services 521.2
Equipment 1.2 (For 2 new typewriters)
Total 711.9
FT positions 34.0 (Disallow positions
requested by Governor)

Rep. Duncan objected to deleting Juneau position since
it's already filled. Motion failed.

P. 91 Traffic Safety--Driver Improvement

Recommend Governor's budget, no objection.

P. 93 Traffic Safety--Motor Vehicle Licensing

Recommend Governor's budget, except:

Personal Services 1165.4
Contractual 580.8
Total 2159.1
PT positions 9.0

No objection to recommendation.

Legislative Intent: 1) Authorization allows "on line"
and microfilm systems. 2) The Motor Vehicle Licensing
Division is requested to report to the Finance Division
at the beginning of the 10th Legislature on the progress
and effectiveness of these systems.

LEGISLATIVE
INTENT

P. 95 Traffic Safety--Project Coordination

PUBLIC
PROTECTION

Recommend Governor's budget, no objection.

P. 97 Traffic Safety--Federal Projects

Recommend Governor's budget, no objection.

Legislative Intent: Require that the department submit grant applications upon receipt to the Legislative Budget & Audit Committee and the Finance Committees.

LEGISLATIVE
INTENT

P. 99 Debt Service--National Guard Facilities

Recommend Governor's budget, no objection.

P. 101 Debt Service--Flood Control

Recommend Governor's budget, no objection.

Chairman Malone then outlined some priority recommendations for the capital budget.

CAPITAL
BUDGET

JUSTICE

JUSTICE

- 1) Fund a courthouse in Barrow. 1500.0 (Gen. Fund)
- 2) Kenai--repair and improve courthouse. 104.0 (Gen. Fund)
- 3) Sitka--repair and improve courthouse. 137.4 (G F)
Doesn't include rock facing.
- 4) Kodiak remodeling. 76.8 (G F)

Public Safety Recommendation:

- 1) Fund in G O bonds detachment HQ
 - Fairbanks 2300.0
 - Anchorage 2000.0
- 2) Firing range at Sitka Academy 20.0 (Direct approp)

Jails:

- 1) Fairbanks facility 3600.0 (Bond issue)
- 2) Juneau remodeling and expansion 3600.0 (Bond issue)

3) Ketchikan 3000.0 CAPITAL BUDGET

Recommendation based on the following:

- a) They don't buy as much land. JUSTICE
- b) Delete gym.
- c) Decrease size.
- d) Short term holding of juveniles.
- e) Instead of a separate facility for juveniles they fund a community-based program with Division of Corrections.

4) Anchorage - The Governor recommended \$18,000,000.
Chairman Malone said he had no recommendation.

5) Palmer sewer repair 150.0 (G O bond)

PUBLIC PROTECTION

PUBLIC PROTECTION

Military Affairs:

1) Bethel maintenance shop 251.9 (Direct approp)
35.9 (G F)

2) Nome maintenance shop 248.4
32.4 (G F)

3) Juneau maintenance shop 275.4
35.9 (G F)

Roof repairs 50.0 (G F)
Recommend Juneau roof be first priority.

4) Anchorage armory - recommend only provide planning money 267.0 (G F)

Total for Military Affairs 1092.7
421.2 (G F)
671.5 (Fed funding)

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

HOUSE FINANCE COMMITTEE
Monday, April 5, 1976
8:30 a.m.

The meeting was called to order by Chairman Malone. Those present were Cowper, Haugen, Itta and Duncan and Milt Barker.

HB 423, Relating to Drug Abuse Programs, the bill prepared by HESS and presented to the committee by Rep. Itta, came before the committee first. Itta explained it adds power to Health and Social Services Department in the drug abuse area and suggested some changes which she had prepared. HB 423

Section 2 will reduce the size of the advisory board from 12 to 9, reflecting a cost reduction in per diem and travel. Also in that section, the initial appointees will be reduced from 4 to 3 persons for each of the terms indicated in the bill. CHANGES MADE

Section 4 is adding licensing and accreditation of personnel and facilities. Itta's comment was that federal funds for drug abuse would be submitted to H&SS drug abuse advisory board for review and the fiscal note represents a savings by the amount of 4.8. Some discussion followed from Chairman Malone as to the best manner of reflecting a drop rather than a rise in the fiscal note amount. Itta's suggestion was agreed to: put the fiscal note in brackets.

The question was raised by the chairman whether all grant applications, both federal and state would be reviewed, and by whom.

(Rep. Gruening entered.)

Itta said all non-profit and/or private organizations in the entire state will have applications reviewed as she understood it. This would place drug abuse application review under one umbrella.

The concept of having the legislature become privy to this information was then discussed. Chairman Malone suggested a line be added to the affect that the department shall submit GRANT APPLICATION TO BE MADE OPEN TO LEGISLATIVE REVIEW

copies of all grant applications, both federal and state, to the Legislative Finance Committee and then it will be up to that committee to review whatever they wish. Itta agreed. She felt it will give the legislators a better understanding of the problems across the state and the interest expressed in programs, as shown in the state and federal grant applications. Furthermore, it would tend to reduce overlay of state and federal efforts by avoiding duplication for state grants.

MALONE'S AM.
ADOPTED

Chairman Malone moved to include language to that effect as an amendment. Hearing no objection, the amendment was adopted.

(During the above discussion Mr. Guy left.)

The amendment could be incorporated into a new Sec. 5, Malone said. He asked Milt Barker to draft wording to give the benefit of a reporting service to the legislative committees on the disposition (approved, or not approved), of grant applications; and to give information on when the determination was made on all state grants, so the legislators would know what that determination is. It would be up to the Legislative Affairs agency to organize the information, he added.

A title change possibility also was raised by Chairman Malone. He then said he would like to put the bill aside if there were no objections. Hearing none, that was so done.

TITLE CHANGE

SB 530 , "An Act making a special appropriation to the Department of Health and Social Services and the Department of Commerce and Economic Development for vendor claims; and providing for an effective date." was taken up next.

SB 530

The bill originated with the Senate Rules Committee by request of the governor. Mike Orelove, Budget & Management in the governor's office arrived to work with the committee on this bill.

Duncan moved and asked unanimous consent to incorporate the following changes in a committee substitute: a title change to read "An Act making an appropriation to the Department of Administration for the payment of miscellaneous claims; and providing for an effective date."; change the sum in Sec. 1 to read \$7,185.75; change the department from H&SS to Department of Administration in lines 12, 13, striking the word "vendor" in line 14; and changing the remainder of the bill with its sums changed in accordance with the letter of March 22, (see bill file). The motion was adopted with no objection. The chairman directed Milt Barker to draft it in form of a Finance CS with a new title.

MOTION BY
DUNCAN FOR
TITLE CHANGE
& OTHER

ADOPTED

As a point of clarification, the chairman posed the question of whether this bill would be under the Session law of 1960. It was not a transfer, just an allocation, he commented. Duncan thought it represented a special allocation. Naughton disagreed, "By any name it's a supplemental". The chairman asked if there were objections if the CS will state it is just an appropriation. There were none.

(Mr. Guy returned.)

The chairman announced the outline of agenda for the week, stating there will be afternoon and evening meetings throughout, at hours 15 and 79.

The meeting was adjourned at 10:00 a.m.

NOTE: Due to the pre-meeting report of the jet crash at the Ketchikan airport, the secretary was too distracted to turn on the tape recorder. This meeting, therefore, is unrecorded.

mb

HOUSE FINANCE COMMITTEE
Monday, April 5, 1976
1:30 p.m.

Chairman Malone called the meeting to order. All members, plus budget analyst Alison Farnan were present. Mr. Duncan was ready to proceed with presentation of the Operating Development portion of the governor's budget.

Office of the Governor Tokyo Office The 110.0 contractual figure was recommended and the governor's budget adopted.

Office of the Governor Policy Development & Planning The 290.0 figure under item 10 was transferred over to Community and Regional Affairs.

Department of Administration Surplus Property. Governor's budget adopted.

