

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2666

HOUSE FINANCE COMMITTEE
Friday, March 11, 1977
9:00 A.M.

All Committee members were present. Also present was Mr. Neil Thomas, Executive Director, Human Rights Commission, and Robert Schroeder, Fiscal Analyst, Legislative Finance.

Present

Representative Freeman made comments regarding the number of people in the court system and regarding the previous evening's meeting.

*Comments-
Re Court
System*

Chairman Cowper replied that the Justice Budget could be reopened if necessary and after some discussion re court system Robert Schroeder was directed to make a report of comparable systems and costs of other states. Mr. Schroeder informed the Chairman that it would probably be a waste of time to look into any other states' systems other than Hawaii as it is the only one that would be similar to Alaska's.

*Re Justice
Budget*

Chairman Cowper expressed his feeling that it is too taxing to have the long evening meetings and difficult for the Committee members to make proper decisions. It is his hope that he will be able to get to the Floor with the Budget by the end of next week (3/18/77).

Re Late Mtgs

Chairman Cowper referred the Committee to Page 15 of the Justice Budget which is for the Human Rights Commission and asked Mr. Thomas if the attorney asked for there was double-budgeted.

*Re Human
Rights Com-
mission
Budget*

Mr. Thomas explained that it is a new position. This person's function would be more prosecutorial, someone to go before the Commission to present the case at the hearings. The law does not really require that this person be an attorney.

*Answers to
Inquiries-
Mr. Thomas*

Rep. Gruening asked if the law requires that someone other than the complainant present the case before the Commission and Mr. Thomas replied that the law does not require it, but it does require it when the complainant desires it. Also, he pointed out that the defendant is usually a corporation or someone represented by a legal firm or experienced attorney.

In answer to Chmn. Cowper's question regarding acquiring of more VISTA people Mr. Thomas said that they have been told by the VISTA people that they are only supposed to have a person from the program for three years and they are going on their fourth year. They were told to not even apply.

*Re Vista
Grants*

Chmn. Cowper thanked Mr. Thomas for attending the meeting and answering the remaining questions of the members.

Discussion of CSHB 164 and Page 51 of Justice Budget

Representative Guy provided the Committee members with copies of the Subcommittee's recommendation for HB 164 and page 51 of the Justice Budget, Adult Confinement, Anchorage Annex Correction Center component. He said that Page 3 of the attachment explains the reasons for the figures. The Subcommittee recommends \$261,500 for Medical Reserve. The reason for the large increase is that the number of cases has doubled.

Mr. Schroeder explained that the Medical Reserve account is in the the Contractual items. Last year \$467,600 was allocated. One of the increases is due to the use of guard service in the hospital for medical care that can't be provided to prisoners in the institutions. The Correctional Officers requested are for four Matrons to go to Ridgeview when it is opened.

Chairman Cowper called a recess at 10:00 a.m.

*Discussion Re
HB 164 and
Page 51 of
Justice Budget*

Recess

Tape H77-36
Log: #1718
End: #2400

Tape H77-37
Beg: #0000
End: #0047

HOUSE FINANCE COMMITTEE
Friday, March 11, 1977
1:15 P.M.

re

Chairman Cowper/opened the meeting at 1:15 p.m., informed the Committee that he had invited Commissioner Burton, Mr. Sam Cotten, and Rep. Dankworth to attend and comment on the Justice Operating Budget requests. All Committee members were present with the exception of Rep. Swanson and Rep. Meekins. Also present were Representative Cotten, Commissioner Burton, Department of Public Safety, Representative Dankworth, and Colonel Wellington, Director, Alaska State Troopers, and Robert Schroeder, Fiscal Analyst, Legislative Affairs.

Present

Chmn. Cowper asked Commissioner Burton what his ideas are for strengthening the system in the Eagle River area and other outlying areas.

*Comments by
Comm. Burton
& Discussion
Re Justice
Budget*

Commissioner Burton said that he supports the budget as recommended by the Governor and that from the standpoint of the Department there is a need to strengthen in that area, but there are no available troopers and the state has not given them the money for them. Also, it is the City's responsibility to police areas which they are not policing and the Troopers then must do it.

