

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2653

265

BRU	Amount	Intent
Admin. & Support (Motion: Haugen - no objection)	\$ 209.4	Senate
DEPARTMENT OF LABOR		
Industrial Safety	854.7	*
Pressure Vessel Inspec.	365.0	*
Plumbing Inspection	157.0	*
DEPARTMENT OF REVENUE		
Alcoholic Beverage Control (Motion: Ray - no objection) Includes positions approved by R.P.	203.9	Senate
DEPARTMENT OF LAW		
Consumer Protection (Motion: Groh - no objection)	118.1	Senate
DEPARTMENT OF PUBLIC SAFETY		
Fire Safety (Motion: Warwick - no objection)	288.3	Senate
Traffic Safety		
Driver Licensing (Motion: Ray - no objection)	381.3	Senate
License Suspension Hearing	-0-	*
Traffic Safety Projects	301.0	*
Traffic Safety Admin.	59.7	*
DEPARTMENT OF NATURAL RESOURCES		
Animal Inspection (Motion: Ray - no objection) <u>Figure is a compromise figure which specifically denies</u> <u>two requested meat inspector positions.</u>	340.0	
Plant Inspection	62.3	*
DEPT. OF HEALTH & SOCIAL SERVICES		
Emergency Medical Services	47.9	Senate
DEPT. OF MILITARY AFFAIRS		
Search & Rescue	93.6	*
Alaska National Guard		
Office of Adjutant General		
Admin. Army - Air	110.8	Senate
Operations & Training	60.4	Senate
Facilities & Fiscal	64.9	*
Facilities Oper. & Maint.		
State Armories	191.0	Senate
Fed. License Armories	215.2	*
Training Support - Army	105.8	Senate
Training Support - Air	357.7	*
Organized Militia - Benefits	100.0	Senate

BRU	Amount	Intent
Disaster Planning		
Field Services		
Southcentral	\$ 22.5	*
Southeastern	26.8	*
Northern	22.4	*
Technical Services		
Shelter Program	35.8	House
(Motion: Warwick - no object.)		
Radiological Program	51.8	*
Warning Program	19.4	*
City Participation	92.0	*
Administrative Service		
General Admin.	134.3	House
(Motion: Warwick - no object.)		
Fiscal Admin.	21.5	*
Planning	33.0	*
Flood Control	50.0	Senate
(Motion: Ray - no objection)		
STATE BOND COMMITTEE		
Alaska Nat'l Guard - Debt Svc	72.4	*

* House and Senate recommendations the same.

PUBLIC The following BRU's remain to be closed in the category
PROTECTION PUBLIC PROTECTION:

Alaska National Guard - Executive Administration

Alaska National Guard - Recruiting & Retention

RECESS: A recess was called at 3:15 p.m.

FREE CONFERENCE COMMITTEE
HOUSE BILL 58
March 31, 1973
10:10 a.m.

Present: All members of the Free Conference Committee. Also present was Mr. Joshua Wright, consultant, and Representatives Naughton and McVeigh.

Senator Groh, Chairman, called the meeting to order. He announced that the committee would consider the ADMINISTRATION OF JUSTICE budget category.

During the course of the meeting, several Budget Request Units were left open pending later testimony from Mr. Charles G. Adams, Jr., Director of the Division of Corrections, and pending discussion with Representative Frank Ferguson, head of the subcommittee on this program category budget for the House Finance Committee. Final decisions reached by the conferees on these "open" BRU's were made during later meetings, but figures for those BRU's are included in these minutes in order to present a complete set of figures for the ADMINISTRATION OF JUSTICE program category. The record of Mr. Adams' testimony follows the budget figures below.

The following figures for the ADMINISTRATION OF JUSTICE program category were adopted by the Free Conference Committee:

ADMINI-
STRATION
of
JUSTICE

BRU	AMOUNT	INTENT
Public Safety, Education (Motion: Haugen, no objection)	\$ 37.4	Senate
Public Safety, Enforcement (Motion: Haugen, no objection)	4,684.1	Senate
Public Safety, Training	242.2	Senate

Representative Hillstrand moved the House figure of \$176.6 for Public Safety, Training. Senator Ray objected. After discussion, Representative Hillstrand withdrew his motion and moved the Senate figure of \$242.2; no objections, so ordered.

BRU	AMOUNT	INTENT
Public Safety, General Administration (Following discussion, Senator Ray moved a compromise figure of \$480.0; no objection, so ordered.)	\$ 480.0	
Troopers, Director's Office (Motion: Ray, no objection)	307.5	Senate
Troopers, Housing Program	221.0	

Following discussion on Troopers, Housing Program, the committee agreed upon \$221.0, a compromise figure. This figure allows for an accounting position.

Prosecution, First District	218.4	*
Prosecution, Second District	82.0	*
Prosecution, Third District	712.0	

Senator Butrovich moved the \$682.7 Senate figure for Prosecution, Third District: in favor of the motion were Senator Butrovich and Representative Haugen; opposed were Senators Ray, Groh, and Representatives Warwick and Hillstrand; and the motion failed. Following discussion and a decision to allow for one Attorney V in Anchorage, Representative Warwick moved a compromise figure of \$712.0. No objection, so ordered.

Prosecution, Fourth District (Motion: Butrovich, no objection)	329.7	Senate
Public Defender, First District (Motion: Ray, no objection)	112.0	Senate
Public Defender, Second District	64.9	*
Public Defender, Third District (Motion: Butrovich, no objection)	439.3	Senate
Public Defender, Fourth District (Motion: Butrovich, no objection)	166.3	Senate
Public Defender, Administration (Motion: Ray, no objection)	67.2	Senate
Judicial Services, Ast (Motion: Butrovich, no objection)	556.2	Senate
Confinement-Adult, Adult Camp (Motion: Haugen, no objection)	556.5	Senate

Senator Groh asked that the fiscal staff provide him with a figure of how many people (on the average, per year) are in the Adult Camp.

* House and Senate recommendations the same.

BRU	AMOUNT	INTENT
Confinement-Adult, SCRI	\$1,012.0	
Senator Butrovich moved \$1,012.0, the Senate figure, for Confinement-Adult, SCRI. Representative Warwick stated that only 80% of the 62 requested positions should be authorized; therefore, there would be a total of 49 authorized positions. <u>Senator Ray said the the committee should raise the total number of positions to 50. No objection, so ordered.</u> Senator Butrovich renewed his motion; no objection, and the Senate figure was adopted.		
Confinement-Adult, SCRCI	544.8	Senate
(Motion: Hillstrand, no objection)		
Confinement-Adult, SERCI	907.0	Senate
(Motion: Hillstrand, no objection)		
Confinement-Adult, NRCI	799.3	Senate
(Motion: Hillstrand, no objection)		
Confinement-Adult, Ketchikan State Jail	326.1	Senate
(Motion: Hillstrand, no objection)		
Confinement-Adult, Local Facilities	457.8	Senate
(Motion: Ray, no objection)		
Confinement-Adult, Out-of-State	335.3	*
Confinement-Juvenile, McLaughlin	1,643.9	Senate
(Motion: Warwick, no objection)		
Confinement-Juvenile, Local Fac.	431.8	Senate
(Motion: Warwick, no objection)		
Confinement-Juvenile, Out-of-State	209.0	Senate
(Motion: Butrovich, no objection)		
Rehabilitation-Adult, Adult Camp	211.2	House
(Motion: Warwick; Ray objected)		
Rehabilitation, SCRCI	124.5	Senate

Senator Ray moved the Senate figure for Rehabilitation, SCRCI. Representative Warwick moved \$118.1, the House figure. Senator Ray stated that the House figure was not adequate. Representative Warwick called for the question. All in favor of Representative Warwick's motion were Representatives Hillstrand, Warwick, Haugen and Senator Groh. Opposed to the motion were Senators Ray and Butrovich; the motion failed. Representative Warwick moved the Senate figure of \$124.5. No objections, so ordered.

Rehabilitation-Adult, SCRI	468.3	Senate
(Motion: Groh, no objection)		

* House and Senate recommendations the same.

BRU	AMOUNT	INTENT
Rehabilitation-Adult, SERCI (Motion: Ray. Warwick objected)	\$ 175.1	Senate
Rehabilitation-Adult, NRCI (Motion: Ray, no objection)	165.9	Senate
Rehabilitation-Adult, Ketchikan Jail	71.7	*
Rehabilitation-Juvenile, McLaughlin (Motion: Butrovich. Ray objected)	529.8	House
Probation & Parole, First District (Motion: Ray, no objection)	327.5	Senate
Probation & Parole, Second District	70.9	*
Probation & Parole, Third District (Motion: Butrovich, no objection)	567.2	Senate
Probation & Parole, Fourth District (Motion: Butrovich, no objection)	281.5	Senate
Administration & Support	345.0	

Senator Ray moved to adopt the Senate figure of \$356.5 for Administration & Support. Those in favor of the motion were Senate conferees; opposed were House conferees and the motion failed. Following discussion regarding LEAA funds, benefits, and salary adjustments, Representative Warwick moved the House figure. Senator Ray objected. Representative Warwick then moved a compromise figure of \$345.0. Those in favor of the motion were Senators Groh, Butrovich, and Representatives Haugen and Warwick; opposed were Senator Ray and Representative Hillstrand; and the motion carried, 4 to 2.

Parole Board	66.8	Senate
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Representative Warwick moved the House figure of \$54.7 for Parole Board. Senator Ray objected. Discussion followed on the \$10,000 amount for a rental increase, and Senator Ray moved the Senate figure. Representative Warwick objected and then withdrew his objection. The question was called for: those in favor of Senator Ray's motion were the Senate conferees, Representatives Warwick and Haugen. Opposed was Representative Hillstrand. Senator Ray's motion carried 5 to 1.

Correctional Facilities Debt Service	710.8	*
Human Rights Commission	138.0	Senate

Senator Butrovich moved the House figure for the Human Rights Commission. Senator Ray moved the Senate figure. The committee members adopted Senator Ray's motion with no objections.

* House and Senate recommendations the same.

BRU	AMOUNT	INTENT
Commission on Status of Women (Motion: Butrovich and Warwick. Objections: Ray and Hillstrand)	\$ -0-	Senate
Wage & Hour	170.4	Senate
Senator Ray moved the Senate figure of Wage and Hour. Representative Hillstrand objected. Following discussion on salary adjustment, Representative Hillstrand withdrew his objection. Senator Ray renewed his motion to adopt the Senate figure. No objections.		
Workmen's Compensation (Motion: Ray, no objection)	178.0	Senate
Violent Crimes Compensation Board (Motion: Warwick, no objection)	99.8	Senate
Criminal Justice Planning Commission (This BRU was held open, pending further discussion)		
Public Safety, Info. Systems (This BRU was held open, pending further discussion)		
Public Safety, Cent. Communications (Motion: Butrovich, no objection)	308.0	Senate
Public Safety, Records & Ident. (Motion: Warwick, no objection)	78.3	Senate
Public Safety, Lab. Serv. (Motion: Warwick, no objection)	75.1	Senate
Court System, Supreme Court	807.4	Senate

Senator Ray moved that all Senate figures be adopted for the Court System. Representative Warwick moved that all House figures be accepted for the Court System. It was decided by the conferees to take each Budget Request Unit separately. Representative Hillstrand then moved that the committee adopt the Senate figure for the Court System, Supreme Court. No objection, so ordered.

Court System, District & Sup. Courts (Motion: Butrovich, no objection)	7,223.7	Senate
Court System, Administration (Motion: Ray, no objection)	737.1	Senate
Court System, Judicial Services (Motion: Groh, a compromise figure with no objection)	600.0	
Judicial Council	60.5	*

* House and Senate Recommendations the same.

Following a thirty-minute recess, the committee reconvened at 11:43 a.m.

All conferees were present. Also present were Josh Wright, educational consultant, Steven Weiner of the Associated Press, and Mr. Charles G. Adams, Jr., Director of the Division of Corrections, Department of Health & Social Services.

Chairman Groh called the meeting back to order.

Senator Groh then referred to Confinement-Adult, SCRCI, the new institution at Eagle River. He noted that the original request was for 62 positions in the custodial area, and 29 positions for reformation of offenders--a total of 91 positions. Senator Groh also noted that the Governor had cut back the number of positions to 82.

Senator Groh then asked Mr. Adams what the duties were of a Research Analyst IV (\$18.9). Mr. Adams stated that this position is necessary to evaluate the effectiveness of the educational training program. Senator Groh then asked if it wouldn't be possible for the superintendent to do that. Mr. Adams said that the Research Analyst would have to spend time gathering information to compile statistics.

Senator Groh then referred to the position of chaplain. He asked how many inmates would benefit. Mr. Adams said that in the final stages, there would be a total of 180 inmates, but during the first phase, there would be just 100 inmates. He added that the chaplain would service other facilities as well. Senator Groh asked if it would not be possible to arrange for several ministers to volunteer their time for this position. Mr. Adams said it would be possible, but the ministers would be unable to do it on a full-time basis.