Developmental Loans Municipal Bond Bank Authority Governor's budget was adopted with a change in 01 to 55.3, total, 238.1. It was explained by Ms. Farnan that 55.1 will come from general fund and 183.0 program receipts. Positions remain the same.

Shared Taxes Business License Tax The Governor's budget was adopted. Shared Taxes Amusement and Gaming Tax Governor's budget adopted. Shared Taxes Aviation Fuel Tax Governor's budget adopted.

Shared Taxes Elec. & Tel. Coop Tax, Shared Taxes Liquor License Tax and Shared Taxes Fisheries Tax, each was adopted at the governor's budget figure. On the last, however, Ms. Itta said the Huber study on fishing brought out the tax loss through entities which were not paying state taxes, such as the Japanese and the frozen process plants in the state of Washington.

Economic Enterprise General Operations After considerable discussion this item was left open by Chairman Malone. Three subjects need further thought: the satellite soil survey for reindeer herding, the request for \$300,000 for promotion and development for bottom fish resource and third, for a developmental specialist III in Juneau. Cowper had objected to that position as he saw overlapping, or at best, a need to

to place research people in oil and gas economic analyses, into one group. Ms. Itta explained the Tenana -Kotzebue area plan to develop reindeer and caribou herds, explaining the breakout in monies required. This would pay for soil study by satellite imagery-computers. She said all the homework had been done and the concept had endorsement by Sen. Ferguson and the town of Nenana (and the regional corporation).

Department of Commerce and Economic Development - Tourism Promotion Governor's budget adopted, except a reduction of commodities to 668.5, leaving a total of 1215.8.

Department of Commerce and Economic Development - Developmental Loans Governor's budget adopted.

Department of Commerce and Economic Development - Veteran's Loan Fund Several changes were made: 01 - 696.1; 02 - 30.5; 03 - 494.3; 04 - 9.0; 05 - 0; total - 1287.7. Positions went down to 33. Duncan recommended all the new positions due to increases in work load. Gruening and Cowper objected. Also, concerning contractual - computer cost, Cowper questioned this and Duncan explained the history of using the bank computer formerly but a better processing system was now needed. Haugen asked if the computer collected the delinquent loans for two years. It did. He then moved to cut travel to the 1975 amount, and this motion carried over THE objection from Duncan.

Department of Commerce and Economic Development - Power Development Governor's budget adopted.

Department of Natural Resource - Small Grain Incentive Governor's budget adopted.

Department of Natural Resource - State Fairs After some discussion, the Governor's budget was adopted. The inequality of amounts designated for the Bethel fair was questioned by Itta; then Mr. Guy replied that he did not know why it was in the amount of 19.5.

Department of Natural Resource - Plant Materials Center Duncan recommended deletion of maintenance man VII and laborer WC VIII, leaving one new position. Itta moved and asked unanimous consent to remove all new positions. This motion did fail. The Governor's budget was adopted except: 01 - 174.6; 02 - 3.8; total - 244.2. Seven f.t.p.'s went to six; six part-time positions dropped to five. A correction was made for the laborer WG VII new position under (06) colum to read 7.7, not 7.1, an error.

Department of Natural Resource Administration Governor's budget was adopted with a lower figure in 03 - 8.9, and a total - 115.5.

Department of Natural Resource Agricultural Loan Fund Governor's budget adopted.

Department of Natural Resource Native Claims Payments Governor's budget was not adopted. It was recommended it not be cut because the legislature committed themselves to do this program and they ought to do it. Cowper moved and asked unanimous consent to move the total to the request figure of 6693.2 instead of governor's figure of 1727.4.

Department of Fish & Game King Crab Quality Board Governor's budget was adopted.

Department of Community & Regional - Rural Affairs Commission Governor's budget adopted.

Department of Community & Regional - Local Government Assistance Governor's budget adopted.

Department of Community & Regional - Local Boundary Commission Governor's budget adopted.

Department of Community & Regional - Organizational Grants Governor's budget adopted.

Department of Community & Regional - Community Planning Assistance The recommendation by Duncan was to accept the governor's amended figure to adjust between 01 and 03 to read: pers service 384.4 (to reflect adding aa senior planner at 45.0), and contractual at 323.9, which was later adjusted again to House committee figure of 353.9, on Cowper's motion. Travel was upped to 30.0, commodities to 7.0 and equipment to 2.1 to support the added position. This brought the total to 779.1. There will be 13 f.t.p.'s and 2 p.t.p.'s. It was mentioned that HB 683, an appropriation of \$30.0 for a study proposal to construct a water-sewer system for Wasilla was in the legislature and therefore Duncan withdrew this budget component from his recommended budget.

Naughton gave a background explanation of a situation which arose from a meeting in Anchorage when an interest group from his area was made promises by the legislative branch which were not and are not being delivered. It involved the policy of receiving more monies for local government delivery systems and when coastal management monies came, instead of those going to local governments, went to state employees. Therefore, we are making permanent employees out of those who have not been in a permanent position, Naughton pointed out. Next year will be the last year monies shall be received for the program.

To this, Chairman Malone commented that those persons "promised" this money were leaders, and the pressure has to come from the bottom up. Naughton replied that grass-roots needs to be developed and that C&RA should teach them how to be effective.

The Rural Impact Information Program was the only source of good information in the state, said Cowper. Impact funds are gone, but based upon the evaluation report, he wanted to see the program continued. Cowper made a motion and asked unanimous consent that \$30,000 be added on to the contractual figure and be used with the Fairbanks Town & Village Association, a non-profit organization under the aegis of the Borough. This would be specified for the Rural Impact Information Program, which has been going well for two years now; it was used to make economic decision. This motion was adopted four to four.

(Mr. Cowper left.)

Department of Community & Regional - Agricultural Lands Exemption Governor's budget, a reduction, was adopted.

Department of Community & Regional - Juneau Indemnification Governor's budget adopted.

Department of Community & Regional - Revenue Sharing was recommended to grow from governor's figure to 17,163.800 dollars in the total. The governor's funding was 90% and Duncan recommended it at 100%. After related House and Senate bills were discussed, with Haugen commenting that during the interim there ought to be a revenue sharing and hospital cost study done, the recommended figure was adopted.

Department of Community & Regional - National Forest Receipts Governor's budget adopted. (This is the stumpage fee, Haugen said.)

Department of Community & Regional - Community Legal Assistance Chairman Malone moved and asked unanimous consent to raise the governor's 20.0 figure to 30.0. Duncan objected. The motion carried 4 to 3. The discussion had brought comment from Cowper that the whole program be cut. Gruening concurred, saying those smaller communities could get the kind of legal help they need through the codes of the Municipal League. Malone thought the program, being new, ought to be given a chance to work. Haugen also resisted the concept. Cowper withdrew his objection before the vote.

Department of Community & Regional - Aleutian Island Ferry Subsidy Governor's budget adopted. The I-A transfer of 35.0 deletes the Port of Whittier subsidy to connect with the MV Bartlett and also the money to Southeast Skyways for the Chatham Icy Straits run was cut. It became apparent that certain decisions needed to wait; therefore this unit was left open.

Administration, Office of the Commissioner Governor's budget adopted.

Administration, Administrative Services Governor's budget adopted.

Department of Community & Regional - Rural Development Grants Mr.
Al Ose said he did not know whether or not SB 564 covered the
same subject on the Wasilla water study; that it might pertain
to the lakes. Wasilla had just become incorporated as a village,
and he explained the sewer/water problems and needs. This money
is to get a study. He said for the study, the project had to
be let out on bids. The unit was left open for future consideration.

Department of Community & Regional - Rural Development Assistance
Administration The Governor's budget was adopted.

Debt Service Remote Housing Governor's budget adopted.

Debt Service Port Facilities Governor's budget adopted.

This served as the completion of this budget segment up to page 77.
Chairman Malone adjourned the meeting at 5:15 p.m.

This was not taped in the
interest of saving cost.

mb

HOUSE FINANCE COMMITTEE
Monday, April 5, 1976
7:15 p.m.