Rep. Cotten said that the City of Anchorage has in the past considered areawide police service. In order to provide areawide service, they would have to add 139 people to what they have now. This would result in a 3.1 mill rate to those areas which don't have any services now.

*By Rep. Cotten
Re Justice
Budget*

Rep. Dankworth gave a brief background of the Anchorage area problem. Tried to keep a low profile when he was head of it there. Some of the areas are very seriously lacking police control. There's just not enough people to go around.

*By Rep. Dankworth
Re Justice
Budget*

Rep. Freeman asked if it is unusual to have 10,000 people or more who don't provide their own police services in a community? Rep. Dankworth replied that it is, but that if they vote it in it takes a year or so to get it in and there will be another couple of years before it actually gets going. Muldoon and Sand Lake should be able to absorb it after 1979 or 1980.

Discussion

Commissioner Burton explained the reason for requesting as many new positions as they did. In order to keep one man available twenty-four hours, seven days a week, it takes almost six people, due to days off, sleep time, annual leave, sick leave, etc. Further discussion.

(Rep. Swanson entered meeting - 1:45 p.m.)

Rep. Duncan asked the Commissioner if it is realistic to think that the residents in the Eagle River and surrounding area will actually take on the service eventually. Commissioner replied.

*Continuation-
Discussion Re
Justice Budget*

Representative Dankworth said that he felt he should clarify the point that the two positions requested for this particular area are to handle emergencies, not the type of duty normally thought of - checking for unlocked doors, etc. Not normal patrolling.

Commissioner Burton re-emphasized that he thinks the municipality should be policing itself. However, the way the laws are set up now the Troopers are responsible for every place the municipality is not responsible for.

Representatives Cotten and Dankworth left the meeting at 2:00 after Chairman Cowper had thanked them for attending.

Further brief discussion and Chairman Cowper thanked Commissioner Burton and Colonel Wellington for attending after which they left the meeting.

(Changed Secretaries)

(3/11/77 - 3:30 p.m.)

Discussion of HB 164

Subcommittee recommendation: \$1,241,000, broken down as follows: Medical Reserve \$261,500, Anchorage State Jail \$900, Ketchikan State Jail \$100, Annex -0-, Eagle River \$1,000, Local Facilities \$80,000, Out-of-State Institutions \$290,000. Juvenile Confinement - Local Facilities \$207,500, Out-ofState Care \$400,000.

(Changed Tape - H77-38, Log #0000)

Motion was made asking for unanimous consent to report out a Committee Substitute for HB 164 adopting the Subcommittee's recommendations. Motion passed with a majority of "Do Pass" recommendations.

HB 164 Reported Out

Chairman Cowper called a recess at 3:55 p.m.

Recess

Meeting reconvened at 4:20 p.m.

Reconvened

Chairman Cowper referred the Committee back to Page 35 of the Justice Budget and moved that it be reopened for discussion and possible amendment of their recommendation. There was no objection. He said the Attorney General had talked to him personally during the recess regarding the position request for the District Attorney in Fairbanks. This position is apparently badly needed. Chairman Cowper made a motion to amend the Committee's recommendation by deleting the previously allowed Administrative Assistant I position and allowing the Attorney III and Legal Secretary I positions, adding in 49.8 to General Funds and changing the position count to 16. There was no objection and the motion passed.

Page 35 of Justice Budget

Amendment to Comm.'s Recommendation

Chairman Cowper then asked Representative Schaeffer for the Subcommittee's recommendations for the Public Protection Budget close-outs.

3/11/77

P U B L I C P R O T E C T I O N

P. 3 Individual Protection, State Recorder

Subcommittee recommends allowing the following requested positions:

Assistant Clerk-Kodiak, Assistant Clerk-Homer,
Assistant Clerk-Glennallen, Assistant Clerk-Valdez.

Changes in figures:

Total Expenditures-842.5, Full-Time-37

P. 5 Consumer Protection, Office of Consumer Protection

Committee took Subcommittee's recommendation of the Governor's recommendation and disallowed one Paralegal Assistant of the two requested for Anchorage.