Senator Groh then asked Mr. Adams about the two psychological counselors. Mr. Adams said that these two positions were necessary. He emphasized that this entire new program offers treatment capability which does not exist anywhere else in the system, and the treatment program "will pay off".

In response to Senator Groh, Mr. Adams said that the Education Coordinator will be setting up educational programs.

Senator Groh then asked if the two positions for Institutional Instructors were absolutely necessary; couldn't instructors be hired on a part-time basis from one of the educational facilities (community college) in Anchorage. Mr. Adams said one person in education must work full time at the facility.

Senator Groh then asked why 46 correctional officers were needed for 100 prisoners. Mr. Adams stated that the total facility offers a different type of living system and complete institutional care. It offers opportunities to participate in many different new programs. In terms of institutional operation and the programs they wish to implement, the ratio is not very high. Mr. Adams pointed out that this institution will be operating seven days a week, 24 hours a day.

Senator Groh noted that 5.3 people were needed for every post. Mr. Adams said that was correct; he stated that when sick leave, annual leave, and shift work were considered, the figure came to 5.3 persons.

Senator Groh said that with 46 correctional officers and 4 reformation officers, there was a ratio of one officer to every two prisoners. He then asked if it would be possible to have one officer for every three prisoners. Mr. Adams said that would be possible.

In response to Senator Groh, Mr. Adams stated that 100 prisoners are currently in the City Jail and 100 are in the State Jail. He added that they run the State and City Jails under contract. Mr. Adams then said that 25 additional positions were authorized as of January 1, 1973 to operate the City Jail. They will move those positions to Eagle River.

It was then asked how much of a reduction in the budget would come from closing down the City Jail. Mr. Adams said that there is nothing in the budget for the City Jail at present. He stated that they took over the jail in January and had no money for that; they were just under contract. Mr. Adams added that the Eagle River facility will open in October of 1973.

In response to Senator Butrovich, Mr. Adams said that he was not sure where the money comes from for the period of January 1, 1973 to June 30, 1973 for operation. He said he thought that a transfer was made from the Health and Social Services Department's budget.

In answer to Senator Groh, Mr. Adams said that although the Eagle River facility will be open in October of this year, it won't be staffed completely. Senator Groh then said that because of that fact, the committee feels that it would be possible to operate on less than the total request of \$1,172,000 for the Eagle River facility. He then asked if Mr. Adams could get along with 80% of the requested figure. Mr. Adams stated that that suggestion would be agreeable,

but said that they now have 25 people on board. He said that it will be necessary to pay them beginning July 1. Mr. Adams stated that they won't be able to pick up overnight the balance of positions for Eagle River, therefore, the committee can take a reduction on that. He said that if the committee can reduce the Personal Services figure by approximately three-months of operation, that would be satisfactory.

Senator Groh then asked how many inmates were in the Southeast facility. Mr. Adams said that from a count made on March 19, 1973, there were 60 inmates and 35 full-time employees. In the Fairbanks facility, there were 73 inmates and 35 employees.

Senator Ray pointed out that in some facilities, both men and women were housed, therefore, more staff is required. He added that children are kept separated from men and women in these facilities.

Mr. Adams stated that he understood fully that the state was undergoing a "budget crunch", and he would take a reduction in his budget request. Mr. Adams did state, however, that he would request some flexibility; he did not wish to cut out all the confinement or program employees. He said that he would like the authority to decide which positions must be cut. Mr. Adams said this was because Eagle River will be the major treatment effort in the state.

Representative Warwick then asked about the various facilities in Eagle River. Mr. Adams said that there was a hand-ball court, gymnasium, and baseball facility. There were no swimming pools or tennis courts.

Senator Ray then asked Mr. Adams if expansion in programming had been planned for McLaughlin Youth Center. Mr. Adams said that four additional cottages were to be added; the original design and the monies were approved in a bond issue. The four cottages will house 20 children each and will be staffed by existing staff. He said that nine additional positions had been requested but will be eliminated, therefore, they will do with the staff they have at present.

In response to Senator Ray, Mr. Adams said that for children who have earned it, there is a "pass system", and they are allowed to go home periodically. Some children are not allowed out at all. He said that the staff totaled 107, and there were 85 inmates during the count on March 19, 1973.

The breakdown of the 85 figure is: 19 boys, detention; 40 boys in the program; 8 girls in detention; 18 girls in the program. Mr. Adams said that the population fluctuates tremendously, and there could be a total of 120 inmates in that facility next week.

Mr. Adams said that he did not know how the cost of each individual compared to institutional costs outside the state. He said that the contract cost has doubled, and that he would provide the break-out of the cost to the committee that afternoon.

Representative Hillstrand and Senator Groh felt that the cost per individual was approximately \$21,000 per year. Mr. Adams said that the average rate of stay in the facility is nine months; in the detention section, the average rate is approximately 30 days.

Mr. Adams said that the ratio of employee to inmate is high in juvenile institutions as compared to other adult institutions because the adults can help with the maintenance work, thus offsetting employee cost. This cannot be done in the juvenile institution.

Senator Ray moved that the Free Conference Committee recess. No objection. Senator Groh scheduled a committee meeting for 3:30.

The meeting then recessed at 12:10 p.m.

FREE CONFERENCE COMMITTEE

April 1, 1973

10:10 a.m.

Present: All members of the Free Conference Committee. Senator Groh called the meeting to order.

EDUCATION

The committee decided on the following BRU's.

BRU	AMOUNT	INTENT
Office of The Governor		
WICHE	\$ 198.6	Senate
Alaska Arts Council		
Museums		
Juneau Museum	196.0	Senate
(Motion: Hillstrand, no objection)		
Traveling School Exhibit	76.7	Senate
(Motion: Ray, no objection)		
Transportation Museum		
Historical Commission	37.4	*
Dept. of Administration		
Teachers' Retirement	3,725.0	*
Salary Increase	-0-	*
Dept. of Education		
Financial Support		
Foundation Program	77,500.0	House
There was a motion to adopt the House figure for the Foundation Program. The motion carried 5 to 1 (Senator Ray voting no). <u>Senator Ray stated that his objection was that the Senate had adopted \$20,250 for the Base Instructional Unit (HOUSE BILL 29) while the House had adopted \$20,000. Senator Ray moved for legislative intent that if the final figure is \$20,250 this amount will be changed. The committee agreed.</u>		
Pupil Transportation, Public	6,600.0	*
Pupil Transportation, Private	120.0	*
Debt Retirement, Local	4,000.0	*
Tobacco Tax Distribution	1,700.0	*
Revenue Sharing	2,600.0	*

BRU	AMOUNT	INTENT
Sabbatical Leave	-0-	*
Federal Programs	\$ 6,150.0	*
Food Service & Nutrition	-0-	*
Out-of-District Students	750.0	
Mr. Warwick moved a compromise figure of 750.0 for Out-of-District Students. No objection.		
Foundation Program		
Supplemental Programs	-0-	*
Boarding Homes & Dormitories		
Boarding Homes	2,675.4	Senate
Dormitories	1,825.0	
(Senator Ray read a statement from the Dept. of Education indicating a need for additional funding for roof repair. Senator Ray suggested that \$25.0 be added to the Senate figure for roof repair. There was no objection.)		
Office of the Director	254.0	Senate
Nome/Beltz Regional High School	913.8	Senate
(Motion: Ray, no objection)		
Correspondence Study	182.5	*
Executive Administration	278.8	Senate
Research, Planning & Information	246.8	Senate
Instructional Services	481.9	Senate
(Motion: Ray. Hillstrand objected and then withdrew his objection.)		
Vocational Education	276.1	Senate
Maintenance of Educational Standards	72.7	Senate
(Motion: Hillstrand. No objection)		
Administration & Support		
Admin. of Federal Programs	265.1	House
(Senator Groh moved the Senate figure for Administration of Federal Programs. Mr. Warwick objected. Senator Ray moved to amend this to the House figure. There was no objection.)		
School Lunch Administration	56.2	Senate
Administrative Services	200.0	Senate
(Motion: Butrovich. No objection)		
Budgeting & Accounting	208.2	Senate
(Motion: Hillstrand. No objection)		
Adult Basic Education	384.0	
(Senator Ray moved the Senate figure for Adult Basic Education. Mr. Warwick objected. Senator Ray moved		

BRU	AMOUNT	INTENT
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384.0. This allowed no new positions. The motion carried.

Senator Groh moved to include Senate intent for \$100.0 for S.O.S. ABE programs. The motion failed 2 to 4 (Senators Ray and Groh voting yes). The intent will not be included.

Fire Service Training	96.2	House
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Student Financial Aid
Scholarship Loans

Tuition Grants

Administration (Motion: Ray. No objection)	93.6	House
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Community College Support	1,350.0	*
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Educ. Broadcasting Commission	354.4	Senate
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The committee discussed political speeches on educational stations. They also discussed advertising. It was suggested that funds generated by advertising should be returned to the general fund. The committee decided to have intent to show the total expenditures and sources of all funds be included in the FY 1974 budget for each station that receives state grants. Program schedules for each station that receives state grants are to be included along with a summary of the basic philosophy and objectives for the Educational Broadcasting Commission and each station receiving state grants.

State Library Network	595.0	
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The committee decided on a compromise figure of 595.0 for State Library Network with intent to show that positions (1) and (2) be allowed.

Department of Health & Social Services

Special Education Grants	17.0	*
AMU Nursing	175.0	Senate

(There was a discussion on the cost of this program. Mr. Hillstrand spoke on the problems at AMU. He stated as long as AMU is duplicating programs the problems would not be solved. Senator Ray moved the Senate figure. The motion carried 5 to 1. Mr. Hillstrand voting no.)

BRU

AMOUNT

INTENT

State-Operated Schools

Alaska Rural Teacher Training Corps

The committee discussed in detail the cost of this program. Senator Groh suggested that there be a commitment on the part of the teachers trained under this program to teach in rural Alaska. Mr. Hillstrand moved the House figure. Mr. Hillstrand suggested a letter of intent that the program would be phased out. Senator Ray moved a compromise figure of \$850.0. Mr. Warwick objected. Mr. Hillstrand withdrew his motion. The committee agreed that the students in this program should be required to sign contracts agreeing to teach in rural Alaska for three years following graduation.

Bond Committee

Elementary & Secondary Debt Serv.	4,360.6	*
University of Alaska Debt Serv.	5,746.7	*

Recess: The meeting recessed at 12:15 p.m.

* Senate and House Recommendations are the same.

AFTER RECESS
1:35 P.M.

Present: All members of the Free Conference Committee. H. A. Boucher, Lieutenant Governor, Office of the Governor. Rep. A. M. Saylor.

GENERAL
GOVERNMENT
Elections

Mr. Boucher appeared before the committee to request the Governor's recommendation for the Division of Elections in the budget. Senator Groh reviewed the figures listed in the short-form budget request for the committee.

Mr. Boucher stated the Division of Elections is sometimes taken for granted because of its nature, but it is one of the most important divisions at election time. Many changes have occurred during the past four to twelve months, largely due to the Supreme Court rulings on voters' rights and reapportionment. The most volatile area is in part-time help and overtime, and expenditures last year totalled \$351,821. (See following pages for detailed cost analysis.) Costs of elections are directly related to the number of registered voters and the number of candidates filing.

Voter registration lists are up-dated during non-election years, which takes time and manpower. Mr. Boucher said the state can not afford to maintain the archaic methods now in use. The computer in Anchorage cut the cost of manpower in half, as the primary election cost \$10,000 and the general election \$5,000. Continuing on the subject of non-election years, Mr. Boucher said the Division of Elections must assist boroughs and cities in updating their master lists of registered voters.

The division is attempting to move into computerization in the field of elections, at least in Anchorage, Fairbanks and Juneau. Procedures should be developed for data-vote and on-line voter registration to cut manpower involved in handling forms. 250,000 individual forms were handled in the last election, consisting of registration and change of address forms. The problem will get worse, continued Mr. Boucher, as 65% of the population in Anchorage moves every five years.

Senator Ted Stevens and Senator Ted Kennedy have introduced bills in Washington to improve election procedures, and Mr. Boucher said Alaska and Hawaii are the only two states beginning to move into the electronics age in elections. Mr. Boucher had a tape of Senator Kennedy's testimony on this subject, which he could run for the benefit of the free conference committee if time permitted, and Mr. Boucher was hopeful that federal grants would be received.

On-line computers were questioned, and Mr. Boucher explained they will instantly record and give information. Replying to further questions, Mr. Boucher said two lists of voters are maintained on the computer, but it is simply a print-out. On-line computers would register voters instantaneously on the master list.