Members present: All members present except Rep. Itta.

Others present: Jim Rhode, Assistant to Rep. Malone;
and Alison Farnan, Fiscal Analyst.

GENERAL GOVERNMENT

GENERAL
GOVERNMENT

P. 3 Office of the Governor--Executive Office

Recommend Governor's budget, no objection. There was an error in budget submission. Contractual should be 306.7 for a total of 1382.3.

P. 5 Office of the Governor--Alaska Energy Office

Recommend Governor's budget--153.0--no objection. Disallowed wind study for 250.0.

P. 7 Office of the Governor--Executive Mansion

Recommend Governor's budget--93.3--no objection.

P. 9 Office of the Governor--Contingency Fund

Recommend Governor's budget--250.0--no objection.

P. 11 Office of the Governor--Equal Employment Opportunity

Recommend Governor's budget, allowing PPT position. Rep. Gruening moved to delete the position. The motion failed. Contractual should be 20.7 for a total of 141.5.

P. 13 Office of the Governor--Lieutenant Governor

Rep. Haugen moved to delete the Volunteer Coordination Office. The motion carried with Reps. Naughton, Malone, and Duncan objecting. The new figures would be:

Personal services	198.9
Travel	24.8
Contractual	202.7
Commodities	9.2
Equipment	1.6
Total	437.2
FT positions	7.0

(Rep. Itta joined the meeting at 7:30)

GENERAL
GOVERNMENT

P. 15 Office of the Governor--Statewide Planning

Allowed revision of four positions transferred to EDA Planning 200.0. No new positions. Delete 25.0 from Alaska Public Forum (contractual). Revised figures:

Personal Services	342.5
Travel	53.3
Contractual	410.4
Commodities	10.5
Equipment	0.0
Total	816.7
Federal Recp	253.0
GF Match	127.5
General Fund	436.3
FT positions	13.0

P. 17 Office of the Governor--Telecommunications

Delete all positions except P&PS II and P&PS I. Revised figures:

Personal Services	248.4
Travel	44.0
Total	479.8
FT positions	8.0

No objection to recommendation, but this BRU will be held open pending further information on production studio.

P. 19 Office of the Governor--Public Offices Commission

Recommend Governor's budget--209.6--no objection.

P. 21 Office of the Governor--Elections

Recommend Governor's budget--1116.6--no objection.

P. 23 Executive Administration--Office of the Commissioner

Recommend Governor's budget--1327.5--no objection.
(Committee later reduced this figure by 100.0 ASHA funds which will be transferred back to Legal Services, Dept. of Law--contractual 943.9 and total of 1,227.5.

4-5-76

P. 25 Executive Administration--Internal Audit

GENERAL
GOVERNMENT

Recommend deleting Internal Auditor IV--no objection.
New figures would be:

Personal Services	346.0
Travel	10.1
Contractual	5.7
Commodities	1.4
Equipment	1.2
Total	364.4
FT positions	12.0

P. 27 Executive Administration--Administrative Services

Recommend Governor's budget with the following changes--
no objection:

Travel	2.0
Contractual	12.9
Total	237.6

P. 29 Executive Administration--Budget & Management

The committee recommended holding this BRU open for now.

P. 31 Pay & Benefits Increases--Part 1 of 7

Recommend Governor's budget--0.0--no objection.

P. 33 Personnel--Personnel Management

Recommend the following--Rep. Duncan objection.

Personal Services	890.0
Travel	20.0
Total	1063.1
FT positions	49.0

The remaining line items would be at the maintenance
level.

Legislative Intent: That Fairbanks office be established
within the existing budget.

LEGISLATIVE
INTENT

P. 35 Personnel--Employee Relations

Recommend Governor's budget--441.3--no objection.

P. 37 Accounting--Pre-Audit

Recommend Governor's budget--228.1--no objection.

P. 39 Accounting--Accounting Services

Recommend deleting Accountant III, Juneau--no objection.

4-5-76

GENERAL
GOVERNMENT

Governor's budget changed as follows:

Personal Services	176.5
Equipment	.6
Total	183.9
FT positions	6.0

P. 41 Accounting--Payroll Accounting

Recommend Governor's budget--521.7--no objection.

P. 43 Accounting--Administration

Recommend Governor's budget--232.0--no objection.

P. 45 Accounting--System Installation

Recommend Governor's budget--0.0--no objection.

P. 47 General Services--Purchasing

Recommend Governor's budget--744.4--no objection.

P. 49 General Services--Risk Management

Recommend Governor's budget--136.0--no objection.

P. 51 General Services--Mail & Switchboard

Recommend Governor's budget--334.0--no objection.

P. 53 General Services--Central Duplicating

This BRU will be held open pending receipt of further information.

P. 55 General Services--Property & Records

This BRU will be held open pending receipt of further information.

P. 57 General Services--Archives

This BRU will be held open pending receipt of further information.

P. 59 General Services--Leasing & Facilities

This BRU will be held open pending receipt of further information.

P. 61 Data Processing--Services to Administration

Recommend Governor's budget--663.0--no objection.

GENERAL
GOVERNMENT

P. 63 Data Processing--Services to Operating Agencies

This BRU will be held open pending receipt of further information.

P. 65 Data Processing--Administration

Recommend Governor's budget--432.9--no objection.

Legislative Intent: The Legislature requests that the Department of Administration work in conjunction with the Department of Labor to centralize data processing functions of the two departments. The Department of Administration shall present a report to include the findings and recommendations to the first session of the Tenth Legislature on February 1, 1977.

LEGISLATIVE
INTENT

The above intent will also be placed in the Employment Security Administration BRU, Dept. of Labor.

P. 67 Data Processing--Telecommunications Network

Recommend Governor's budget--170.3--no objection.

P. 69 Dept. of Administration--Labor Relations Agency

Recommend Governor's budget--80.0--no objection.

P. 71 Retirement & Benefits--Public Employees' System

Recommend Governor's budget correcting figures to reflect funding for new position--no objection. Personal Services would be corrected to 222.5 with the total 340.0.

P. 73 Retirement & Benefits--Teachers' System

Recommend Governor's budget except for deletion of Data Control Clerk position. Rep. Duncan objected to the deletion of the position. New figures would be: The Governor's figures (which did not include funding for new positions although the Governor allowed the position)--\$312.4 for 10 PFT positions.

P. 75 Retirement & Benefits--Other Benefits

Recommend Governor's budget--238.6--no objection.

P. 77 Dept. of Law--Legal Services

GENERAL
GOVERNMENT

Recommend deleting Accountant II, Juneau, from Governor's budget--Rep. Duncan objected. Recommend restoring ASHA rent. Governor's figures changed as follows:

Personal Services	2448.8
Contractual	589.5
Land, Bldgs	108.6
Total	3290.9
FT positions	74.0

Legislative Intent: The Department shall submit a report to the Tenth Legislature on or before February 1, 1976, as to the feasibility of discontinuing the practice of funding the Department of Law through interagency transfers for legal work done for other departments.

LEGISLATIVE
INTENT

P. 79 Dept. of Law--Natural Gas FPC Representation

Recommend Governor's budget--0.0--no objection.

P. 81 Dept. of Law--Legal Services (PLI)

Recommend Governor's budget--0.0--no objection.

The meeting was adjourned at 10:20.

HOUSE FINANCE COMMITTEE
Tuesday, April 6, 1976
8:30 a.m.

Chairman Malone called the meeting to order with all members present. He turned the gavel over to Ms. Buchholdt, who chaired the meeting. Mr. Malone left.

Mr. Duncan presented the General Operating Government Budget, starting where he had left off the day previously at page 8Z-83. Mr. Duncan recommended the governor's budget but only three new positions instead of 13. A fourth position, revenue field auditor I, Anchorage, he recommended transferring to travel. His recommendations were adopted. Mr. Naughton objected to leaving out the position in Seattle. The revenue field auditor I there, he said, was needed to monitor tax collection from the fishing industry, which has been "ripping off" the state for fifty years. He moved to keep it in, and his motion carried. The total was 1885.8.