P. 7 Reg. Of Business & Professions, Alc. Beverage Control Board

Committee took Subcommittee's recommendation of the Governor's recommendation with the exception of disallowing the one requested position and accordingly changing the Total Expenditures to:

Total Expenditures-353.7

3/11/77

P. 11 Occupational Safety, General Administration

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 13 Occupational Safety, Compliance Inspection

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 15 Occupational Safety, Health Inspection

Subcommittee recommended adopting the Governor's figures. Committee changed the Travel figure and adopted the Governor's recommendation for the remainder of the funding:

Travel-25.0, Total Expenditures-261.9

P. 17 Occupational Safety, Training & Consultation

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 19 Occupational Safety, Planning & Standards

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 21 Occupational Safety, Research Contracts

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 23 Industrial Safety, State Inspection

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 25 Consumer Protection, Weights & Measures

Subcommittee recommended adopting the Governor's figures with the exception of a \$14,000 cut. Reason for cut: difference between funding level of person filling vacated position funded at a different level.

Total Expenditures-595.1

P. 31 Banking Securities & Corp., Banking & Small Loans

Committed recommends Governor's figures with the exception of

increase in Contractual for necessary cost in instituting a new banking code.

Contractual-46.2, Total Expenditures-216.6

P. 33 Banking Securities & Corp., Sec. & Land Sales

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 35 Banking Securities & Corporation, Corporations

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 37 Banking Securities & Corporation, Admin & Support

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 41 Insurance, Insurance Companies

Subcommittee recommended the Governor's figures with the exception of an decrease in Travel and Contractual for the reason that the program requested an increase due to increased workload, but investigation shows no increase in workload.

Travel-15.8, Contractual-54.5, Total Expenditures-304.7

P. 43 Insurance, Rates & Policy Forms

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 45 Insurance, Licensing

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 47 Insurance, Investigation

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 49 Regulation of Business & Professions, Alaska Public Utilities Commission

Subcommittee recommended adopting the Governor's figures with the exception of a decrease in Personal Services.

Personal Services-1047.7, Total Expenditures-1235.1

P. 51 Regulation of Business & Professions, Alaska Transportation Commission

Committee disallowed all new positions requested including the

three allowed by the Governor changing the figures accordingly:

Personal Services-778.4, Travel-44.1, Contractual-166.9,
Commodities-15.0, Equipment-5.3, Lands/Bldgs-4.0, Total
Expenditures-1013.8

P. 53 Regulation of Business & Professions, Alaska Pipeline
Commission

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 57 Regulation of Business & Professions, Regulation & Licensing of Professions

Committee adopted Subcommittee's recommendation to take the Governor's figures with the exception of decreasing Travel by \$9,000.

Travel-153.9, Total Expenditures-770.6

P. 59 Regulation of Business & Professions, Administration and Support

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 61 Search & Rescue, Civil Air Patrol

Committee adopted Subcommittee's recommendation to take the Governor's figures with the exception of allowance of the requested Travel figure.

Travel-13.0, Total Expenditures-329.7

P. 67 Alaska Disaster Office, Civil Defense Planning

Committee adopted Subcommittee's recommendation of the Governor's figures.

P. 69 Technical Services, Radiological Program

Committee adopted Subcommittee's recommendation to take the Governor's figures.

P. 71 Alaska Disaster Office, City Participation

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 73 Alaska Disaster Office, Flood Control

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 77 Alaska Disaster Office, Disaster Relief Act

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 81 Alaska National Guard, Office of Adjutant General

Committee adopted the Subcommittee's recommendation of the Governor's figures with the exception of disallowance of one position and accompanying costs.