Senator Ray reviewed the Senate Finance Committee recommendation for the committee; Rep. Saylor reviewed the House Finance Committee recommendation. Rep. Saylor urged the House members of the free conference committee to restore the data processing equipment in order to eliminate manual record keeping. Mr. Boucher explained they hoped to have data-vote implemented for the 1974 election, but a professional person must be hired who specialized in this particular field. A study for on-line voter registration could be developed and presented to the legislature next year.

Rep. Warwick noted the Director of Elections did not testify in favor of the computer system, but Mr. Boucher said his office ran the division even though there may be strong differences of opinion. Mr. Boucher continued by stating the system will work, and eliminate errors made by the manual procedure.

Adjourn:

The meeting adjourned at 2:15 P.M.

COST ANALYSIS
1972 PRIMARY AND GENERAL ELECTIONS

OVERTIME: Permanent, Temporary and Part time help
CONTRACTUAL SERVICES: (Election Boards, Counters etc.)

<u>JULY</u>	<u>011 ANCHORAGE</u>	<u>012 FAIRBANKS</u>	<u>013 JUNEAU</u>	<u>014 NOME</u>
Overtime - Permanent help	224.86	739.68	845.58	--
Overtime - Temporary & part time	--	--	--	--
Contractual - (Election Boards, counters, etc.)	--	--	14.00	25.00
<u>AUGUST</u>				
Overtime - Permanent help	--	1,144.05	--	--
Overtime - Temporary & part time	905.83	3,503.41	3,450.89	1,011.73
Contractual - (Election Boards, counters, etc.)	469.99	--	104.00	184.00
<u>SEPTEMBER</u>				
Overtime - Permanent help	948.15	1,972.02	1,961.14	559.29
Overtime - Temporary & part time	4,111.90	2,654.71	792.88	947.13
Contractual - (Election Boards, counters, etc.)	--	17,140.64	18,128.75	14,372.03

	011 ANCHORAGE	012 FAIRBANKS	013 JUNEAU	014 NOME
<u>OCTOBER</u>				
Overtime - Permanent help	4,856.27	1,698.87	2,523.43	444.63
Overtime - Temporary & part time	10,393.25	4,759.07	1,799.81	384.20
Contractural - (Election Boards, counters, etc.)	45,767.87	11,440.14	348.50	3,299.75
<u>NOVEMBER</u>				
Overtime - Permanent help	2,521.13	4,411.59	4,926.10	1,783.50
Overtime - Temporary & part time	15,207.50	3,561.70	2,265.50	1,502.30
Contractural - (Election Boards, counters, etc.)	55,622.12	189.05	1,937.13	7,618.40
<u>DECEMBER</u>				
Overtime - Permanent help	--	--	111.76	--
Overtime - Temporary & part time	6,028.01	2,843.05	37.66	370.65
Contractural - (Election Boards, counters, etc.)	16,602.55	33,602.23	21,020.50	5,731.25
<u>TOTAL</u>	<u>163,659.43</u>	<u>89,660.21</u>	<u>60,267.63</u>	<u>38,233.87</u>
Overtime - Permanent help	8,550.41	9,966.21	10,368.01	2,787.42
Overtime - Temporary & part time	36,646.49	17,321.94	8,346.74	4,216.01
Contractural	118,462.53	62,372.06	41,552.88	31,230.43
				# 351,821.14

COST ANALYSIS BY AREA
AS IT RELATES TO NUMBER OF REGISTERED VOTERS AND VOTERS IN 1972 ELECTIONS

	*REGISTERED VOTERS	PERCENT OF STATE	*NUMBER VOTERS 1972 GENERAL	PERCENT OF STATE	EXPENDITURES	PERCENT OF TOTAL
ANCHORAGE	84,350	56.611	54,508	55.293	\$163,659.43	46.518
FAIRBANKS	27,627	18.542	21,305	21.612	\$ 89,660.21	25.484
JUNEAU	26,166	17.561	17,847	18.104	\$ 60,267.63	17.130
NOME	<u>10,857</u>	<u>7.286</u>	<u>4,921</u>	<u>4.991</u>	<u>\$ 38,233.87</u>	<u>10.868</u>
TOTAL	149,000	100%	98,581	100%	\$351,821.14	100%

Denotes cost of only Overtime and contractual listed previously

* Denotes number of registered voters and voters within the Election Supervisors area of responsibility.

ANCHORAGE AREA: Responsible for Districts 5-6-7-8-9-10-11-12-13-14
FAIRBANKS AREA: Responsible for Districts 16-17-18
JUNEAU AREA: Responsible for Districts 1-2-3-4
NOME AREA: Responsible for Districts 15-19-20

FREE CONFERENCE COMMITTEE
HOUSE BILL 58
April 2, 1973
11:00 a.m.

Present: Senate Conferees: Senators Groh, Butrovich and Ray.
House Conferees: Representatives Hillstrand, Warwick
and Haugen. Also present: Rep. Saylor; Comm. of Revenue.

The meeting continued to be held as an executive session.

GENERAL The committee decided to take up the category GENERAL
GOV'T GOVERNMENT. The following figures were adopted by the
committee:

BRU	Amount	Intent
Executive Mansion	\$ 67.2	*
Contingency Fund	250.0	*
Lieutenant Governor (Motion: Butrovich)	149.8	Senate
Those in favor of the motion were Senators Ray and Butrovich and Representatives Warwick and Haugen. The motion passed.		
Exec. Admin., Comm. Office	249.1	House

Representative Warwick moved the Senate figure; those in favor were Senators Butrovich, Groh and Ray and Representative Haugen. Representative Warwick then moved the House figure; those in favor were Senator Ray and Representatives Hillstrand and Warwick. Representative Hillstrand moved the House figure; all members were in favor and the motion passed. The House figure includes \$98.5 for moving of five offices into the new building. Funds are to be used for that purpose only.

Internal Audit (Motion: Ray - no objection)	181.6	Senate
Administrative Services (Motion: Butrovich - no objection)	128.7	Senate
Budget and Management (Motion: Hillstrand - no objection)	379.5	Senate
B. & M., Special Program	72.0	House

Representative Haugen moved the Senate figure. Representative Hillstrand objected and Senators Groh and Haugen were in favor. Representative Warwick moved the House figure; all members were in favor with the exception of Representative Haugen. The motion passed.

BRU	Amount	Intent
Planning and Research (Motion: Ray - no objection)	\$ 573.4	Senate
Legislative Audit	389.7	*
Legislative Finance	170.1	*
Committee Expense (Motion: Hillstrand - no objection)	30.0	
Senator Ray stated that the Chairman of the Budget and Audit Committee requested \$30.0 for committee expense.		
Income Tax (Motion: Ray - no objection)	330.1	Senate
Miscellaneous Tax (Motion: Ray - no objection)	191.8	Senate
Field Audit & Invest. (Motion: Ray - no objection)	74.6	Senate
Central Files (Motion: Ray - no objection)	79.3	Senate

Representative Hillstrand moved that the Free Conference Committee accept all Senate figures for the remaining portion of General Government, with the exception of the following BRU's: Collection of Delinquent Taxes; Archives and Records Management Service; Employee Relations; Youth in Government; Law of the Sea and Labor Relations Agency. The committee decided to do that but to nevertheless, discuss each BRU.

Excise Tax (Motion: Ray - no objection)	202.7	Senate
Motor Vehicle & Reg. (Motion: Ray - no objection)	784.3	Senate
Fish & Game Licensing (Motion: Ray - no objection)	151.3	Senate
Collection of Delinquent Taxes (Motion: Warwick - no objection)	538.9	House
(See testimony by R.D. Stevenson, Commissioner of Revenue, at end of minutes.) <u>This figure will include funds for re-opening of the Seattle collections office.</u>		
Border Inspection Station	152.9	*
Treasury Management (Motion: Warwick - no objection)	655.2	Senate
Admin. & Support, Comm. Office (Motion: Butrovich & Groh - no object.)	140.3	Senate
Legal Services (Motion: Warwick - no objection)	1,991.3	
<u>\$100.0 for increased Legal Services in connection with pipeline suits only; add to Contractual Services.</u>		
Pre-Audit (Motion: Ray - no objection)	141.9	Senate

BRU	Amount	Intent
Accounting Services (Motion: Warwick - no objection)	\$ 98.3	Senate
Admin. & Support (Motion: Warwick - no objection)	104.6	Senate
Finance (Payroll Acctg.) (Motion: Warwick - no objection)	173.2	Senate
Supply (Motion: Warwick - no objection)	475.9	Senate
Duplicating (Motion: Warwick - no objection)	206.1	Senate
Mail (Motion: Warwick - no objection)	146.6	Senate
Arch. & Rec. Mgmt. Service	211.2	House

Representative Warwick moved the Senate figure. Senator Ray objected. Representative Warwick moved the House figure; all members were in favor. The motion passed.

Training	77.6	Senate
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Representative Warwick moved the House figure. Senator Ray objected and said that a program would be deleted with that figure. Representative Saylor stated that the program would not be deleted, but that they had just reduced the General Fund match as there is no required match. Senator Ray stated that the money could not be used for other purposes. Representative Warwick moved the Senate figure; there were no objections. The motion passed.

Minority Training (Motion: Warwick - no objection)	153.3	Senate
Classification and Pay (Motion: Warwick - no objection)	174.6	Senate
Employee Relations (Motion: Warwick)	49.8	House
All members with the exception of Senator Ray were in favor of the motion; the motion passed.		
Recruiting & Examin. (Motion: Warwick - no objection)	526.3	Senate
Admin. & Support (Motion: Warwick - no objection)	66.3	Senate
Bldgs., Planning and Design (Motion: Warwick - no objection)	267.5	Senate
Bldgs., Construction (Motion: Warwick - no objection)	167.2	Senate
Bldgs., Custodial (Motion: Warwick - no objection)	1,500.0	Senate

BRU	Amount	Intent
Bldgs., Maint (Motion: Warwick - no objection)	\$ 1,455.7	Senate
Bldgs., Admin. & Support (Motion: Warwick - no objection)	148.1	Senate
Communications (Motion: Warwick - no objection)	827.2	Senate
Working Capital Fund (Motion: Warwick - no objection)	6,989.2	Senate
Ret. & Benefits - PERS (Motion: Warwick - no objection)	188.2	Senate
Ret. & Benefits - TRS (Motion: Warwick - no objection)	180.5	Senate
Ret. & Benefits - FICA (Motion: Warwick - no objection)	37.0	Senate
Ret. & Benefits - Health Ins. (Motion: Warwick - no objection)	6.9	Senate
Youth in Government (Motion: Hillstrand - no objection)	25.0	House
Elections (Motion: Ray - no objection)	365.0	
<u>Figure is a compromise figure. The expenditures are broken down as follows: Personal Services - \$211.4; Travel - \$5.6; Contractual Services - \$142.0; Commodi- ties - \$5.0; Equipment - \$.8.</u>		
Vital Statistics (Motion: Ray)	180.2	Senate
All conferees were in favor of the motion with the exception of Representative Haugen.		
Law of the Sea (Motion: Hillstrand - no objection)	20.0	House
Police Standards Council	8.6	Senate
Bi-Centennial Commission	50.0	*
Reapportionment Board	-0-	*
Alaska Blue Book	-0-	*
Labor Relations Agency (Motion: Hillstrand - no objection)	75.0	House

* House and Senate Recommendations the same.

GENERAL
GOV'T

The following BRU's remain to be closed in the category
GENERAL GOVERNMENT:

Executive Direction
Legislative Affairs
Administrative Services
Data Processing
Capital Location Advisory Comm.

TESTIMONY:
11. of
Delinq.
Taxes

The following is testimony given by R. D. Stevenson, Commissioner of the Department of Revenue, in connection with the BRU, Collection of Delinquent Taxes and the proposed re-opening of the Seattle collections office.

Senator Groh asked Commissioner Stevenson to give the committee some idea of the present situation concerning collection of delinquent taxes. Commissioner Stevenson stated that the previous collection office in Seattle had been closed down due to a piece of legislation in the past that had to do with raw fish tax. He said that since, there has been trouble collecting taxes from fishermen who come to Alaska from the lower 48, and then return there after the fishing season. He stated that through the last session of the legislature, CH 169, 1972 allows for felony charges on out-of-state fishermen who refuse to pay taxes on fish caught in Alaska. He stated that most of these fishermen reside in the Northwest and could be reached from the Seattle office. He stated that the Department of Revenue carries large accounts receivable with out-of-state residents they would have to have a Seattle office or do field work, which would cost much more in the long run.

Senator Butrovich asked Mr. Stevenson how much it would cost to maintain the Seattle office. Mr. Stevenson said it would cost about \$54,200 for three people, and that it would give them a chance to work their penalty law with these fishermen. He stated that if the department can break some of these cases, then most of the fishermen will get the word and will voluntarily pay their taxes.

Senator Groh asked why a request for the re-opening of this office was not in their budget and Mr. Stevenson answered that it had been taken out by a previous commissioner before submission to the Governor to bring the department budget down to a lower level.