Collections - Excise Taxes Duncan recommended no new positions, and the governor's budget of zero.

Collections - Delinquent Tax Collection Recommended was deletion of one governor's position, bringing the 01 - 736.5; 04 - 6.9; 05 - 0.8; total - 888.8; 30 positions. The increase over the previous year was explained as a result of passed legislation. Also there had been a change from contractual with Pritchard & Abbott to an in-house man to do the technical engineering advice.

Collections - Petroleum Revenue Governor's budget adopted.

Collections (PLI) - Individual & Business Taxes Governor's budget adopted.

Collections (PLI) - Pipeline Collections Zero'd out at Governor's figure. No objections.

Department of Revenue - Treasury Management Governor's budget adopted excepting the following change: deletion of accounting clerk 1 in Juneau. Changes in the Governor's figures will now read: 1 - 517.8; 05 - 3.2; total - 1024.1. Full-time positions will be 17. Some discussion about the cash flow management auditor in Juneau was held, with Mr. Gruening questioning the

need. Duncan said that if Dept. of Revenue received the monies five days faster it would save the state \$1,000, so it was an efficiency gain. Haugen remarked he had heard that song before and recalled the time the state chartered the jet to fly the North Slope money to New York City to save one billion, 30 million.

Administration & Support Office of the Commissioner Governor's budget adopted.

Administration & Support Administrative Services The following figures were changed: 01 - 1051.8; 02 - 17.5; 03 - 155.5; 04 - 7.8; 05 - 1.1; total - 1366.2, with 46.0 positions. It was moved by Gruening to eliminate the research analyst II in Juneau. Duncan objected and so did Naughton. The vote was 4 to 2 for deletion, and the position was so removed.

Department-of Education - Blue Book Recommended was the Governor's budget on the reasoning that such a book is needed and needed updating. Ms. Buchholdt objected, saying it was, in her opinion, poorly put together. Cowper and Gruening also objected to keeping it. A vote revealed five to two in favor of zero for this budget unit.

Department of H&SS Vital Statistics Recommended was a change in figures: 01 - 211.1; 02 - 1.7; 03 - 23.2; 04 - 5.3; 05 - 1.0; total - 242.3. There are 12 instead of 13 f.t.p.'s.

Department of Public Safety Building Security Governor's budget adopted.

Department of Public Safety Border Inspection Station. The recommended changes were 01 - 255.7; 03 - 10.5; 04 - 2.9; total - 326.0, with 9 p.f.t.p.'s and 0.5 temporary. Duncan made two specific recommendations: to disallow the three new positions and to cut the coffee budget in half. It was figured that \$4,000 a year for coffee was too much. Ms. Buchholdt moved to amend the explanatory section to read "coffee/tea". Motion adopted.

Buildings Planning & Design Governor's budget adopted.

Buildings Construction Inspection Governor's budget adopted.

Buildings - Administration Governor's budget adopted. Duncan recommended the new position to comply with the intent of a statute passed last year. There was a brief discussion of whether to include this item in this or another budget. It was left here.

Chairman Buchholdt adjourned the meeting at 10:00 a.m.

No tape at request of chairman
in the interest of saving tape

HOUSE FINANCE COMMITTEE
Tuesday, April 6, 1976
2:55 p.m.

Members present: Reps. Malone, Duncan, Buchholdt, Naughton,
Haugen, and Guy.

Others present: Alison Farnan, Fiscal Analyst.

GENERAL GOVERNMENT

GEN GOV'T

P. 115 Buildings--Maintenance

Recommend Governor's budget, but delete new positions.
New figures would be:

Personal Services	1801.5
Travel	35.0
Total	5364.8
FT positions	80.0
PT positions	5.0

No objection to recommendation.

P. 117 Communications--Teletype Operations

Recommend Governor's budget--0.0--no objection.

P. 119 Communications--Support to State Agencies

Recommend deleting all new positions except Electronic
Technician, Anchorage. New figures would be:

Personal Services	850.2
Travel	59.5
Total	1315.0
FT positions	31.0

No objection to recommendation.

P. 121 Communications--Administration

Recommend Governor's budget--0.0--no objection.

P. 123 Communications--P/L Support to State Agencies

Recommend Governor's budget--0.0--no objection.

Reps. Itta and Cowper joined the meeting at 3:05.

P. 125 Communications--Remote Village Radio

Recommend Governor's budget--212.1--no objection.

P. 127 Working Capital Fund--Central District

Recommend Governor's budget--4344.5--no objection.

P. 129 Working Capital Fund--Interior District

Recommend Governor's budget--2815.4--no objection.

P. 131 Working Capital Fund--S.E. District

Recommend Governor's budget--995.2--no objection.

P. 133 Working Capital Fund--Western District

Recommend Governor's budget--544.5--no objection.

P. 135 Working Capital Fund--Southcentral District

Recommend Governor's budget--1562.4--no objection.

Note: The new position request printed on this page was printed in error.

P. 137 Working Capital Fund--Administration

Recommend Governor's budget--264.7--no objection.

Note: Position printed on page 135 should be shown here.

P. 139 Working Capital Fund--Non-Equipment Charges

Recommend Governor's budget--0.0--no objection.

The committee discussed REAA funding informally for a few minutes. Rep. Gruening was asked to gather information of alternatives and report back to the committee this evening.

The meeting was adjourned at 4:30.

HOUSE FINANCE COMMITTEE
Tuesday, April 6, 1976

7:00 p.m.

Chairman Malone called the meeting to order. All members were present and also budget analysts Milt Barker and administrative assistant Jim Rhodes were present. Brenda Itta, chairman of the sub-committee on Health and Social Services presented this budget segment, beginning on pp. 2-3.

Office of the Governor Board of Child Advocacy Governor's budget was adopted with a change in 03 to read 8.9, earmarking only subunit \$12,000 for a study.

Office of the Governor Pioneers Home Advisory Board Governor's Budget adopted with the one item travel lowered to 10.0, reflecting 10.0 in the total.

Office of the Governor Alaska Plan Committee. Governor's budget was not recommended. Ms. Itta asked for the full committee participation on policy decision toward whether or not to zero the program. Members indicated a desire to fund the program and if not, then to zero it. Ms. Itta explained the nature of the non-profit organization, Alaska Plan, the grant administrator. Equivalency boards certify skills, monitor contractors as to the levels of skills they have. There is an office in Fairbanks and Anchorage with 12 persons on the staff. Their positions and salaries were explained. The organization pre-screens applicants, classifies all applicants and takes their certification to labor unions. Malone asked if they have statistics of how many people are put to work in a year. Barker replied around 200 people applied. Naughton commented that during the same time period the Labor Department placed about 40 people.

Mr. Cowper moved to accept a figure of 275 thousand dollars in general fund monies to underwrite this program. During discussion on the motion, Mr. Gruening asked if that will be made contingent on new receipts from any other sources. The governor claims the contractors will put in some money toward the program. Ms. Itta replied that the only reason the contractors cooperated was out of pressure from state and federal government in building on the pipeline. The Alaska Plan does this: finds out what people are good at doing, run them through a check-out test (on equipment etc.). Then

when they go to the pipeline they may have a "big" title, but not be truly working that position and this person would get stuck somewhere else. The minorities are therefore better protected by the purposes and function of this Alaska Plan group.

Cowper's motion was adopted by the committee.

CETA Title I Sub-committee recommended the Governor's budget, which shall be spent by placing 602.9 dollars on the Skill Center, to be administered by the Department of Community & Regional Affairs for a work experience program for winter employment. The monies include the administration. The chairman commented they need to identify the Department of Education Skill Center Program training, and the part contributed by the community colleges. The committee intends to have \$301,400 drawn from the D.O.E. and \$301,400 drawn from the D.O.L. (Ceta contracts, p. 174 of this budget); but before making this shift, the chairman asked Ms. Itta about the NYC program. She replied it is the only income some families have. Duncan concurred in this, and added that it also gives the kids something to do, stressing that this would be a winter program. Mr. Cowper inquired if there had been a study on the results of the Skill Center graduates. Barker was affirmative.