Personal Services-705.5, Total Expenditures-1011.0

Full-Time-24.0

P. 83 Facilities Operations & Maintenance, State Armories

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 85 Facilities Operation & Maintenance, Federal Armories

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 87 Facilities Operation & Maintenance, Army Training Support

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 89 Facilities Operation & Maintenance, Air Training Support

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 91 Alaska National Guard, Organized Militia Benefits

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 93 Alaska National Guard, Hitchhike-Ak. Military Academy

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 97 Agricultural Inspection, Plant Industry

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 99 Agricultural Inspection, Animal Industry

Committee adopted the Subcommittee's recommendation with the

exception of:

Contractual-113.5, Total Expenditures-703.9
General Fund-270.1

P. 101 Individual Protection, Fire Safety

Committee adopted the Subcommittee's recommendation of the Governor's figures with a budget amendment due to \$120,00 program receipts added in which is available from charges for review of building plans.

Personal Services-514.1, Travel-65.7, Contractual-111.3, Commodities-10.2, Equipment-12.0,
Total Expenditures-713.3, Other Funds-120.0 (Budget Amendment)

P. 105 Driver Vehicle Services, Driver Services

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 107 Driver Vehicle Services, Vehicle Services

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 109 Driver Vehicle Services, Field Operations

Committee adopted the Subcommittee's recommendation of the Governor's figures with the exception of allowance of the new position for Kenai requested specifically by Speaker Hugh Malone.

Total Expenditures-2832.7

P. 111 Driver Vehicle Services, Administration

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 113 Traffic Safety Improvement, Coordination

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 115 Traffic Safety Improvements, Federal Projects

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 117 Driver Vehicle Services, Municipal Tax Unit

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 117 Driver Vehicle Services, Municipal Tax Unit

Committee adopted the Subcommittee's recommendation of the Governor's figures.

P. 119 Weights & measures, Vehicle Weight Enforcement

Committee adopted the Subcommittee's recommendation of the Governor's figures.

Meeting adjourned at 5:30 p.m.

Adjourned

Tape H77-37

Log Beg: #0047

Tape H77-38

(Public Protection Budget - approx. #0700-1960)

Log End: #1966
2

3/11/77

MEMORANDUM

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

Attachment to
Budget Close Out
Minutes HFC
3/11/77

Re: Page 31
Oper. Budget
Public Protection

TO: ☐ Langhorne A. Motley
Commissioner

DATE : December 8, 1976

FROM: Julius J. Brecht *JB*
Director
Division of Banking & Securities

SUBJECT: Cost of Proposed Bank
Recodification

INTRODUCTION

The Department of Commerce and Economic Development's budget for the Division of Banking and Securities for FY '78 includes a line item of \$100,000 for contractual services to implement a project to recodify the Alaska Banking Code, AS 06.05.

I am told that the Attorney General has said that the project can be done on a budget of \$50,000. This estimate is, perhaps, credible only if one has in mind a project in which an attorney is told to redraft the Banking Code. But, such an approach would fall far short of the goal of implementing a thorough and comprehensive review of the Alaska Banking Code.

GOAL OF RECODIFICATION

Two questions must be answered at the outset of a recodification effort:

1. What should be the substance of the code?
2. Where should the Alaska banking system be, say in ten years?

In estimating the recodification cost, the Department of Commerce and Economic Development has in mind an interdisciplinary approach.

First, we envision the need of the services of a legal draftsman. This person should be familiar with the banking industry.

Second, the success of the project depends critically on the local input of state and national bank officials, consumer representatives, legislators, the Division of Banking and Securities, and members of the public at large. We propose to coordinate and gather this input through a committee composed of Alaskans from various walks of life. It is imperative that this project involve those who will be regulated by the code at the earliest stages so that their comments may be made known. This local input and that of other Alaskan citizens will be invaluable in tailoring a banking code to the needs of Alaska now and in the future. Otherwise, the project will surely fail.

Furthermore, it is the overwhelming consensus of bank supervisors in other states that have gone through a recodification effort in the recent past, that the local needs of the banking community and the public must be considered.

Third, an equally important ingredient to the Department of Commerce and Economic Development interdisciplinary approach to the bank recodification is a banking consultant, i.e., ^{one} who is experienced in banking matters on a nationwide basis. This consultant would be one who is knowledgeable of the banking provisions of other states and the federal government, and has a thorough understanding of the complexities of the banking industry nationwide. Alaska does not stand alone. It is one of fifty in the union of states with comprehensive federal regulation as well.