Representative Hillstrand asked Mr. Stevenson if, from their review, the re-opening of the Seattle office would be a good investment; Mr. Stevenson answered that it would be highly profitable. Representative Hillstrand asked if the department could demonstrate the validity of something like this. Mr. Stevenson said that they could with the fish slips. If the department knows the gross, then the fishermen have to come up with their expenses. Representative Hillstrand asked if this would be money the state would otherwise not get, and Mr. Stevenson answered that it would be.

Senator Groh asked what the amount of return might be, and Mr. Stevenson stated that before the office closed in 1967, they took in \$570,000. Mr. Stevenson stated again that the casework has to be done down south.

Senator Groh thanked Commissioner Stevenson for appearing before the Free Conference Committee.

RECESS: A recess was called at 12:10 p.m.

AFTER RECESS
3:40 P.M.

Present: All members of the Free Conference Committee.

NAT. RES. The committee decided to take up the category NATURAL RESOURCE
MGMT. & MANAGEMENT & ENVIRONMENTAL CONSERVATION. The following figures
ENV. CONS. were adopted by the committee:

BRU	Amount	Intent
SPORT FISH		
Research	\$1,130.7	House
Management	637.1	House
Restoration	39.7	House
Administration & Support	113.5	House
(Motion: Warwick - motion accepted.)		
COMMERCIAL FISH		
Research	1,174.5	Governor
(Motion: Groh. Committee accepted the Governor's recommendation, with the intent of the Senate Finance Committee that \$70,000 be inserted under Contractual for the Shumigan Shrimp program.)		
Management	2,475.0	
(Motion: Groh. Committee accepted the compromise figure, with the intent of the Senate Finance Committee that \$40,000 is inserted for the King Crab program.)		
Administration & Support	360.0	
(Motion: Ray. Committee accepted the figure of 360.0 with the intent the position of Chief Research Scientist is filled.)		
HATCHERIES		
Kitoi	53.2	*
Fire Lake	156.9	Senate
(Motion: Ray - no objection.)		
Crystal Lake	207.2	House
(Motion: Butrovich - no objection.)		
Headquarters	59.5	Senate
(Motion: Butrovich - motion accepted.)		
GAME		
Investigation	2,193.5	Senate
Management	207.1	*
Hunter Safety	45.2	*
Administration & Support	182.4	*
(Motion: Hillstrand - no objection.)		

BRU	Amount	Intent
FISH & WILDLIFE PROTECTION		
Enforcement	\$1,804.2	Senate
Administration & Support		
Aircraft	237.0	Senate
(Motion: Hillstrand. An objection was heard to the Senate figure for Administration & Support. This BRU was left open.)		
FRED		
Anadromous		
Development	89.3	*
Administration & Support	118.3	Senate
(Motion: Haugen - motion accepted.)		
ADMINISTRATION & SUPPORT		
Fish & Game Board	30.0	Senate
Office of the Commissioner	109.1	Senate
Information & Education	97.4	Senate
Administrative Services	999.3	Senate
Engineering	85.1	Senate
Vessels	515.6	Senate
(Motion: Hillstrand - motion accepted.)		
INTERNATIONAL NORTH PAC. FISHERIES	9.8	*
INTERNATIONAL FISH COMMISSION	65.0	*
PACIFIC MARINE FISHERIES	17.0	*
LAND MANAGEMENT		
Mineral Leasing	149.7	Senate
Central Management	266.4	Senate
Southeast Management	152.2	Senate
Southcentral Management	126.8	Senate
Northcentral Management	150.5	Senate
(Motion: Ray - motion accepted.)		
WATER MANAGEMENT	233.3	Senate
(Motion: Hillstrand - motion accepted.)		
CADASTRAL ENGINEERING	469.7	
(Motion: Ray - no objection, with the intent the BRU be funded at the request level.)		
LANDS ADMINISTRATION	518.3	*
GEOPHYSICAL	208.1	
(Motion: Ray - compromise figure - no objection.)		

* House and Senate figures the same.

4/2/73

UNIVERSITY
OF ALASKA

The committee discussed the UNIVERSITY OF ALASKA budget.

Dr. Wright explained the House Finance Committee rationale to strengthen the community colleges by reducing the mandatory student enrollment figure from 15 to 10. This would automatically increase the allotment to smaller community colleges, affecting Kuskokwim, Kodiak and Mat-Su.

Rep. Hillstrand suggested charging the Legislative Council with the project of determining what should be retained or what should be disallowed in the community college field during the next year.

Rep. Warwick moved to accept the House figures with another line item of Tanana Community College, \$75,000. Rep. Haugen amended the motion to accept the House figures as submitted. The committee voted to accept the House figures for the University of Alaska.

Intent was discussed, with the suggestion that the University not deviate from the line item appropriations of the Free Conference Committee. A copy of legislative intent submitted by the House Finance Committee was distributed to the Free Conference Committee members for their information. The committee will discuss final intent at a later meeting.

The meeting adjourned at 5:40 P.M.

FREE CONFERENCE COMMITTEE
April 3, 1973
9:15 a.m.

Present: All members. Representative Orsini was also present.

S.O.S. Senator Groh called the meeting to order and said the committee would consider the S.O.S. budget. Mr. Wright gave a detailed explanation on how the House figures for S.O.S. had been established.

Recess: The meeting recessed at 9:30 a.m.

AFTER RECESS
10:00 a. m.

The meeting was called back to order and the committee briefly discussed the S.O.S. budget.

AFTER RECESS
1:35 p.m.

Senator Groh called the meeting to order and the committee continued on the S.O.S. budget. The committee decided to accept the following BRU's.

<u>BRU</u>	<u>AMOUNT</u>	<u>INTENT</u>
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State-Operated Schools

Rural Schools

Basic Instruction	\$10,379.3	
(The committee discussed the enrollment figures and decided on \$10,379.3 See short form for detail.)		
Bilingual Education	954.5	Senate
(Motion: Groh. No objection)		
Career Education	-0-	Senate
Early Childhood Development	371.8	Senate
Exceptional Students	546.6	Senate

(Rep. Hillstrand moved for the House figure of 252.1. This figure was accepted; however, later in the meeting Senator Ray stated that the Governor had requested this be restored to 546.6 (Senate figure). Senator Ray moved and asked unanimous consent for the adoption of 546.6 with intent stating that the funding can only be used for the program. Mr. Hillstrand stated that there were teachers in this program who were doing other things than working with exceptional children. It was the feeling of the committee that teachers funded in this program should be doing nothing other than working with exceptional children.

BRU	AMOUNT	INTENT
Rural Schools		
Supplemental Programs	730.5	*
Adult Education	75.0	
(Senator Ray moved the Senate figure of \$150.0. Mr. Hillstrand objected. The motion failed 1 to 5 (Senator Ray voting yes). Mr. Guthrie explained that the House figure of \$25.0 will allow the program based on information from the Department of Education. Mr. Warwick moved the House figure of \$25.0 and the motion carried 5 to 1 (Senator Ray voting no). However, later in the meeting this BRU was reopened and the committee decided on a compromise figure of 75.0.)		
New Teacher Orientation	-0-	Senate
In-Service Training	-0-	Senate
Community Liaison	92.7	House
Building Maintenance	1,336.0	Senate
(Motion: Ray. No objection.)		
Building Operations	4,036.9	House
(Mr. Wright explained that the House figure included intent that <u>S.O.S. should not pay any higher rate to AVEC than any other consumer</u> . Mr. Warwick moved the House figure of 4,036.9 and the House intent. The motion carried 5 to 1 (Senator Ray voting no).)		
Food Services	1,879.2	*
Pupil Transportation	411.1	*
Administration & Support	659.5	Senate
(Senator Butrovich moved the Senate figure of 659.5. Mr. Hillstrand objected. Mr. Wright explained the House figure. The motion carried 5 to 1 (Mr. Warwick voting no).)		
Tuition	1,350.0	
(Mr. Wright explained how the House figure had been arrived at. He said they anticipated a 2% increase in students and had estimated a 10% increase in tuition. Mr. Wright said that they took the authorized 73 figure and added in the amount paid in the supplemental to S.O.S. Mr. Hillstrand said the thinking behind the House figure is to try and stay away from a supplemental next year. Mr. Hillstrand suggested intent that if this is overfunding the money shall lapse and cannot be used anywhere else. After a brief discussion, the committee decided on a compromise figure of 1,350.0.)		
On-Base Schools		
Basic Instruction	7,814.0	House
(The committee decided to accept the Senate figure with the house <u>intent regarding formulas</u> .)		

BRU	AMOUNT	INTENT
On-Base Schools		
Career Education (Motion: Ray. No objection)	-0-	Senate
Early Childhood Development (Motion: Groh. No objection)	372.3	Senate
Exceptional Students (Senator Ray moved and asked unanimous consent for 410.0. Mr. Hillstrand objected. The motion failed. After a brief discussion in which the committee decided to include the <u>House intent stating that this funding may only be used for exceptional student programs</u> , Senator Groh moved that 410.0 be adopted. No objection.)	410.0	
Supplemental Programs	53.3	*
New Teacher Orientation	-0-	*
In-Service Training	-0-	Senate
School Board Development	10.9	House
Building Maintenance (Motion: Hillstrand. No objection)	515.0	House
Building Operations (Senator Ray moved the Senate figure of 1,020.0. Mr. Warwick objected. Senator Groh moved a compromise figure of 1,030.0. No objection.)	1,030.0	
Food Services	130.9	*
Pupil Transportation (Mr. Hillstrand moved the House figure of 361.7. Senator Ray objected. The motion failed. However, later in the meeting the committee agreed to accept the House figure.)	361.7	House
Administration and Support (Later in the meeting the committee accepted the House figure of 289.9)	289.9	House
Tuition	1,066.0	*
Tuition	-0-	*
Central Office		
Board of Directors (Motion: Groh. No objection)	55.0	Senate
Superintendent	70.0	*
Administrative Services (Later in the meeting the committee accepted the House figure of 1,555.7)	1,555.7	House
Instructional Media (Motion: Hillstrand. No objection)	404.7	Senate
Instructional Services (Motion: Hillstrand. No objection)	200.0	Senate

BRU	AMOUNT	INTENT
Central Office		
Planning and Evaluation (Motion: Hillstrand. No objection)	59.9	Senate
Out-of-State Tuition (Motion: Hillstrand. No objection)	52.7	Senate

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

AFTER RECESS
3:00 p.m.

S.O.S. The committee continued discussion of the S.O.S. budget.

EDUCA- The committee decided to add a new BRU for Arctic Slope
TION Schools for \$210.0 (Anaktuvuk Pass and Point Hope).
This was added in Education.

S.O.S. Discussion followed on the request for \$270.0 for New
Rural Elementary Schools. The committee decided to add
this BRU to S.O.S. but funded it at -0-. The committee
felt that the intent is if the schools must be open then
they should follow the criteria established in the House
formula and request a supplemental.

EDUCA- Senator Ray referred to the Education budget. He said
TION he felt that the Correspondence Study BRU should be
enlarged as this is a very worthwhile program. Mr. Wright
said that the agency does not know how many students are
in this program. Senator Ray felt that they do have a
handle on this and suggested that the committee increase
this BRU by \$100.0. The committee decided to discuss this
at a later date.

Discussion then followed on the Alaska Arts Council.
Senator Ray moved the Senate figure of \$502.9. The
motion failed. Mr. Hillstrand moved the House figure
of \$497.9 with an intent statement that this amount
includes a \$5.0 grant to the Alaska Humanities Forum
to provide matching funds for a National Endowment for
the Humanities grant. The motion carried.

Under Museums, Transportation Museum, Mr. Hillstrand
moved and asked unanimous consent for the Senate figure
of 53.0 with an intent statement that this is the last
year for state funding. No objection, so ordered.

The committee briefly discussed the scholarship loan
program; however, no funding was agreed upon.

Recess: The meeting recessed at 4:00 p.m.

FREE CONFERENCE COMMITTEE
HOUSE BILL 58
April 3, 1973
4:00 p.m.

PRESENT: Senate Conferees: Senators Groh, Butrovich and Ray.
House Conferees: Representatives Hillstrand, Warwick
and Haugen. Also present was Representative Ferguson
and Senator Palmer.

Chairman Groh brought the meeting to order; the committee
meeting continued to be held in an executive session.

EDUCATION The committee decided to take up some unfinished business
in EDUCATION. The following figures were adopted by the
committee:

BRU	Amount	Intent
DEPARTMENT OF EDUCATION		
Correspondence Study	\$ 182.5	*
(Motion: Ray)		
Senator Ray moved that Correspondence Study be re- opened and that \$50,000 be added to \$182.5. Those in favor of the motion were Senators Ray and Butro- vich and Representative Warwick; the motion did not pass.		