CETA Summer Employ Disadvantage Youth The Governor's budget was adopted.

CETA Title II The Governor's budget was adopted.

CETA Older Alaskan Americans (Title III) The Governor had zero'd out the main body of this program which comes from the federal government, under an Act of Congress. Mr. Malone said, "On the assumption there will be no funding (this year from Congress), we might zero it out. Mr. Gruening asked if there was any other administrative money. Malone referred to pp. 289, saying no. Gruening made a suggestion to take positions out of other administrative budgets to put this component back in, and Ms. Itta agreed. Further discussion brought out there were nine persons served under this program and they were employed up to thirty hours per week in various kinds of social services and law enforcement. Concern was expressed over the "poor health" of the program. On Gruening's motion, the committee voted to raise the governor's figure to \$150,000 to be taken from Administration for an expanded, statewide, program. A change in title was agreed upon, to "Older Alaskan Americans. The remaining discussion was how to fund this portion of the budget.

CETA Title III As this title is being eliminated by the federal government, (excepting in Old Age and another category), the sub-committee recommendation was to zero this out. Recommendation carried.

CETA Transportation & Recreation Sub-committee recommendation to zero this component was adopted.

CETA Title VI (For emergency employment in rural areas)
Governor's budget was adopted.

CETA Pipeline Retraining The Governor's budget was adopted.

CETA Governor's Grant The Governor's budget was adopted.

CETA Pipeline Impact Governor's budget was adopted.

CETA Administration This area was the one which the committee had decided a few pages back to find some funding to implement an Older Americans program statewide in Alaska. The affect of position pullout from this component was discussed in its relationship with Title III funds. Recognizing they need \$100,000 "sure funds" to underwrite that program category, they asked Barker which title was safest to dedicate funds? Barker replied Title II or VI, but not Title I as had been suggested. A maintenance level program, the committee thought, could be had in Administration for \$675,000 but this eventually was voted up to 785.0.

Other figures adopted were: 01 - 618.0; 02 - 84.6 (of which 38% was used this year, and there seemed to quite a bit of lapse); 03 - 71.7; 04 - 10.7; 05 - 0.0. Positions dropped to 26.0, but it was pointed out that there was going to be a loss of 118.0 anyway for these out of the vanishing Title III. Gruening asked that the committee come back with intent for making an allowance of Title III with a recommendation for a funding source for funding the Older (Alaskan) Americans at \$150,000 for establishment of a statewide program. This having been stated in a prior motion which carried under the page for that category, it was simply reiterated at this time.

Department of Administration Donated Commodities Governor's budget adopted.

Department of Administration Longevity Bonus Governor's budget essentially adopted with Chairman Malone moving to recommend travel be cut to 1.0, and this carried. With sub-committee for zero equipment, the total was 6610.9, a reduction made in general funds.

The other item of business on the agenda was HCS for CSSB 564. Rep. Al Osterback was present to present the final draft. He compared the changes occurring in the amounts, and included new listings: St. Paul, St. George and Port Lions. The amounts listed at King Cove and Old Harbor would be reduced, and on a motion by Chairman Malone, the St. George and St. Paul villages will be lumped in a total under a new REAA #9. (See all bill versions, and particularly the 'Work Draft' dated 3/23/76 in master file.)

Mr. Guy moved and asked unanimous consent to move 1.5 million out of his REAA 4 and place it into that of Mr. Osterback's. Both Malone and Haugen objected, relating their reason to

the Hootch case and the unpopularity of such a change. The voters would only respond to schoolhouses; and Cowper agreed. The motion failed eight to one.

Mr. Gruening moved and asked unanimous consent to take 59.3 million, add to it the 2.45 million which were added for the new allocations, and then to subtract a straight four percent across the board to arrive at a bond total (rounded) of 59.3 million dollars.

Ms. Itta objected. She said the figures all were arbitrary and hurt the concept of the attendance areas. In the discussion, Gruening said his research showed no firm figures for schools and his opinion was that the REAA boards would best know how to adjust to this across the board cut. It was as equal as any way they could think of.

Ms. Itta argued that the Lower Kuskokwim was getting 7 million, and it was very unfair to allocate so much money that way, just based on the Hootch case. She approved of Guy's former motion.

The chairman called for a vote on Gruening's motion. The vote was seven to two and it carried.

Mr. Malone made a motion to round off column figures for convenience in estimating the four percent cuts. Ms. Itta objected. When asked for her reason she said it was related to her stand on the first motion. This motion carried on a vote of eight to one.

The meeting was adjourned by the chairman at 10:00 p.m.

The budget segment of this meeting was not recorded at request of the chairman in the interest of saving cost of tape.

Bill hearing portion:
Tape H-76-62
Begin 0730
End 0925

mb

HOUSE FINANCE COMMITTEE
Wednesday, April 7, 1976
9:00 a.m.

Members present: Reps. Duncan, Itta, Guy, Cowper,
Malone, Naughton, Haugen.

Others present: Milt Barker, Fiscal Analyst.

SOCIAL SERVICES

SOCIAL
SERVICES

P. 35 Pioneers Homes--Sitka Home

Rep. Itta recommended that three of the five vacant positions be deleted--two Pioneer Homes Aides and one custodial worker. Chairman Malone recommended reducing personal services to 1449.6 but leaving the number of authorized positions the same. Malone recommendation approved with no objection. Changed figures would be:

Personal services	1449.6	
Travel	5.0	
Equipment	13.5	(deletes all but therapeutic equipment)
Total	1831.8	

P. 37 Pioneers Homes--Fairbanks Home

Rep. Itta recommended deleting from vacancy all but the physical therapist. Rep. Cowper objected to cutting existing positions. Chairman Malone recommended a figure of 1365.0 for personal services with no cut in the number of positions. Malone recommendation approved with no objection. Changed figures would be:

Personal Services	1365.0	
Equipment	4.6	(deletes all but therapeutic equipment)
Total	1953.3	

P. 39 Pioneers Homes--Palmer Home

Rep. Itta recommended deleting administrative assistant and pioneer home aide from vacancy. Chairman Malone moved to set personal services at 1225.0 and don't reduce authorized positions. No objection. Changed figures would be:

Personal services	1225.0
Equipment	2.6
Total	1605.6

SOCIAL
SERVICES

P. 41 Pioneers Homes--Kotzebue Home

The committee discussed a proposal from Dept. of Administration to contract with Mauneluk Association to run the home. This would raise the contractual figure to 645.4. Rep. Cowper objected to going this route. The committee decided to hold this BRU open for further consideration.

P. 43 Pioneers Homes--Anchorage Home

Recommend Governor's budget--704.8--no objection.

P. 45 Pioneers Homes--Central Office

Recommend the following changes in the Governor's budget--no objection:

Travel	3.0
Equipment	0.0
Total	93.9

There was a discussion on the merit of the Pioneer Homes Program and the need for a study. Rep. Cowper wanted business people to look at this. Chairman Malone thought older people who might be living in homes should look at it. Rep. Cowper wondered if something should be done by bill rather than in the budget. Rep. Itta objected to that approach. Chairman Malone said the cost per guest was somewhere over \$13,000. He suggested participation by people across the state in the study. Handing it to one department would miss the point. The people in communities haven't been given any option to the pioneer homes, so they have been favorable toward having them.

DISCUSSION OF
PIONEER HOMES
PROGRAM

The meeting was adjourned at 10:00.

HOUSE FINANCE COMMITTEE
Wednesday, April 7, 1976
1:30 p. m.

Chairman Malone called the meeting to order with all members present, except for Mr. Duncan. Milt Barker, budget analyst was present to assist with presentation of the Social Services Operating Budget.