In fact, the federal government is in direct competition with the various states through the comptroller of the currency who charters and regulates national banks. At present, there exists eight state-chartered and six national banks in Alaska. State-chartered banks hold about 30% of the total assets of \$2 billion dollars in banks in Alaska. The Department of Commerce and Economic Development has a duty to support competitive equality in the dual banking system. The department cannot, therefore, embark on a recodification effort in a halfhearted manner, relying only on local attorneys. To do so may tip the scale even more towards further federal regulation of banking services provided in the State.

Finally, there is a need in the proposed Alaska recodification project for the banking consultant to not only coordinate the recodification effort, but to act as a catalyst to generate ideas and keep the committee moving so that it can cover all pertinent matters in the time allotted for the project.

BASIS FOR ESTIMATED COST

The department's estimate of the cost of the recodification effort is based, in part on the cost of similar efforts in other states.

For example, in 1975 the State of Oregon completed an \$30,000 comprehensive review of that state's banking code. The legislation resulting from that project recently became law and was the result of an intensive review by/Committee of 15 public minded citizens including state and national bank officials, attorneys, legislatures and members of the press. There are over 400 banks in Oregon from which the committee was chosen. Each member donated his or her time but was paid travel and per diem to attend meetings.

A similar effort was just completed in the State of Maine, costing \$125,000. This effort included the retaining of a consultant on banking matters. This approach is what the department envisions for Alaska. We have only 14 banks from which to draw members for the committee representing the banking community, which is spread out over a geographical extent of almost 2,000 miles.

ESTIMATED COST

We envisioned at least 12 meetings of the committee as a whole. In addition, we envisioned the committee being divided into five subcommittees of three members each. These subcommittees would consider specific areas of the banking statutes and report back their recommendations to the committee as a whole.

In addition, public hearings would have to be held to allow the general public opportunity for comment. The conservative estimate of the department for the travel and per diem cost is \$30,000. This estimate is based on the assumption that at least 12 meetings would be held, that all committee meetings would be held in Anchorage, that five members of the committee would have to travel to the Anchorage area and thus be paid travel and per diem, that a representative from the division of banking and securities would attend each meeting, and that the banking consultant or his alternate would attend each meeting. In addition it is estimated that at least 300 hours would be expended at the rate of \$100 per hour in attorney time and at least 300 hours at \$100 per hour would be expended by the banking consultant for a total of \$60,000. Therefore, the department's minimum estimate of the cost involved in this project is \$90,000. These estimates do not take into consideration the cost of publishing notice of the various public hearings, the possible cost of travel and per diem of subcommittee members, the possible cost of coordinating the effort, or possible cost of the publication of a report of the final recommendation of the committee in the way of a legislative bill.

SUMMARY

The Department of Commerce and Economic Development's conservative estimate of the cost of the recodification of the Alaska banking code and the procedure for implementing the project is based on the experiences in Oregon, Maine, and other states. We have certain individuals in mind who have expressed an interest in undertaking the responsibility of coordinating the project, including the providing of a banking consultant and a legal draftsman.

We believe our estimate of the cost of this comprehensive revision of the Alaska Banking Code is realistic and in line with the expenditures of other states in recent times.

To attempt a project that is of lesser scope or quality would seriously jeopardize the attaining of the goal of the entire project.

JJB/jag3/4

HOUSE FINANCE COMMITTEE
Friday, March 11, 1977
2:10 p.m.

This was a continuation of an earlier meeting, with the same people attending.

JUSTICE

JUSTICE

P. 93 Enforcement, Detachment & C.I.B.

Rep. Freeman objected to the fact that the largest municipality in the state couldn't provide it's own police protection (Anchorage). Others communities are paying their own way. Rep. Cowper moved to add the figure of 665.0 to this budget which is 75% of the total cost suggested in this budget expansion for C detachment, and that three positions for Anchorage be deleted. Total net cost around 540.8. Rep. Freeman objected. Motion passed. LEGISLATIVE INTENT: In accordance with the memo of February 25, 1977 (attached) if the police powers are assumed by the municipality the troopers would be gradually phased out and sent to other areas where they are needed.