STATE OPERATED SCHOOLS

Alaska Rural Teacher Trng Corps	900.0	
(Motion: Ray - no objection)		
<u>The FY 1974 appropriation is contingent upon the</u> <u>requirement that all students who are enrolled in</u> <u>the program sign contracts agreeing to teach in</u> <u>rural Alaska for three years following graduation.</u> <u>One third of the total state funds expended upon a</u> <u>student shall be repaid to the state for each full</u> <u>year that a student does not teach in rural Alaska.</u>		

NATURAL The committee then decided to finish with the category
RES. MGMT NATURAL RESOURCE MANAGEMENT AND ENVIRONMENTAL CONSERVATION.
& ENVIRON The following figures were adopted by the committee:
CONSV.

BRU	Amount	Intent
SPORT FISH		
Restoration	\$ 44.7	
(Motion: Hillstrand - no object.)		
There was a vote to re-open this BRU and to add \$5.0 <u>to the previous figure - \$39.7 - and that this \$5.0</u> <u>be used only for restoration of Chester Creek.</u>		

BRU	Amount	Intent
ADMINISTRATION & SUPPORT		
Administrative Services	\$ 1,014.3	
(Motion: Hillstrand)		
Representative Hillstrand moved that the previous figure - \$999.3 - be amended to \$1,014.3 to include the Anchorage Childrens' Zoo. All members were in favor of the motion; the motion passed. <u>This amount - \$1,014.3 - includes \$15.0 for the Anchorage Childrens' Zoo; FY 1974 is the last year of State support.</u>		
The committee then moved on to OIL AND GAS, which was new business.		
OIL AND GAS		
Regulation	452.8	Senate
(Motion: Warwick - no objection)		
Administration	104.5	Senate
(Motion: Warwick - no objection)		
HARD MINERALS		
Investigations	542.1	Senate
(Motion: Hillstrand - no objection)		
Analysis & Research	124.8	Senate
(Motion: Hillstrand - no objection)		
Regulation	29.9	Senate
(Motion: Hillstrand - no objection)		
Administration	211.6	Senate
(Motion: Hillstrand - no objection)		
FIRE SUPPRESSION	1,922.0	
(Motion: Ray - no objection)		
Senator Ray originally moved the figure \$1,990.0 and that figure was later amended to \$1,922.0 with the following intent: <u>Includes \$24.4 for additional vehicle rental from Highways and deletion of \$67.8 in BLM payments made from FY 73 Clark-McNary receipts.</u>		
FOREST MANAGEMENT & SERVICES		
Research and Technical Asst.	24.4	Senate
(Motion: Ray - no objection)		
Management and Sales	116.3	Senate
(Motion: Ray - no objection)		
Administration	55.2	Senate
(Motion: Ray - no objection)		
QUALITY CONTROL		
Water	173.4	Senate
(Motion: Ray - no objection)		
Air	107.0	*
Solid Waste	65.1	*
Pesticides	27.6	*
Radiation	26.7	*
Plan Review	27.8	*

BRU	Amount	Intent
Village Safe Water	\$ 26.1	*
Administration & Support	115.3	Senate
(Motion: Groh - no objection)		
LAND USE	43.4	*
PERMAFROST	94.4	House
(Motion: Hillstrand)		
All members were in favor of the motion with the exception of Senator Ray.		
TERRESTRIAL ECOLOGY	-0-	*
ADMINISTRATION & SUPPORT		
Office of Commissioner	225.0	
(Motion: Ray - no objection)		
<u>This figure - \$225.0 - will fund existing positions.</u>		
Advisory Board	10.7	House
(Motion: Hillstrand)		
All members were in favor of the motion with the exception of Senator Ray.		
Southeast	34.5	Senate
(Motion: Ray)		
Senators Ray and Groh and Representatives Haugen and Warwick were in favor of the motion and Senator Butrovich and Representative Hillstrand opposed the motion; the motion passed.		
Southcentral	69.2	*
Northern	46.0	Senate
(Motion: Ray - no objection)		
Prince William Sound	-0-	*
Senator Ray asked that his objection to the -0- figure be recorded.		
Administrative Services	101.7	Senate
(Motion: Ray)		
All members were in favor of the motion with the exception of Representative Hillstrand.		
HABITAT		
Land Planning	101.8	Senate
(Motion: Ray - no objection)		
Water Planning	44.4	Senate
(Motion: Ray - no objection)		
Access	49.2	Senate
(Motion: Ray - no objection)		
Permits	60.1	Senate
(Motion: Ray - no objection)		
Senator Ray moved the Senate figures for all of Habitat, for a total of \$255.5. A letter of intent will state that <u>the FY 75 budget will reflect the elimination of the least efficient agency in cases overlapping responsibilities with the Departments of Environmental Conservation and Natural Resources, as determined by the Budget and Audit Committee.</u>		

BRU	Amount	Intent
CONSERVATION CORPS	\$ 124.8	*
PARKS & RECREATION		
Planning	47.0	*
Nancy Lake	139.4	Senate
(Motion: Groh - no objection)		
Chugach	166.8	Senate
(Motion: Hillstrand - no objection)		
Kachemak	55.0	
(Motion: Ray - no objection)		
Compromise figure; does not include any new positions.		
Chilkoot	85.7	*
Keystone	23.5	House
(Motion: Hillstrand - no objection)		
Chena	146.8	House
(Motion: Butrovich - no objection)		
Maintenance Administration	35.8	*
Design and Construction	101.7	*
Administration & Support	178.8	Senate
(Motion: Butrovich - no objection)		
NATURAL RESOURCE PLANNING		
Land Use Planning	194.4	Senate
(Motion: Groh - no objection)		
Joint Commission	500.0	Senate
(Motion: Groh - no objection)		
ADMINISTRATION AND SUPPORT	283.6	Senate
(Motion: Ray - no objection)		
DEBT SERVICE		
Hatcheries	296.9	*
Environmental Conservation	1,175.8	*
Parks and Recreation	220.8	*
SALARY INCREASE	-	

* House and Senate recommendations the same.

RECESS: A recess was called at 5:30 p.m.

FREE CONFERENCE COMMITTEE
HOUSE BILL 58
April 4, 1973
8:45 a.m.

PRESENT: All members of the Free Conference Committee; Representatives Freeman, Orsini and Ferguson.

Chairman Groh called the meeting to order. Senator Ray stated he had additional information from the Department of Public Safety regarding wolf bounties. It was the consensus of the committee to take up this BRU at this time. Senator Ray stated that the department desires to hire a professional trapper who would, during his slack time, train people in affected areas on methods of trapping wolves.

NATURAL
RESOURCE
MGMT. &
ENV.
CONSERV.

BRU	Amount	Intent
FISH AND WILDLIFE PROTECTION		
Administration & Support	374.9	
<u>Senator Groh moved the House figure with intent to indicate that it included \$10.0 for predator control in Southeast Alaska along the guidelines suggested by the department. No objection, so ordered.</u>		
FRED		
Anadromous	733.8	
(Motion: Warwick--no objection.)		
COASTAL ZONE	250.1	House
(Motion: Ray--no objection.)		
PARKS & RECREATION		
Historic Preservation	48.4	Senate
(Motion: Ray--no objection.)		

The committee then went on to consider PUBLIC PROTECTION; all BRU's in the category of NATURAL RESOURCE MANAGEMENT AND ENVIRONMENTAL CONSERVATION were closed with the exception of ATHLETIC COMMISSION.

PUBLIC
PROTEC-
TION

BRU	Amount	Intent
DEPARTMENT OF COMMERCE		
Regulation & Licensing of Professions	282.6	
(Motion to reopen: Hillstrand--no objection.)		
(Motion--Hillstrand--no objection.)		
<u>Intent: Senate figure plus \$5,000 to accomodate additional expenses of the Architects, Engineers and Land Surveyors Board.</u>		

PUBLIC
PROTEC-
TION

BRU	Amount	Intent
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Alaska Transportation Commission 613.1
Representative Warwick stated that he wanted to be certain that the intent for this item was clearly stated; the funds provided in addition to the state figure are for CAB hearings to be held in Alaska this fall regarding bush routes.

EDUCATION

University of Alaska
Organized Research
Representative Haugen asked that the intent regarding clam research under this item be deleted. There were no objections to this request.

The committee then took up the CAPITAL PROJECTS to be included in FCSSCSCSHB 58:

CAPITAL

PROJECT	Amount	Intent
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EDUCATION

--Education:

Library Construction Grants (Motion: Ray--no objection)	190.2	Governor
Library Acquisition Fund for Rare Items (Motion: Hillstrand--no objection)	10.0	Governor

Senator Ray asked that an item "Pelican High School" in the amount of \$350,000 be added to the list of capital projects to be considered by the committee. The item was not voted on at this point.

--University of Alaska:

Books for Anchorage Consortium Library
Representative Orsini was present and explained to the committee that the accreditation of the Anchorage campus was to occur this summer and added urgency to this item. The committee discussed the fact that money had been appropriated for this purpose before, but the University had used it for other purposes. Senator Ray suggested this might be an area for investigation by the Budget and Audit Committee. Representative Hillstrand moved the House figure; the question was called for, and the motion failed (House conferees and Senator Groh in favor).

Senator Ray asked that an item "Kodiak Community College Road" in the amount of \$25,000 be added to the list of capital projects to be considered by the committee. The item was not voted on at this point.

--State-Operated Schools:

Various Building Improvements (Motion: Warwick--all conferees in favor except Ray.)	150.0	
Tok School Sewer Repair (Motion: Hillstrand--all conferees in favor except Ray.)	9.0	House
Library Books (Motion: Butrovich--all in favor except Ray & Hillstrand).	200.0	

CAPITAL

PROJECT

Amount

Intent

NATURAL RESOURCE MANAGEMENT & ENV. CONSERV.

--Fish and Game:

Weirs and Stream Rehabilitation	54.0	Governor
(Motion: Hillstrand--all in favor except Butrovich.)		
Salmon Sonar Counter Redesign	28.0	House
(Motion: Hillstrand--all in favor except Ray.)		

Humpy Creek Chum Egg Salmon Incub. Project, Preliminary Engineering	20.0	House
(Motion: Warwick--all in favor except Ray.)		

--Natural Resources:

Outdoor Recreation Facilities	1,600.0	Governor
(Motion: Groh--no objections.)		

--Commerce

Scale House - Glenn Highway	33.0	Governor
(Motion: Groh--no objections.)		

--Military Affairs:

Radio Equipment for Civil Air Patrol	20.0	Governor
(Motion: Groh--no objections.)		

DEVELOPMENT

--Public Works

Dillingham, repair pile driving equipment	20.0	House
(Motion: Haugen--no objections.)		
Small Boat launching project, Quartz Lake	15.0	House
(Motion: Warwick--no objections.)		

Communications

Translators for Homer, Seldovia	25.0	Senate
(Motion: Ray--no objections.)		

--Natural Resources:

State Fairs

Tanana Valley Fair Assoc. of Fairbanks	25.0	House
Jaycee Rodeo & State Fair of Kodiak	25.0	House
SE Alaska State Fair of Haines	25.0	House
State Fair at Palmer	25.0	House
Fur Rendezvous Fair, Inc.	25.0	House

Deletes Ninilchik Fair Assoc. of Ninilchik from House recommended list.

(Motion: Hillstrand--all in favor except Groh.)

--Commerce:

Small Business Loan Fund	340.0	Governor
(Motion: Ray--all in favor except Hillstrand and Groh.)		

CAPITAL	PROJECT	Amount	Intent
	<u>TRANSPORTATION</u>		
	--Public Works:		
	Inflatable Life Rafts	27.0	Governor
	(Motion: Ray--no objections.)		
	Outfitting New Ships	200.0	Governor
	(Motion: Ray--no objections.)		
	Replace Breasting Dolphins	100.0	Governor
	(Motion: Ray--no objections.)		
	Bookkeeping Machine	12.5	Governor
	(Motion: Ray--no objections.)		
	--Highways:		
	Fairbanks - Whitehorse Railroad Study	-0-	House
	(Motion: Groh--no objections.)		
	Federal Highway Funds	56,000.0	Governor
	(Motion: Ray--no objections.)		
	Maintenance Facilities	170.0	Governor
	(Motion: Ray--no objections.)		
	Cooper Landing Safety Walkway	30.0	House
	(Motion: Ray--all in favor except Hillstrand.)		
	<u>GENERAL GOVERNMENT</u>		
	--Public Works:		
	Buildings, Various Projects	234.9	Governor
	(Motion: Ray--no objections.)		
	--Highways:		
	Equipment Purchases	3,956.4	Governor
	(Motion: Ray--no objections.)		
RECESS	A recess was called at 10:10 a.m.		

AFTER RECESS
11:30 A.M.

SOCIAL
SERVICES

The committee referred to the program category SOCIAL SERVICES.