Ms. Itta, sub-committee chairman began on page 44-5, Pioneers Homes Central Office Recommended changes in the governor's budget were 02 - 3.0; total - 93.9. During discussion, the subject of which agency should be carrying out the function for planning senior citizen housing came up again. Specifically, the members discussed which entity should decide which State department or political sub-agency should take over policy development -- should it be the Pioneer's Home Board or Mr. Plotnick's Office of the Aging Board in the governor's office. (Mr. Cowper left.) Intent, they decided, should express interest in having both those entities together with other senior citizens organization in Alaska explore alternate available housing including residential care treatment, and under Mr. Plotnick make a report to the Tenth Legislature, First Session and to the Governor, with recommendations. Haugen pointed out they have money for travel. They could get together already with Mr. Plotnick and the commissioner(s) and solve the problem that way. (Buchholdt enters). The sub-committee recommendation was adopted.

Department of Administration Minority Training - Zero was the recommended governor's figure. It was adopted.

Vocational Rehabilitation Counseling & Placement Governor's budget was adopted with changes in: 03 - 141.1; 04 - 9.0; total - 1432.9. On Chairman Malone's motion the drops were made in the two categories and the position cut of 5 f.t.p. reflected position vacancies.

Vocational Rehabilitation Services to Clients Ms. Itta recommended the governor's budget. Chairman Malone made a motion to take 150.0 out of line item 12, the general fund. It reduces client

services, he said, but if the budget should exceed set limit, there should be supplemental funding. This was to be placed as a FOOTNOTE of INTENT. The new total then was adopted at 1469.9. (Mr. Duncan arrived.)

Vocational Rehabilitation Administration These figures were recommended by the sub-committee: 01 - 379.7; 02 - 10.0; 03 - 21.1; 04 - 4.1; 05 - 0.0; total - 420.9. One position vacant was removed leaving 13 pft. Chairman Malone moved to delete the vacant statistical clerk position. Mr. Duncan registered objection but the motion carried six to one. (Naughton and Haugen had left.) Mr. Duncan supported leaving in the 20.5 for a disability study, but agreed the study might be done without hiring temporaries. It was pointed out that Brady Jackson in the Department of Labor had asked for similiar funding for his study on needs of the disabled. Ms. Buchholdt explained his program intent and his effectiveness. This received strong interest from the committee members; although as pointed out, this program belongs in another BRU.

Vocational Rehabilitation Specialized Facilities Governor's budget was adopted.

Vocational Rehabilitation Disability Determination Governor's budget was adopted excepting 01 - 181.1; 05 - 0.0; total - 349.9. The vocational rehabilitation counsellor I in Anchorage was cut out due to the vacancy. (Mr. Naughton and Mr. Haugen return.)

Vocational Rehabilitation Employment of the Handicapped The sub-committee recommendation of "zero" was adopted. (Ms. Buccholdt leaves.)

Department of Education Youth Employment Service Chairman Malone moved to zero out this unit. The committee adopted this.

DOE/CETA Administration (Mr. Haugen left.) This component was left open.

DOE/CETA Grants This component was left open after a beginning recommendation of a 665.0 total. The question concerned funding to the Skill Center at Seward.

COE/CETA Grants The governor's budget was adopted.

DOE/Skill Center This component was left open.

Assistance Payments AFDC The Governor's budget was recommended and adopted, with a letter of intent regarding eligibility to be open only for the assistance payments. Mr. Duncan motion to drop the intent so a mother would qualify during her pregnancy failed four to two. It was the concensus that recipients were not receiving double payments through GR-MED and AFDC, a question brought up by Mr. Malone.

Assistance Payments Old Age Assistance The governor's budget was the recommendation but Mr. Malone suggested a NOTE of INTENT that the state should run both the SSI federal program and the OAA state program. One or the other entity should administer both programs. (Mr. Duncan left. Mr. Gruening reentered.)

Assistance Payments Longevity Bonus Project Governor's budget was adopted.

Assistance Payments Aid to the Blind Governor's budget was adopted, and it is to be used for grants, only. Mr. Naughton asked the question, "Is that enough?"

Assistance Payments Aid to the Disabled Governor's budget was adopted, with intent it is to be used for grants, only.

Assistance Payments General Relief Governor's figure was replaced with the recommended 268.5. Federal receipts were identified to be BIA money, and the other monies (200.0) will come from general fund.

Program Services Homemaker Services (Mr. Duncan returned.) The one new coordinator position in Anchorage at 13.0 was discussed. Mr. Duncan moved to include this and Ms. Buchholdt amended his motion to include legislative intent to hire a field coordinator and not a coordinator position. Ms. Itta, whose subcommittee had made the recommendation, objected. Chairman Malone called for a vote on the amendment first. The amendment to the motion carried five to two. The motion was adopted.

At this point the time was 5:00 p.m. and the chairman adjourned the meeting for a supper break.

The meeting was not recorded in the interest of saving cost of tape.

mb

HOUSE FINANCE COMMITTEE
Wednesday, April 7, 1976
7:15 p.m.

Members present: Reps. Malone, Duncan, Naughton, Itta, Guy, and Haugen.

Others present: Milt Barker, Fiscal Analyst.

SOCIAL SERVICES

SOCIAL
SERVICES

P. 85 Program Services--Foster Care

There was an amendment from the Governor to increase contractual by 255.5. This is to provide shelter for juveniles required to spend the night because they cannot be housed in the jail. There was no objection to the Governor's revised budget. Changes are:

Contractual	2105.5
Total	2170.4
GF Match	380.0
General Fund	1037.3
Other Funds	56.8 (Title 20)

Legislative Intent: Funds will be used only for foster care and no funds will be transferred from this BRU.

LEGISLATIVE
INTENT

This will be an appropriations item in the budget bill.

P. 87 Program Services--Institutional Care

Revised at the request of the Governor because of increase of case loads and to meet all legally obligated payments. No objection to changes:

Contractual	2462.2
Total	2456.7
Federal Recp	451.1
GF Match	451.1
Program Recp	1509.1

Reps. Buchholdt and Gruening joined the meeting at 7:45.

P. 89 Program Services--Day Care

The Governor requested an increase under contractual to 749.4. Rep. Haugen objected because they have only spent 38% of their funds thus far. Chairman Malone recommended taking allocation here plus Title 20 match for a total of 617.7. Rep. Naughton felt it should be reduced more. Rep. Duncan moved that the figure of 500.0 be put in contractual. The motion failed. Chairman

Malone moved to set the contractual figure at 400.0. Reps. Buchholdt, Duncan, and Itta objected. The motion carried. Rep. Haugen suggested having the Commissioners of Health & Social Services and Community & Regional Affairs meet with the committee to explain this program. Rep. Itta objected to contacting them again. Changed figures are as follows:

SOCIAL
SERVICES

Contractual	400.0
Total	400.0
Federal Recp	300.0
GF Match	100.0

P. 91 Program Services--Adoptions

Rep. Buchholdt requested an increase in contractual of 22.1. She proposed contracting with two private adoption organizations. Chairman Malone recommended that the contractual be set at 22.1 rather than raising it by that amount. There was no objection. Governor's figures changed as follows:

Travel	0.0
Contractual	22.1
Total	22.1

Legislative Intent: That the adoption programs of licensed private agencies in the state be funded by contract.

LEGISLATIVE
INTENT

P. 93 Program Services--Protective Services

The Governor is requesting an increase in contractual to 323.9. The administration is recommending the closure of Alcantra. Nine boys will be funded. Rep. Itta recommended setting the travel at 5.0. Rep. Haugen moved to set the total at 225.0 for the program. Chairman Malone amended the motion to 300.0. The amended motion carried unanimously. Governor's figures changed as follows:

Travel	5.0
Contractual	300.0
Total	306.7
General Fund	217.9

SOCIAL SERVICES

LEGISLATIVE
INTENT

Legislative Intent: These funds shall be spent only under protective services.

This will be an appropriations item in the budget bill.

P. 95 Program Services--Other Services

Rep. Haugen moved to set a total of 0.0. There was no objection.