INTENT

P. 55 Adult Confinement, Rideview Manor

Rep. Cowper moved to accept position #5 and delete 1, 2, 3, 4, & 6; no objection. The figures are: Personal Services, 411.3; Travel, 4.5; Contractual, 195.9; Commodities, 89.6; Equipment 1.2; Total, 702.5; Full-time 16.0.

P. 57 Adult Confinement, Local Facilities

Rep. Cowper moved the Contractual figure of 1042.1; no objection. Other figures are the Governor's recommendation. LEGISLATIVE INTENT: Prompt payment will be made to the respective municipalities in accordance with the terms of the contracts.

INTENT

P. 59 Adult Confinement, Out of State Contractual Services

Rep. Cowper moved the Governor's figure of 823.8; no objection.

P. 63 Juvenile Confinement, McLaughlin Youth Center

Rep. Cowper moved to delete the two positions; no objection. Rep. Cowper moved 22.4 for Grants and Claims; no objection, (allow 6% inflation). Governor's recommendation in other areas.

P. 65 Juvenile Confinement, Local Facilities

Rep. Cowper moved the Governor's figure of 1741.9; no objection.

P. 67 Juvenile Confinement, Out of State Contractual Services

Rep. Meekins moved the Governor's figure of 526.0; no objection.

P. 5 Public Offender, First Judicial District

The subcommittee recommended the Governor's figure of 286.3; no objection.

P. 7 Public Defender, Second Judicial District

The subcommittee recommended the Governor's figure of 99.8; no objection.

P. 15 Protection of Individual Rights, Human Rights Commission

The subcommittee recommended the figure of 901.5; no objection.
LEGISLATIVE INTENT: Complaints in the Kodiak area should be attended to by Anchorage Field Representative (at least once a month).

Tape H 77-37

STATE
of ALASKA

MEMORANDUM

file

Re: pg 93

TO:

Richard L. Burton, Commissioner
Department of Public Safety

DATE : February 25, 1977

FROM:

Colonel James P. Wellington, Director
Division of Alaska State Troopers

SUBJECT:

Area Wide Police Service
Municipality of Anchorage

As you know Commissioner, considerable activity is evolving in the municipality of Anchorage concerning the possibility and feasibility of the Anchorage Police Department providing area wide police service.

It's my understanding that the current budget for the Police Department is approximately 11.4 million dollars and to provide a municipal level law enforcement program for the entire municipality of Anchorage would require an additional 7.3 million dollars or a total budget for a municipal police department of approximately 19 million dollars. It is my understanding that the 7.3 million dollars would add an additional 90 people to the Anchorage Police Department which would include uniform and civilian personnel.

The purpose of this memorandum is to provide you with information on what I feel the Department of Public Safety, Division of State Trooper's could do in order to work with the municipality and the citizens of Anchorage in an orderly transition from State Trooper provided Law Enforcement to Municipal provided Law Enforcement.

Probably, the citizens are not going to vote for an immediate and total assumption of police powers, but in the event they did I doubt very seriously if the municipality of Anchorage would be in a position to provide immediate police service at the magnitude they project is necessary. Therefore, there would be a necessity for an orderly transition between our department and the municipal department.

I would encourage the state to explore the possibility of continuing to provide law enforcement in certain service areas within the municipality for the next three or four years, with the municipal police department assuming on a given anniversary date additional police services until they have assumed the responsibility for the entire municipality, which as you know runs from the Bridge on the north to the Johnson Pass on the south. With this type of expressed cooperation it is possible the residents in the

municipality would be more inclined to vote for an area wide police program. Obviously, it would behoove us to cooperate fully with the municipality in any reasonable transitional period.

I would further recommend that consideration be given to providing additional uniform troopers for the Anchorage area and if and when a assumption of police powers is assumed and as the transition begins to unfold, then those troopers that are no longer needed in the Anchorage area would be reassigned to other locations throughout the state. During this 3 or 4 year transitional period the need to budget and request additional troopers would be held to a bare minimum as the surplus created in Anchorage should be sufficient to meet the additional manpower needs in other locations.