BRU	Amount	Intent
Assistance Payments	\$16,550.0	
(Motion: Butrovich - no objection. The committee agreed to include intent that in the event payments received by <u>OAA recipients under the Alaska longevity bonus program are considered as income by the Federal Department of HEW, funding for the OAA category of assistance shall be reduced and all resultant savings shall be lapsed to the General Fund at the end of the 1974 fiscal year.</u>)		
Food Stamps	925.0	
(Motion: Ray - motion approved. The committee agreed to include <u>intent that an amount of \$25,000 provided in this appropriation is to be used to conduct a study of food stamp recipients and provide a breakdown of age; educational achievements; marital status; physical ability; length of residency in the state; occupation; residence; other federal or state assistance now being received; and any other pertinent data to assist the legislature in determining who this program is helping. This study shall be presented to the legislature no later than February 1, 1974.</u>)		
Board of Child Development	-0-	House
(Motion: Haugen - objection by Ray. The motion was accepted; however, Senator Ray voted against the motion.)		
Alcoholism	1,995.4	Senate
(Motion: Groh - motion carried, with the <u>intent that if additional federal funds become available, they may be used.</u>)		
WIN - AFDC	962.5	Senate
(Motion - Ray. Motion accepted.)		

Recess: The meeting recessed at 12:15 p.m.

AFTER RECESS
1:40 P.M.

SOCIAL
SERVICES

The committee continued with the program category SOCIAL SERVICES.

BRU	Amount	Intent
Alaska Skill Center (Motion: Hillstrand - motion accepted. Compromise figure.)	\$2,200.0	
Manpower Planning	145.6	Senate
Office of the Commissioner (Labor) (Motion: Groh - no objection.)	318.9	Senate
Administration & Support (DHSS) (Motion: Butrovich - motion accepted. Senator Ray voted against the motion, and noted for the record that the action by the majority on this BRU was irresponsible.)	1,250.0	

DEVELOPMENT

The committee referred to the program category DEVELOPMENT, and attempted to resolve differences in the BRU's Promotion of Tourism, Promotion of Economic Enterprise, Economic Opportunity, and Revenue Sharing. No motions were accepted by the committee.

Senator Groh moved and asked unanimous consent that intent be included under Rural Development & Assistance to contract this program to Ruralcap. Rep. Hillstrand objected. A vote was taken, and the motion failed.

PUBLIC
PROTECTION

The committee discussed the program category PUBLIC PROTECTION.

Department of Military Affairs
Office of Adjutant General
Executive Admin.

195.7

(Motion: Groh - motion accepted.)

Recruiting & Retention

40.4

Senate

(Motion: Groh - motion accepted, with the intent that this is the last year of funding for Recruiting & Retention.)

ADMIN. OF
JUSTICE

ADMINISTRATION OF JUSTICE was discussed by the committee, with no figures accepted for the open categories of Criminal Justice Planning Commission and Public Safety, Info. Systems.

The meeting adjourned at 4:00 P.M.

FREE CONFERENCE COMMITTEE

April 5, 1973

9:00 A.M.

Present: All members of the Free Conference Committee. The meeting continued to be held as an executive session.

GENERAL GOVT. The committee referred to the program category GENERAL GOVERNMENT. After discussion, Rep. Hillstrand moved the figure \$2,205.0 for Data Processing. The motion was accepted.

NAT. RES. MGMT. & ENV. CONS. NATURAL RESOURCE MANAGEMENT & ENVIRONMENTAL CONSERVATION was discussed by the committee, attempting to resolve a figure for the Athletic Commission BRU. No figures were accepted. Rep. Warwick asked that the BRU Quality Control, Air, be opened and additional funding allowed for air pollution control. Rep. Warwick moved to increase Quality Control, Air, by \$25,000 for grants in accordance with the statutes authorizing matching grants for this program. The motion carried, and the total figure for Quality Control, Air, was increased to \$132.0, with the intent that the additional \$25,000 will be designated as grants to comply with the statutes.

DEVELOPMENT Rural Development & Assistance, in the program category DEVELOPMENT, was discussed by the committee. Senator Ray moved a total figure of \$909.1, \$590.0 in grants, with the intent that the program will be discontinued if any transfers are made to programs not connected with RDA. The committee accepted the motion.

The remaining open categories in DEVELOPMENT were resolved as follows:

BRU	Amount	Intent
Promotion of Tourism	\$1,100.0	Senate
Promotion of Economic Enterprise	423.5	Senate
Economic Opportunity	463.6	Senate

(Motion: Warwick - motion carried.)

One BRU remained open in the program category DEVELOPMENT - Revenue Sharing.

ADMIN. OF JUSTICE Referring to the program category ADMINISTRATION OF JUSTICE, Senator Ray moved the Senate figure of \$1,685.3 for Criminal Justice Planning Commission. No objection.

Replying to questions from the staff, the committee determined which positions were to be filled in the program categories closed up to this time. (See budget short-forms for detail.)

cess: The meeting recessed at 12:07 P.M.

AFTER RECESS
1:40 p.m.

Present: All members. Senator Groh called the meeting back to order.

GENERAL

GOVERNMENT The committee considered the open BRU's in the General Government budget.

Senator Ray moved the Senate figure of \$872.1 for Executive Direction. The motion failed. Representative Warwick moved the House figure of \$849.0. The motion failed.

The committee then considered Legislative Affairs. After a brief discussion, the committee decided on a compromise figure of \$2,700.0. Senator Groh noted that this would allow one new position (machine operator) with the additional funding to be used for studies.

The committee then considered Administrative Services. Mr. Warwick moved the House figure of \$471.1. The motion failed. Senator Ray moved the Senate figure of \$490.9. The motion failed. Senator Groh moved and asked unanimous consent for the Senate figure of \$490.9. This would allow no new positions but would allow the three transferred positions (see short form). No objection, so ordered.

Senator Groh moved the Senate figure of \$0 for the Capital Location Advisory Commission. Representative Hillstrand objected. The motion carried 5 to 1 (Representative Hillstrand voting no).

Senator Groh moved and asked unanimous consent that the committee reopen the Lieutenant Governor BRU. Representative Hillstrand objected. The motion carried 5 to 1 (Representative Hillstrand voting no). Senator Groh moved and asked unanimous consent to accept the Senate figure of \$872.1 for Executive Direction and the House figure of \$159.1 for Lieutenant Governor with the provision that no new positions are allowed for the BRU Lieutenant Governor. No objection, so ordered.

Representative Warwick moved and asked unanimous consent to include intent under Retirement & Benefits - PERS that the appropriation includes funding for a cost study on HOUSE BILL 238 (to include honorable wartime military service in computing retirement benefits for state employees). No objection, so ordered.

NATURAL
RES. MGMT.
& ENV. CONS.

Senator Ray moved and asked unanimous consent to reopen the BRU Commercial Fish, Research. No objection, so ordered. Senator Ray moved and asked unanimous consent to adopt the figure of \$1,200.0 with intent that \$25.0 is for the aquaculturist program under contract to the University of Alaska. No objection, so ordered.

Representative Hillstrand moved and asked unanimous consent for the adoption of \$67.3 for the Athletic Commission with intent to state that \$50.0 is allocated to the Artic Winter Games and must be matched 50/50 and they must account for expenditures before reimbursement is made. The motion carried 4 to 2.

ADMINISTRATION
OF JUSTICE

Senator Groh moved and asked unanimous consent for the Senate figure of \$483.7 for Public Safety, Information Systems. No objection, so ordered.

EDUCATION The committee considered the open BRU's in Education. Representative Warwick moved the House figure of \$2,952.9 for Scholarship Loans. The motion carried 5 to 1 (Senator Butrovich voting no). Mr. Hillstrand moved the Senate figure of \$1,000.0 for Tuition Grants and the motion carried.

Representative Warwick moved and asked unanimous consent that the committee reopen Arctic Slope Schools. No objection. He stated that he felt there was a need for more money and perhaps by adding additional funding a supplemental would not be necessary. Mr. Warwick moved and asked unanimous consent that this be funded at \$275.0. Senator Groh moved to amend this to \$250.0. The motion on the amendment carried. Representative Hillstrand moved to include intent that the borough will assume the cost in FY 75. No objection, so ordered.

UNIVERSITY
OF ALASKA

Representative Warwick moved and asked unanimous consent to reopen the University of Alaska budget. No objection. Mr. Warwick moved and asked unanimous consent to increase the Northern Region, Instruction & Dept. Research, to \$5,315.8. Senator Ray objected. The motion carried. Mr. Warwick moved and asked unanimous consent to delete intent regarding the Tanana Community College and to add the following:

The University is to provide the legislature with a comparison of salaries paid to EVT personnel on the University campus

to salaries paid to TV personnel in the commercial sector in the Fairbanks area.

The University shall be directed to discontinue the sale of promotional advertising films and political advertising films.

The motion carried.

NATURAL Representative Haugen moved to take \$90.0 out of FRED
RES. MGMT. and transfer it to the University of Alaska budget
& ENV. under Organized Research. He stated that this relates
CONS. to the clam and whitefish program and that information
that he has received leads him to believe that a successful
program can be established within the University. The
committee briefly discussed this but no action was taken.

GENERAL
GOVERNMENT The committee considered the General Government budget.
Mr. Warwick moved and asked unanimous consent to add
\$6.9 for a new BRU Retirement & Benefits - Territorial
Retirees. No objection, so ordered. Mr. Warwick moved and
asked unanimous consent to accept the House figure of 12.5
for Retirement & Benefits - Health Insurance. No objection.

Senator Ray moved and asked unanimous consent to reopen
the Reapportionment Board. No objection. Senator Ray
moved \$30.0 for the Reapportionment Board. No objection,
so ordered.

The committee briefly discussed Revenue Sharing but no
agreement was reached.

Recess: The committee recessed at 3:30 p.m.

FREE CONFERENCE COMMITTEE
HOUSE BILL 58
April 6, 1973
10:00 a.m.

Present: All members.

Chairman Groh called the meeting to order.

The following Budget Request Units were re-opened in order to adopt new figures:

EDUCATION
(OTHER)

BRU	AMOUNT	INTENT
Vocational Education	\$ 336.1	Senate

Senator Groh moved and asked unanimous consent that BRU Vocational Education be re-opened; no objection, so ordered. Senator Groh stated that the Senate figure of \$276.1 had previously been adopted by the Free Conference Committee, but that the Senate conferees now wished to change that figure in order to include an additional \$60.0 for Senate Bill 201 (Youth Employment Service Program). A letter of intent would specify that the additional \$60.0 would be used only for the Y.E.S. program. Senator Groh then moved and asked unanimous consent that an additional \$60.0 for the Y.E.S. program be inserted in the standing FCC figure of \$276.1, thus making a total figure of \$336.1 for Vocational Education; no objection, so ordered.

Alaska Arts Council	502.9	House
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Representative Warwick stated that the House conferees wished to re-open the BRU Alaska Arts Council in order to insert an additional \$20,000; the additional amount would be expended as stipulated in Committee Substitute for House Bill 151 (Relating to Alaska Council on the Arts, Grants for Youth Cultural Activities). The House also wished to have an additional \$5,000 for the Humanities Forum under this BRU. Representative Hillstrand stated that the House conferees would accept the Senate figure of \$502.9 (the House figure of \$497.9 had previously been adopted) with two letters of intent outlining that the \$502.9 would include \$20,000 for CSHB 151 and \$5,000 for the Humanities Forum; Representative Hillstrand so moved; no objection, so ordered.

GENERAL
GOVERN-
MENT

BRU	AMOUNT	INTENT
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Executive Direction	\$ 972.1	Senate
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Senator Groh moved that an additional \$100,000 be inserted in the BRU Executive Direction. (The Free Conference Committee had previously adopted the Senate figure of \$872.1.) There was no objection to re-opening this BRU, and Senator Groh stated that the additional \$100,000 would be used for the Alaska Pipeline Education, Incorporated committee. A letter of intent would specify that the \$100,000 would be used in accordance with the Governor's letter which requested monies for Alaska Pipeline Education, Inc. Those in favor of Senator Groh's motion were Senators Groh, Ray, and Representatives Haugen and Warwick; and the motion carried.

ADMINI-
STRATION
of
JUSTICE

Criminal Justice Planning	1,685.3	Senate
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Representative Hillstrand moved and asked unanimous consent that the committee reconsider Criminal Justice Planning in order to write a letter of intent for the record to show the use of 10% of the Fiscal Year L.E.A.A. grants to the State of Alaska for the establishment of the Criminal Justice Planning Education Program, effective September, 1973 at the Anchorage Community College. Those in favor of the motion were Representatives Warwick and Hillstrand; opposed were Haugen, Groh, Ray, and Butrovich; and the motion failed.

DEVELOPMENT
(Dept. of
Comm. &
Reg. Aff.)

Revenue Sharing

Following brief discussion regarding Revenue Sharing, the committee agreed to hold this BRU open until a future meeting.