P. 97 Alcantra--Operations

The Governor proposed that Alcantra be closed in '77. Rep. Itta pointed out petitions from different communities requesting that Alcantra remain open. Rep. Itta, however, suggested closing it. Rep. Haugen agreed. Rep. Gruening felt it was an expensive program. Rep. Buchholdt said she would like to see this distributed to an outfit like Jessie Lee Home, which has a more home-like atmosphere. Rep. Haugen moved to accept the subcommittee's recommendation of the Governor's revised budget. No objection.

Personal Services	15.0
Travel	0.0
Contractual	17.9
Commodities	.9
Total	33.8

P. 99 Alcantra--Debt Service

Rep. Duncan moved to accept the Governor's budget--132.8--no objection.

P. 101 Social Services--Social Work

The subcommittee recommended no new positions, but Wrangell and Unalakleet will be line itemed. Chairman Malone moved a contractual figure of 470.6. No objection. Chairman Malone recommended 5.0 for equipment. No objection. Rep. Itta recommended deleting the vacant Juneau position. Chairman Malone objected. He would like to leave them at last year's figure. Rep. Gruening moved to delete the vacant program administrator position. Motion failed. Recommended budget figures:

Personal Services	3016.0
Travel	80.0
Contractual	470.6
Equipment	5.0
Total	3602.4
Federal Recp	2504.7
GF Match	834.9
General Fund	262.8
FT positions	122.0

SOCIAL SERVICES

The meeting was adjourned at 9:25.

HOUSE FINANCE COMMITTEE
Thursday, April 8, 1976
2:20 p.m.

Members present: All members were present except Reps. Naughton and Gruening.

Others present: Milt Barker, Fiscal Analyst.

SOCIAL SERVICES

SOCIAL
SERVICES

P. 103 Eligibility--Eligibility Determination

Rep. Itta recommended recommended upgrading Barrow position from PPT to PFT. The Governor transferred two positions to Public Assistance. Revised figures:

Personal Services	1886.7
Contractual	570.4
Total	2526.5
FT positions	89.0
PT positions	16.0

Legislative Intent: Use the additional 30.0 in contractual for a pilot project for selling food stamps in villages by Kodiak Native Association. LEGISLATIVE INTENT

No objection to recommendation.

P. 105 Eligibility--Staff Development

Recommend the Governor's figure--195.6--Rep. Haugen objected.

P. 107 Social Services Administration--Central Office

Recommend Governor's figure--405.2--no objection.

P. 109 Social Services Administration--Field Services Support

Rep. Itta recommended reducing travel to 10.0. No objection. Revised figures:

Travel	10.0
Total	927.3
Federal Recp	205.3
GF Match	321.4
General Fund	50.4
Other Funds	348.7 (Title XX)

P. 111 Social Services Administration--Staff Development

SOCIAL
SERVICES

Recommend Governor's figure--767.8--no objection.

Legislative Intent: Under contractual, these funds are to be used for contracting in state institutions only.

LEGISLATIVE
INTENT

P. 113 WIN AFDC--WIN

I/A transfer figure should be deleted. Rep. Itta recommended reducing travel to 0.0. Revised figures:

Travel	0.0
I-A transfer	0.0

Chairman Malone objected to subcommittee recommendation.

P. 115 Department of H&SS--Office of Aging

Subcommittee recommendation as follows, no objection:

Travel	40.0
Contractual	31.0 (delete contract with consultant for data

Equipment	0.0
Total	1584.8
General Fund	58.9

Legislative Intent: Study and report on alternatives in housing for older persons in Alaska. Deliver recommendations to the next session of the legislature.

LEGISLATIVE
INTENT

P. 117 Alcoholism--Administration

Rep. Itta recommended disallowing new positions plus deleting vacancy in Juneau. No objection. Revised figures:

Personal Services	156.4
Travel	60.4
Contractual	191.3
Commodities	6.3
Total	414.4
FT positions	7.0

The meeting was adjourned at 5:00.

HOUSE FINANCE COMMITTEE
Thursday, April 8, 1976
7:00 p.m.

Chairman Malone called the meeting to order with all members present. Milt Barker, Budget Analyst, was present.

Beginning on p. 119 of the Social Services budget, Rep. Susan Sullivan, chairman of House HESS committee, appeared to place emphasis on several program components, particularly that of day care.

Alcoholism Grants The sub-committee recommended the maintenance figure of 3013.0 total, thereby giving a grant to the Aleutian chain communities. It was felt that 26% could be lifted for Administration, and also a line item should be inserted so that grants will be used for grants. Naughton moved and asked unanimous consent to accept the sub-committee recommendation but objected to the language. His motion carried seven to two. Prior to this motion, Mr. Guy's amendment to state that natives in Napaskiak receive some of this money should their federal grant not come through, was voted down, six to three. The members expressed opinion that no one village should receive priority.

Drug Abuse Administration Sub-committee recommended these figures: 01 - 38.3; 02 15.0; 03 10.0; 04 same; 05 - 0.0 with a total of 76.2. Mr. Cowper asked what the 118.9 under contractual was for (before it was changed). A breakout was read. Buccholdt asked how this was administered. The answer was 10.0 for a training fund, another 10.0 for a second training fund and 17.0 for a drug abuse plan updating. The remaining money went to run the office. After the comment, "File her under whiskey", from Mr. Cowper, he moved to consolidate this program with the Alcoholic Service - Administration, p. 117 under a new title, "Alcoholic and Drug Abuse". The motion carried with Mr. Duncan dissenting.

Drug Abuse Grants The Governor's budget was adopted.

Administration (DHSS) The Governor's budget was adopted with equipment dropped to zero. Mr. Naughton objected to this budget

component because it approved an information officer III and he disliked the manner in which that person had handled an information process to which he referred. Mr. Duncan defended the position. Mr. Gruening expressed his dislike for a "press corps" for the commissioner. The motion of Naughton's failed five to four.

Mr. Cowper moved and asked unanimous consent to rescind action for failing to adopt the governor's figure. His motion carried five to four and the intent of the previously failed motion prevailed.

Administration (DHSS) Director/Regional Offices The Governor's budget was adopted with a change in contractual to 37.4, leaving total of 221.3.

Administration (DHSS) Director/Regional Offices Governor's budget was recommended with one change, in contractual, to read 37.4, leaving the total of 221.3.

Administration (DHSS) Personnel Governor's budget adopted with zero for equipment and a total of 270.4.

Administration (DHSS) Supply Governor's budget was adopted except for equipment, zero. Total was 260.6.

Administration (DHSS) Financial Management Governor's budget was adopted excepting 01 - 623.9, 02 - 3.0 and 05 - 0.0, leaving total 697.7. There are 28 ftp. The drop in 01 was caused by deleting three positions based upon vacancy factor.

Administration (DHSS) Graphic Arts/Library Governor's budget was adopted. Department of H&SS QC/Collection Agency Governor's budget had these changes adopted: 01 - 484.5, 02 - 50.0, 05 - 0.0 and total - 582.0. Nineteen positions were recommended, and new positions denied.

Department of H&SS Child Support Enforcement Governor's budget adopted.

Department of Labor Fishermans Fund Governor's budget adopted.

Department of Labor Second Injury Fund Changes in the Governor's budget were: 01 - 70.1, 02 - 6.9, 03 - 19.7, 05 - 0.0, total - 298.6, with three ftp and the new position deleted.

Employment Security (PLI) This was consolidated.

Employment Security Unemployment Insurance The Governor's budget was changed as follows: 01 - 2896.9, 02 - 60.0, 03 - 1091.6, 04 - 162.2, 05 - 5.0, total - 4215.7. There are 47 new positions disallowed, plus 7 vacant positions deleted, a total of 54 positions deleted from the Governor's budget.

Employment Security Food Stamps (A counsellor program) Sub-committee recommendation was adopted to consolidate with employment services.

Employment Security Computer Placement Sub-committee recommendation was adopted to consolidate this component.

Employment Security Administration (ES) Governor's budget adopted excepting 01 - 1998.3, 05 - 0, total - 2487.7. Position deletion was one, and the transfers were located by Mr. Barker to explain the leap from the 66.0 figure to 98.0.