At the present time, the division of State Troopers has 33 uniformed officers stationed in Anchorage and they are charged with the responsibility of policing those within the municipality that are not currently receiving service from the municipal police department. Obviously, by anybody's standards this is not enough manpower and we are constantly receiving complaints concerning our level of service. I would therefore encourage that between 12 and 15 additional personnel be hired and placed in service in Anchorage and remain there until such time as the municipality assumes the police responsibility.

Again, Commissioner, in closing I would like to emphasize two things,

- 1 - The need for the Division of State Troopers to cooperate fully with the municipality of Anchorage in any reasonable transition,
- 2 - The dire need for additional troopers immediately for the Anchorage area.

HOUSE FINANCE COMMITTEE
Monday, March 14, 1977
8:45 a.m.

All members were present except Reps. Buchholdt, Rhode, and Schaeffer. Bob Grogan, Fiscal Analyst, Legislative Finance was also present.

NATURAL RESOURCES

NATURAL
RESOURCES

Rep. Swanson said the House budget for Natural Resources was 234.0 less than the Governor's recommended budget.

P. 3 Limited Entry

The subcommittee recommended the Governor's figure. Rep. Haugen moved to amend the figure to 750.0; motion carried. LEGISLATIVE INTENT: This program should move along the lines of paying for itself.

P. 7 Fisheries Commissions, International North Pacific

The subcommittee recommended the Governor's figure of 12.7; no objection.

P. 9 Fisheries Commissions, International Fisheries

The subcommittee recommended the Governor's figure of 118.6; no objection.

P. 11 Fisheries Commissions, Pacific Marine Fisheries

The subcommittee had a request to include HB 200 in this BRU. That makes it 22.1 to fund Pacific Marine Fisheries Commission; no objection.

P. 13 Fisheries Commissions, Law of the Sea

The subcommittee recommended reducing Travel to 6.1 for a new Total of 12.0; no objection.

P. 17 Coastal Zone Management and OCS Planning

The subcommittee recommended the Governor's figure of 2135.2; no objection.

P. 19 Alaska Fisheries Council

Rep. Swanson said Rep. Gardiner had made a request to add 28.0 to Contractual for a contract with Southern S.E. Aquaculture; no objection. The amended Contractual figure is 63.0.

P. 23 State Pipeline Surveillance, Oil Pipeline Surveillance

The subcommittee recommended the Governor's figure of 864.5; no objection.

P. 25 State Pipeline Surveillance, Gas Pipeline Review

The subcommittee recommended a reduction based on Y-T-D expenditure analysis. Rep. Gruening moved the figure of 0.0; Rep. Meekins objected. Rep. Gruening withdrew his motion. Rep. Duncan moved the figure of 40.0 and allowing them to decide the distribution; no objection.

P. 27 Department of Revenue, Fish and Game Licensing

The subcommittee recommended the Governor's figure of 577.5; no objection.

P. 33 Land Management, Central Office

The subcommittee recommended deleting all new positions for a Total of 528.4; no objection.

P. 41 Land Management, Classification

The subcommittee recommended deleting the new positions for a Total of 224.4; no objection.

P. 47 Administration & Support, Cadastral Engineering

The subcommittee recommended a new Contractual figure of 175.0 based on the fact that they still have 83% of the budget left for a new Total of 790.8; no objection.

P. 49 Administration & Support, Administration

The subcommittee recommended eliminating the new position and the Chief Planner vacancy of 31.0. Rep. Meekins moved a decrease of 40.0 in Contractual. New Contractual figure is 196.8 for a Total of 688.2; no objection.

P. 53 District Operations, Southeast

The subcommittee recommended the Governor's figure of 386.2; no objection.

P. 55 District Operations, Southcentral District

The subcommittee recommended disallowing Forester I, vacancy since May of '76, for a new Total of 1125.8; no objection.