The committee then recessed at 11:00 a.m.

AFTER RECESS
1:45 P.M.

CAPITAL
PROJECTS

The committee referred to CAPITAL PROJECTS.

Rep. Haugen moved the House figure of 55.0 for the Klawock City School, multi-purpose room. No objection.

Senator Butrovich moved the Senate figure of 25.0 for the Capital Community Broadcasting equipment. No objection.

Senator Groh moved the Senate figure of 350.0 for Pelican High School, no objection.

Governor's Office: Acquisition of museum artifacts - The figure of 25.0 was accepted by the committee. Rep. Warwick moved the House intent that the museum will comply with the Legislative Budget & Audit report on security. No objection.

University of Alaska: Books for Anchorage Consortium Library - Senator Ray moved and asked unanimous consent for the figure of 250.0. No objection.

Ketchikan Community College, black topping/road - Senator Groh moved to accept the figure of 35.0. It was brought to the attention of the committee that other projects can be taken care of from the funds appropriated to the Ketchikan Community College, and Rep. Groh moved intent to state 35.0 would be appropriated for Ketchikan Community College improvements, including the road. No objection.

Senator Groh moved and asked unanimous consent to appropriate 50.0 for the Mat-Su Community College road. No objection.

Kodiak Community College road: Senator Ray moved and asked unanimous consent for the figure of 20.0. No objection.

The House figure of -0- was accepted by the committee for the Sitka Mausoleum.

Education: Alaska Skill Center - Women's Dormitory - The committee accepted the figure of -0-.

Alaska Skill Center - Shop Building - The committee accepted the figure of 300.0, with the intent the Skill Center should use previously appropriated capital project funds, if available, to augment this appropriation.

\$1,152.0 was accepted by the committee for Hill-Burton Match under Health & Social Services.

Fish and Game: Construction, Improvements, and Equipment - The committee deleted the construction of a permanent fishway on Anan Creek for \$149.0. Senator Groh moved and asked unanimous consent to adopt the figure of \$924.4, no objection.

George Inlet Salmon Incubation Project - Senator Groh moved the House figure of 100.0 - no objection.

Senator Ray moved and asked unanimous consent to add a Salmon Incubation Project for Montana Creek, \$100.0. No objection.

The committee decided to add a King Salmon study in the Salcha and Goodpasture Rivers, with the intent that the Department of Fish & Game report the findings of the study to the next session of the legislature. Senator Groh moved and asked unanimous consent for the figure of 20.0 - no objection.

Kenai and Kasilof Gravel Incubators: Senator Groh moved and asked unanimous consent to appropriate \$300.0 to the project - no objection.

Vessel Repairs: The committee accepted the figure of 75.0.

Big Lake Gravel Incubator: Senator Ray moved the figure of 200.0. No objection.

Commerce: Microfilm System - Senator Groh moved the Governor's recommended figure of 20.0. No objection.

Alaska Court System - Equipping Anchorage Court: The committee accepted the figure of 500.0, with the intent that the existing court building be remodeled for office space in addition to equipping the Anchorage Court.

Equipping Ketchikan Court: Senator Ray moved 150.0 and asked unanimous consent that a letter of intent state these funds be used only for equipment and not for the acquisition of additional library books. Rep. Warwick amended the figure to \$100.0. The committee accepted \$100.0, with the above intent.

Waters and Harbors Projects: The committee accepted the figure of \$1,083.0

Small Boat Harbor, Anchorage: Senator Groh moved the House figure of 45.0 - no objection.

Aurora Basin Small Boat Harbor Launching Ramp and Staging Area: The committee discussed the addition of 275.0 for this project; however, Rep. Hillstrand objected and the subject was left open.

4/6/73

Yukon Ferry Study (HB 217): Senator Groh moved and asked unanimous consent to adopt the figure of 50.0. No objection.

Knik Arm Ferry Study (HB 293): Senator Ray moved the Senate figure of -0-, which the committee accepted.

Larson Bay Airport Improvements: The committee accepted the House figure of 100.0.

Highways: Girdwood, Eagle River Road Study - Senator Groh moved the figure of \$5.0, which was accepted by the committee.

Seward Bridge Placement - Resurrection River: The committee accepted the Senate figure of -0-.

Public Works: Barrow Facility - The committee accepted the House figure of 160.0.

Communications: Senator Groh moved the House figure of 294.6, which the committee accepted.

Senator Ray moved 115.0 for the Ketchikan Small Boat Harbor, 50.0 for the Metlakatla Small Boat Harbor, and 275.0 for the Aurora Basin Small Boat Harbor Launching Ramp and Staging Area. Senator Butrovich objected; however, the committee voted to accept the motion.

Galena Health Center: Senator Groh moved and asked unanimous consent to accept the figure of 200.0. Motion accepted.

Rep. Warwick referred to the intent stated for the University of Alaska and asked that it be changed to say the Board of Regents shall increase the fees, and that reference to non-resident, full-time students be deleted. The committee accepted the motion.

The meeting recessed at 3:30 P.M.

AFTER RECESS

4:00 p.m.

Present: All members present.

Senator Groh called the meeting to order and said the committee would consider section 13 of SCS CSHB 58 relating to approval by the Budget and Audit Committee.

The committee discussed the wording to be used in section 13. Mr. Warwick suggested using the same wording in section 13 of SCS CSHB 58 in the Free Conference budget. He also suggested that they could delete paragraph (3) from section 13.

The committee discussed the wording from last year's budget bill. Senator Butrovich moved that the same language used in last year's budget bill in section 14 be placed in section 13 of the Free Conference budget.

Recess: The committee recessed at 4:15 p.m.

AFTER RECESS

4:35 p. m.

Senator Ray read language in the Constitution relating to line item vetoes. Senator Ray said that the Governor was adamantly opposed to any language limiting his ability to transfer funds.

After a brief discussion, Senator Butrovich's motion carried 4 to 2 (Senator Ray and Mr. Hillstrand voting no) and the staff was instructed to include the same language in section 14 from last year's budget bill in the Free Conference budget.

DEVELOPMENT

Mr. Warwick moved \$8,500.0 for Revenue Sharing. The motion failed 3 to 3 (Senators voting no). Mr. Hillstrand moved \$8,250.0 and the motion failed 3 to 3 (Senators voting no). Mr. Hillstrand moved \$8,750.0 and the motion failed 3 to 3 (Senators voting no).

The committee then discussed house bills and senate bills which had passed both houses and should be included in the budget bill.

Recess: The committee recessed at 5:20 p.m.

AFTER RECESS

11:30 p.m.

Present: All members. Senator Groh called the meeting to order.

DEVELOPMENT

Mr. Hillstrand moved \$8,250.0 be inserted in Revenue Sharing. Senator Ray objected. Senator Ray moved to amend the motion to \$9,000.0. The motion on the amendment failed 1 to 5 (Senator Ray voting yes). The motion on the \$8,250.0 carried 5 to 1 (Senator Ray voting no).

TRANSPORTATION

Mr. Warwick moved and asked unanimous consent to include intent to direct the Commissioner of Public Works to conduct a study with existing personnel on the feasibility of a Knik Arm Ferry. Senator Ray objected. Senator Ray withdrew his objection and the motion carried unanimously.

ADJOURN: The committee adjourned at 11:40 p.m.

FREE CONFERENCE COMMITTEE
SENATE CS FOR CS FOR HOUSE BILL NO. 1
November 10, 1973
1:30 P.M.

An Act providing for taxes on property used in the exploration for, production of, or pipeline transportation of gas or unrefined oil; and providing for an effective date.

Senators Butrovich, Palmer, Ray;
Representatives Freeman, Hackney, Saylor;
John Havelock, Attorney General; Byron Mallott, Commissioner,
Dept. of Community & Regional Affairs; Stuart Hall, Division
of Legislative Affairs.

PRESENT

Senator Ray called the meeting to order and gave the background of the work by the Senate Finance Committee on their Committee Substitute for Bill No. 1. Sen Ray asked if the free conference committee wished to go through the bill section by section; to which Rep. Freeman replied the House members would like to hear the rationale and reasoning behind the changes submitted by the Senate. Sen. Ray said John Havelock and Byron Mallott were present to assist in explanations of the bill.

SCS CSHB 1

Section 1 - Committees were in agreement on 010(a).
010(b) - \$1,000 limitation in the House; choice in the Senate in an attempt to meet the requirements of all communities. Difference of about \$1 million loss of revenue to the state to be shared by the municipalities; assuming going the 250% rather than \$1,000. Sen. Palmer said figures submitted by Mr. Mallott showed the Anchorage assessed value of \$17,500, (?) average is \$25,000. Limited North Slope Borough to \$25,000 per capita would not be great enough to take care of the North Slope services, and Sen. Palmer explained this was why the Senate went to 250% instead of 200%.

Rep. Freeman said there was a difference in the philosophical approach. The House considered and rejected the 250% approach, and was still inclined to think the \$1,000 limit was the best. Rep. Freeman added he had a problem seeing the rationale of using both approaches and couldn't see presenting a choice. Obviously communities would use the one more to their advantage. From a philosophical point of view, all the House was trying to do was keep it equitable and keep it uncomplicated, explained Rep. Freeman. Senator Ray suggested moving on to another section.

.020 Exemptions - Rep. Saylor questioned line 9, page 2 of the Senate Committee Substitute regarding local taxes. Mr. Havelock said the committee wanted to make it clear that there was no commitment that the state would not impose taxes on that property at a later date. Clear that property would

not be exempted ad infinitum and future legislators may wish to change. Would be possible to do this without the word "local." Sen. Ray added this would close the door to the municipalities but not the state. Rep. Saylor then questioned line 16, page 2, where the Senate Committee Substitute deleted "and development." Mr. Havelock said this would allow conformance with the Kenai Peninsula where development expenses were included in the taxes. Sen. Palmer noted they were talking about intangible expenses -- this would make it comparable to building a house and the oil industry should be subject to tax. Any revenues would still be subject to ceiling.

.030 - Briefly discussed.

.040 - State Assessment Review Board - Rep. Saylor said the House had persons not required to be residents of the state, as the Governor should be allowed the latitude to call on any expertise. Now a departure from any other board or commission that selects persons from out of state. Sen. Butrovich noted if the bill was silent on the subject, it would not preclude hiring from out of state. Sen. Palmer said there was no duration on residency required, so it meant nothing. Sen. Ray said the major difference is subject to confirmation of the legislature.

.050 - O.K.

.060 - Rep. Saylor asked for discussion on the major differences in the two bills. The House bill placed responsibility for assessment and collection of taxes on the state's back, whereas the Senate version placed it on the back on the municipality. Sen. Ray could not agree, and Rep. Saylor noted it was a question of who was going to do the assessment. He said he felt the state should be primarily responsible for the assessment of oil royalty equipment and this was the major difference between the two bills. The Attorney General had told the House that problems could be encountered in assessing different types of equipment separately, added Rep. Saylor, and the House was attempting to assess all equally. Mr. Havelock said the differences were not that great. In the Senate Committee Substitute two assessments would take place and the state would assess on that property covered by the state tax. He added the major difference in the two bills was the base of the property tax, with no difference in assessment. Stuart Hall said it could be appealed to the assessment review board.

Rep. Saylor then questioned Section (c) and deletions made by the Senate. Mr. Havelock explained the Senate narrowed the tax base by excluding exploration with the exception of wells. There was a difficulty in administering a tax at

this level and a problem in taxing mobile equipment. Although there would be no legal problem, it seemed it would be more fair. Problems were raised, but not as acute when getting into their exploration equipment.

(d) (2) - Left open.

(3) - O.K.

(4) - Sen. Palmer requested this be deleted.

(e) - Open.

(f) - Rep. Freeman asked if this language was necessary. Mr. Havelock said the language was derived from municipal code. At the time he was working on this, he was unable to find any equivalent provision in the state statutes.

The committee recessed at 2:15 P.M.

AFTER RECESS

2:30 P.M.

Sen. Ray called the meeting to order.

.070 - (a) - Open

(b) - O.K.

.080 - O.K.

.090 - Open

.100 - O.K.

.110 - Rep. Saylors said he had a problem with the language of "receiving an assessment notice. ." and asked if it was lost in the mail. Sen. Ray replied if a citizen does not receive a notice, it was his duty as a citizen to inquire, to which Mr. Havelock agreed.

The committee briefly reviewed the remaining sub-sections.

Sec. 2 - Senate Committee Substitute set out a formula for \$1,000 and 250%. This section was left open.

Sec. 3 - The Senate CS stated an exemption may not exceed \$10,000 for any one residence.

Sec. 4 - Senate CS added a provision due to bond counsel's advice. Mr. Havelock explained the 30 mill limit was not considered to be a limit for purposes of bonding. Bond people said a different interest rate would apply since it was a lesser quality security, and assumed it would apply on a state-wide basis and present a problem. It was desirable to have a provision of this nature in the bill, added Mr. Havelock.