Employment Security Employment Services Governor's budget was adopted excepting 01 - 3419.0, 02 - 50.0, 05 - 0.0, 08 - 0.0, total - 5459.7. Full time position request dropped to 147 at the recommendation of the sub-committee. This was adopted.

Department of Labor Alyeska Training Governor's budget was adopted.

Contracts: WIN Governor's budget was adopted.

Contracts: Community Service Governor's budget was recommended, with contractual raised to 30.0 on strength of a proposed motion from Buchholdt to place Brady Jackson and his program in this BRU. Haugen suggested leaving this open until her proposal is broken out. She said she will to bring the figures in the morning. Mr. Malone inquired as to the funding source. It was under contract last year under the Governor's office in conjunction with the DOL. The figure 88.0 is Mr. Jackson's current budget proposal.

Contracts: Hitchhike - Jobs Optional - MDTA - Job Corps - NAB Jobs: Each was recommended at the Governor's figure and adopted. On NAB jobs, the recommended zero was overridden by an objection from Gruening and his consequent motion to accept the Governor's figure. It carried seven to one.

Grants - Labor Market Information There was reduction in 01 - 227.1, and 05 - 0.0, with total 341.6. The new position was disallowed.

Grants - CETA Contracts Governor's figures were adopted excepting 02 - 40.0, 03 - 77.0, misc. - 793.8 and reduced total - 1204.1. Interagency transfer was reduced to 40.0 and other funds reduced to 824.4. A total of 301.4 was taken out of this budget.

Department of Labor Office of the Commissioner Governor's budget was adopted excepting travel - 20.0 and total - 502.0.

Department of Commerce Veterans Service Council Governor's budget was adopted.

Department of Community & Regional Senior Citizens Tax Exemption This grant was reduced to 1050.0 on Chairman Malone's recommendation

due to the pending passage of a bill.

Department of Community & Regional Work Experience The raised total figure recommended was 2693.2. It includes an added 602.0 for NYC program.

Department of Community & Regional Community Services The changes were: 01 - 254.9, 02 - 50.0, 03 - which was affected by a 75.0 transfer into personal services, was reduced to 112.1, and a total of 765.0. It was pointed out that the 345.0 grant was federal for use in rural emergency employment. These figures reflected an amendment from the Governor, and were left open because Mr. Malone thought that legal services could be taken out and put into another line item. At that time, the committee could decide what level to fund this. Furthermore, the budget intended to close the Kotzebue and Kodiak offices.

Department of Community & Regional Day Care/Head Start It was recommended to drop personal service to 55.1; grants were kept at maintenance level, 1505.9, a raised figure from the Governor's, bringing the total up to 1615.6. Two ftp were allowed instead of three, and the new clerk typist position was disallowed.

State Bond Committee Debt Service Governor's budget was adopted.

The meeting was adjourned at 10:30 p.m. by Chairman Malone. This marked the completion of the Social Services Budget Unit.

(Budget meetings are unrecorded.)

HOUSE FINANCE COMMITTEE
Thursday, April 8, 1976
1:30 p.m.

Members present: Reps. Naughton, Guy, Haugen, Cowper,
and Buchholdt.

PRESENT

Others present: Jay Hogan, Director, Legislative Finance
Division; Ron Lind and Kent Dawson, Budget and Management;
Art Snowden, Department of Law; Alison Farnan, Fiscal
Analyst, Legislative Finance.

In Rep. Malone's absence, Rep. Buchholdt chaired the
meeting. The first bill for discussion was HB 900.

HB 900

Mr. Lind testified that the idea of moving Budget and
Management to the Governor's office has been around for
a long time. It hasn't happened in the past because
the Commissioner of Administration has not wanted it
moved. That's no longer the case. This would give
the governor more input on the preparation of the budget.
This would improve the budget process for state agencies.
They would have more interaction with the governor. Some
people are opposed to the move because of lack of
continuity. That's a small problem compared to the
advantages. The operation of the major functions of the
division would not change. Statutory responsibilities
would be transferred to the Governor's Office. The
relationship with the legislature would not change.

Rep. Duncan joined the meeting at 1:35.

Mr. Hogan said the committee should consider that a
problem with locating Budget and Management in an
operating department is that it creates a conflict
of interest situation. This is a reason that moving
it out of an operating department and into the Governor's
Office is long overdue.

Rep. Haugen asked why it was necessary to have a bill to
do this. Mr. Dawson answered that the statutes require
a bill.

Rep. Haugen expressed concern with the program budget idea
adopted a few years ago. It's not really working. The
things that were supposed to be accomplished haven't been.
There's been a duplication of service rather than improve-
ment. Regarding senior citizens, the time is here to put
this whole thing in one perspective. We would provide

better service and provide more needs of senior citizens. Mr. Dawson answered that programs for the elderly had been earmarked this year. The problem now is that these programs are scattered over a lot of different departments.

HB 900

Rep. Naughton moved to report HB 900 out of committee. No objection. The committee report was circulated with the majority signing "do pass" recommendation. So, HB 900 was reported out with a "do pass" recommendation.

HB 900
REPORTED OUT
DO PASS
RECOMMENDATIO

On HB 597, Rep. Cowper said that the Department of Revenue requested holding this bill until the mill rate was determined for FY '77. The rate seems to be about 20 mill. The recommendation of the revenue subcommittee would be to send the bill out as is.

HB 597

Rep. Naughton moved to report out HB 597. Rep. Guy asked what happens after 1977. Rep. Cowper said that's the end of it. As it presently stands, the word we have is that the line will proceed on schedule and there will be no need to extend. Rep. Guy asked if this was applicable only to existing reserves. Rep. Cowper answered that it was applicable only to those for which there was a pipeline available.

HB 597
REPORTED OUT
DO PASS
REC

The committee report was circulated with the majority signing "do pass" recommendation. So, HB 597 was reported out with a "do pass" recommendation.

On SB 285, Rep. Cowper said this had been assigned to him to prepare a committee substitute. He asked for more time to prepare the CS.

SB 285

Rep. Itta joined the meeting at 1:50.

The next item on the agenda was HB 871 relating to the number of superior and district court judges. Rep. Buchholdt introduced Art Snowden to comment on the bill. Mr. Snowden said that when this bill was prepared the numbers were incorrect. They should be 1st District--4, 2nd District--1, 3rd District--8, 4th District--4. It would provide a superior court judge in Bethel upon retirement of the existing judge. The residents of Bethel support this.

HB 871

Rep. Buchholdt asked about the fiscal note on this bill. Mr. Snowden said it was \$3,500 plus retirement benefits. If the committee doesn't want to approve it, money can be found in travel budget.

HB 871

Rep. Duncan moved to draw up a Committee Substitute for HB 871 making the changes in numbers indicated and report it out of committee. There was no objection. The committee report was circulated with the majority signing "do pass" recommendation, so CS for HB 871 was reported out with a "do pass" recommendation.

CS for HB 871
REPORTED OUT
DO PASS REC

Rep. Buchholdt asked Mr. Snowden for testimony on HB 774. Mr. Snowden said it provides that a magistrate would be provided the same cost of living as other state employees.

HB 774

Rep. Itta said she had received a letter from someone in Nome saying that magistrates were being cut off. Mr. Snowden answered that there is no criteria for setting magistrate posts. Rep. Itta asked if the villages would retain their magistrates. Mr. Snowden said they would until this committee gives its recommendation. Rep. Itta asked what Mr. Snowden's recommendation would be and he answered that he would move the magistrate before he would want the law enforcement officer to be the magistrate. That's an extreme conflict of interest.

On SB 613 am Rep. Buchholdt said that this was a housekeeping measure which changes the name of the Chugach Native Association. Rep. Itta moved to report the bill out. No objection. The committee report was circulated with the majority signing "do pass" recommendation. So, SB 613 am was reported out with a "do pass" recommendation.

SB 613 am
REPORTED OUT
DO PASS REC

The meeting was adjourned at 2:15.

Tape H76-62
Beg. 0376
End 1155