At this time Sen. Ray asked for discussion on the policy

between difference of the state taxing limits and why the Senate Committee Substitute did not want transportation items and why the House did. This would define whether the free conference committee had a basis for a compromise.

The meeting recessed at 2:55 P.M.

AFTER RECESS
3:20 P.M.

Sen. Ray called the meeting to order.

Rep. Freeman said they discussed the matter of the two formula limitation. The House members felt it would be far more desirable to discuss the limitation formula and choose one of two methods. The House prefers \$1,000 rate and would like to discuss. Sen. Ray said the Senate, after testimony from Byron Mallott, Larry Eppenbach, and John Havelock thought very little administrative problem was created, and it was highly desirable to one faction of the Senate. The difference could only be projected not to exceed \$1 million, and possibly be between \$600,000 and \$800,000.

Larry Eppenbach, Dept. of Revenue, joined the meeting at this time and testified that it would amount to about \$1 million in the early years, but possibly \$3 or \$4 million in later years. Sen. Ray said the problem was one that would be refined. Perhaps by dual use, the most successful way could be determined. Rep. Freeman said two formulas would just create a lot of work. Sen. Ray replied it was the understanding of the Senate that there would not be much problem in administering, and the North Slope Borough was very deficient in service.

The committee discussed assessment and problems with taxing movable equipment. Mr. Eppenbach said they were talking about \$500 million. Exploratory equipment included drilling rigs; whereas development equipment included trucks, etc. He added he would prefer to see production equipment in from a revenue point of view. Mr. Havelock noted Mr. Eppenbach was speaking only for the Dept. of Revenue, not the administration.

Rep. Saylor suggested the House language be reinstated in the bill, and so moved. Four members voted in favor of the motion; three from the House and one from the Senate. Sen. Ray explained the motion failed since two votes were needed from each side.

The meeting recessed at 3:45 P.M.

AFTER RECESS
4:20 P.M.

Sen. Ray called the meeting to order.

Rep. Saylor suggested a compromise, to possibly exempt

exploration equipment but include construction equipment. Rep. Saylor moved the state be allowed to tax the exploration equipment in the local municipalities at this time of construction. Sen. Palmer suggested using the Senate language and including exploratory equipment. Three members from the House voted in favor of the motion. Motion failed.

Sen. Palmer asked if each side could put together a compromise package. Sen. Ray thought if construction and exploratory equipment were added, then transportation equipment would not be so important.

Rep. Freeman said he was prepared to present an amendment for .055 which was new language submitted by the Attorney General. Mr. Havelock said it was drafted at the request of the House members due to their concern about a provision in the Senate bill. Appears to create a loophole under which bonds could be issued without any limitation on the mill levy. He added he was requested to prepare a draft which would prevent the issuing of bonds ad infinitum. Sen. Ray said he saw no problem with Senate CS .055 as it was written. Mr. Havelock replied it was not a legal issue, but a question of what practices municipalities and bond counsel would allow. Rep. Saylor moved the new language for the section; motion failed with three members of the House voting in favor, no votes from the Senate.

The meeting recessed at 4:30 P.M.

AFTER RECESS
5:00 P.M.

Sen. Ray called the meeting to order and noted he had drawn up a statement during the recess on issues. Municipalities, in trying to support a proper tax base, should be helped. The Senate will not retreat from this position, said Sen. Ray. The Senate would acquiesce in deleting definitive pipeline and grandfather in Kenai and Cook Inlet. Trans-Alaska pipeline should be put in. Senate agrees to certain assessment provisions and separates language on special service areas. Assessment of pipeline itself, Senate refined the Governor's original language and agreed to a position practically identical to Governor's language and sees no reason to depart from this position. Other differences could be relegated to minor roles and taken care of in the regular session.

1. Senate will not retreat from \$1,000 and 250% provision.
2. Will delete pipeline, page 5, sub-section 4, and insert trans-Alaska.
3. House's suggestion of certain assessment provisions, agree there could be changes on special assessment areas.

The balance of the problems were minor, concluded Sen. Ray. Rep. Saylor said the House would not retreat from their

\$1,000 limitation.

The meeting recessed at 5:20 P.M.

AFTER RECESS
7:50 P.M.

Sen. Ray called the meeting to order.

Rep. Freeman stated the House would agree to accept the Senate recommendation on 43.56.030 with the deletion of "and except for special assessments levied under . . .". The House also would accept the Senate's version of .060(b). Referring to page 4, assessment, Sen. Ray said the Senate would have no problem with exploration being included under construction or vice versa. Rep. Freeman referred to page 3, line 8, and said the House would accept the Senate's language. Sen. Ray noted it was the intent of the Senate to support the Governor's position to the fullest extent possible.

The meeting recessed at 8:00 P.M.

AFTER RECESS
8:25 P.M.

Sen. Ray called the meeting to order and noted under .060(b) the Senate deleted exploration and construction. Rep. Saylors said the House would be willing to allow construction equipment but not exploration. There was a motion to put construction back, and the state could not tax, local municipalities could. Stuart Hall clarified the motion that page 4 from the House bill would be inserted in the Senate version. The House members had no objection, and Sen. Palmer made the official motion and asked unanimous consent. No objection, so ordered.

On page 1, line 22, an amendment was suggested as follows: Insert after the period - "No municipality may exempt from taxation property authorized to be taxed under this chapter." Sen. Ray moved the amendment, Rep. Hackney moved and asked unanimous consent. No objection, so ordered.

Rep. Freeman asked for further concessions from the Senate. Sen. Palmer moved page 2, line 28, be deleted, and page 5, paragraph (4), lines 23 through 26, deleted, and asked unanimous consent. No objection, so ordered.

Sen. Ray asked that the dual formula be adopted. Rep. Freeman asked if the Senate would be interested in lowering the 250% to 150 or 200%. Sen. Ray said this would be open for discussion.

The meeting recessed at 8:45 P.M.

AFTER RECESS
9:15 P.M.

Sen. Ray called the meeting to order.

Rep. Freeman said the House was still faced with four problems:

1. \$1,000 and 250% dual formula;
2. \$10,000 exemption;
3. Economic value versus replacement value;
4. Liquifaction.

The House had agreed to present the following:

1. Will accept dual formual of \$1,000, providing that the percentage be reduced to 225%;
2. Will agree to \$10,000 exemption;
3. Agree to economic value rather than replacement value, in exchange for page 11, line 4 - "or liquifaction."

Rep. Freeman stated it was the intention of the House members that this was a package offer. If the Senate agreed, the House would expect no further changes or deliberations.

Sen. Ray said it was the position of the Senate that they were still adamant on the proposal of 250% and \$1,000 formula; however, they could possibly consider a 225% figure. He said it was curious that the new issue of liquifaction was presented; and felt this was unrelated.

Rep. Freeman replied the House backed down on three out of four and probably was giving away much more than they were getting. Rep. Saylor noted with the exemption based on real property, he felt there would be a possibility for the North Slope Borough and Valdez to tax pipe on the ground. If this was the case, that meant those communities would be receiving a substantial number of dollars to cover the difference between 250% and 225%.

The meeting recessed at 9:40 P.M.

AFTER RECESS
10:25 P.M.

Sen. Ray called the meeting to order and said the one point of controversy was liquifaction. It seemed to go against the grain of those present that the state was breaking its word on the Industrial Incentive Act. Under no circumstances would the members of the Senate agree to that. Rep. Freeman noted there was not only one point of contention, there were four. Sen. Ray said the Senate would probably agree with three, but not the fourth. Rep.

Saylors said he felt there were still nine areas of conflict. He stated it seemed the House was being asked to give far more than it could. Sen. Ray concluded it was his understanding that negotiations had reached an impasse.

The committee recessed briefly.

AFTER RECESS

Rep. Freeman announced that, since the proposal by the House did not meet with sufficient favor, they had decided it would possibly be better to reverse positions and leave liquifaction in in return for the \$1,000 and replacement value and elimination of the 250%, thereby turning the offer around. Sen. Ray thanked the House members for their offer, but the Senate declined. He believed the meeting was at an impasse, and would like directions from the committee as to whether it should continue. Rep. Freeman said the House had made concessions, and had run out of ways to go. They were ready to listen to counter proposals.

The meeting recessed at 10:35 P.M. until 9:00 A.M. Sunday, November 11.

AFTER RECESS
9:00 A.M.

Sen. Ray called the meeting to order and noted one of the suggestions was putting the lpg facilities into manufacturing, which would include docks, storage, loading facilities, etc. Liquifaction, except that property used directly in the manufacturing of liquified gas, was excluded. Rep. Saylor asked how that would measure with the other three proposals, to which Sen. Ray replied he didn't know the feeling of the members but was trying to compromise.

The committee meeting recessed briefly.

AFTER RECESS
10:15 A.M.

Sen. Ray called the meeting to order and said there had been discussion in the interim to take care of the matter of an expression of intent, expressing the views of the committee regarding the ad valorem bill. Should we have such a letter of intent? Rep. Freeman said it was premature at this point. Sen. Ray stated it would give some guidance to future committees. Rep. Freeman agreed it would probably be of some value in that respect, but asked if the Senate had any new proposals at this time. Sen. Ray said no, unless outlining what the committee has done would be helpful. Rep. Freeman said the House has 14 or 15 points of contention, and asked if these could be presented, to which Sen. Ray said fine.

Rep. Saylor noted there had been talk of using the Senate bill. Page 2, line 9, Rep. Saylor moved that the word "local" be stricken from the bill. Members of the oil industry said they would like this taken out. Mr. Havelock, Attorney General, said there was a real question of whether the reference to 10(b) should be deleted also. It was not the intent of the legislature to tax under 10(a), possible ambiguity to having 10(b) there. His recommendation was the reference to 10(b) be stricken in addition to the word "local." Rep. Saylor so amended his motion. Sen. Ray said in other words it would shut the door on the possibility of taxing oil in place. Mr. Havelock explained with the language as is, he didn't believe a tax would be placed on oil or gas. Sen. Palmer stated without specific language in the bill, it could be argued at some future time that we were morally obligated not to tax oil or gas in place. Mr. Havelock recommended the approach taken on production tax where a letter of intent states there was no intention to foreclose taxing oil and gas in place at some future time. With no further discussion on the matter, Sen. Ray asked for a vote on the motion. Three members of the House voted in favor; motion failed.

Rep. Saylors referred to page 1, line 17. The House felt strongly that the House version was better than the Senate, and he moved and asked unanimous consent that page 1, lines 17 through 22 language from the House bill be inserted in place of the Senate language. Sen. Butrovich objected. Two members of the House voted in favor of the motion; motion failed.

Rep. Saylors referred to page 4, line 1, and felt the House language superior to the Senate. He moved the entire section of 43.56.060 be replaced with the language from the House bill. Two members of the House voted in favor of the motion; motion failed.

Rep. Saylors referred to page 5, lines 3 through 16, and moved the entire section of Senate bill be deleted and lines 6 through 20 of the House version inserted. Three members of the House voted in favor; motion failed.

Rep. Saylors referred to page 9, line 5, and stated the House version said "all other tax . . .", providing that the state would collect all taxes and rebate to the local governments. He moved this section be included in the bill. Three members of the House voted in favor of the motion; motion failed.

Rep. Saylors referred to page 11, line 4 and moved "or liquifaction" be deleted. Essentially the bill would read as the House had suggested. The liquifaction plant in Kenai is not part of the problem, but a proposed \$500 million plant should be taxed by the state. Sen. Palmer noted the proposed plant would be several years from now, and there was no reason to make such a decision at this time. The committee discussed the proposal. Upon vote, two members of the House voted in favor of the motion; motion failed.

Rep. Freeman said the House had attempted to resolve the questions, and believed the Senate had been rigid, unbending, and uncompromising. There was a choice at this time as to whether a new free conference committee should be called, but Rep. Freeman did not believe this would be in the best interest of the state. The committee had reached a point of deadlock, or they could accept the mediocre bill before them.

The committee recessed briefly.

AFTER RECESS

Sen. Ray called the meeting to order.

Rep. Freeman said he would state the last motion and the last effort on the part of the House: Page 2, line 2, figure of

250% be changed to read 225%. This would be the last amendment the House would have to offer. All six committee members voted in favor of the motion.

Sen. Ray suggested the effective date be changed to January 1, 1974, which would be more appropriate than December 31. Mr. Havelock agreed the January 1 date would be acceptable. Sen. Palmer so moved and asked unanimous consent. No objection, so ordered.

Sen. Palmer clarified the previous motion that the figure 250% would be changed to 225% wherever used in the bill. The committee agreed.

Rep. Freeman moved to adopt the free conference committee substitute for SCS for CS for House Bill No. 1 with individual recommendations. Rep. Saylor objected. Five members of the committee voted in favor of the motion, and the free conference committee substitute was adopted.

The meeting adjourned at 11:20 A.M.