P. 57 District Operations, Northcentral District

The subcommittee recommended disallowing the five new positions for a new Total of 594.2; no objection. New figures for Full-time, 13.0; Part-time, 2.0; Temporary, 2.0.

P. 61 Geological & Geophysical Program, Resource Investigations

The subcommittee recommended decreasing Personal Services by 20.0 for vacancy; no objection. New figures Personal Services, 497.8, Total, 979.2.

P. 63 Geological & Geophysical Programs, Publications

The subcommittee recommended the Governor's figure of 156.2; no objection.

P. 65 Geological & Geophysical Program, Mineral Laboratory

The subcommittee recommended the Governor's figure of 214.2; no objection.

P. 67 Geological & Geophysical Programs, Regulations & Information

The subcommittee recommended the Governor's figure of 153.2; no objection.

P. 69 Geological & Geophysical Program, Administration

The subcommittee recommended the Governor's figure of 210.6; no objection.

P. 73 Mineral and Energy Management, Mineral Leasing

The subcommittee recommended the Governor's figure of 220.0; no objection.

P. 75 Mineral and Energy Management, Evaluation and Operations

The subcommittee recommended the Governor's figure of 675.1; no objection.

P. 77 Mineral and Energy Management, Mining

The subcommittee recommended the Governor's figure of 54.5; no objection.

P. 79 Mineral and Energy Management, Pipeline

This BRU was HELD OPEN.

P. 81 Mineral and Energy Management, Administration

The subcommittee recommended the Governor's figure of 176.7; no objection.

P. 83 Oil and Gas, Conservation

The subcommittee recommended 30.0 for Travel for a new Total of 840.6; no objection.

P. 85 Royalty Oil and Gas Board

The subcommittee recommended disallowing the new position for a Total of 167.4; no objection.

P. 89 Forest Protection & Management, Fire Protection-State

The subcommittee recommended reducing Travel to 5.1 for a new Total of 150.0; no objection.

P. 91 Forest Protection & Management, Fire Protection-BLM

The subcommittee recommended the Governor's figure of 1200.1; no objection.

P. 93 Forest Protection & Management, Research & Technical

The subcommittee recommended the Governor's figure of 52.3; no objection.

P. 95 Forest Protection & Management, Management and Timber Sales

The subcommittee recommended the Governor's figure of 138.2; no objection.

P. 97 Forest Protection & Management, Administration

The subcommittee recommended the Governor's figure of 58.9; no objection.

P. 99 Conservation Action Corps

The subcommittee recommended the Governor's figure of 490.9; no objection.

The meeting was recessed at 9:50.

Tape H 77-39
#0000 - 1472

HOUSE FINANCE COMMITTEE
Monday, March 14, 1977
1:15 p.m.

All the Committee members were present with the exception of Representatives Gruening and Buchholdt. Robert Grogan, Fiscal Analyst, Legislative Finance Division was also present.

Present

NATURAL RESOURCES

Natural Resources Budget Close-Out

(Continuation)

P. 103 Parks & Recreation-Districts, MAT-SU

Committee adopted the Subcommittee's recommendation of the Governor's figure-431.2

P. 105 Parks & Recreation-Districts, Chugach

The Subcommittee recommended the Governor's figures. Rep. Freeman objected and inquired regarding the number of positions. Mr. Grogan explained that the justification for new positions request is usually based on increased numbers of visitors to the facility. Rep. Freeman moved to disallow the requested Park Technician and the associated costs. There being no objection, the motion carried and the Committee recommendation is as follows:

Personal Services-227.9, Total Expenditures-390.9

P. 107 Parks & Recreation-Districts, Kenai-Kodiak

Committee adopted the Subcommittee's recommendation to accept the Governor's figures and add funding for a Park Technician specifically for Soldotna at 8.7.

Total Expenditures-223.5

Full-Time-2.0

P. 109 Parks & Recreation-Districts, Southeast

Committee adopted the Subcommittee's recommendation of the Governor's figure-186.2

P. 111 Parks & Recreation-Districts, Copper Basin

Committee adopted the Subcommittee's recommendation of the Governor's figure-111.1

P. 113 Parks & Recreation-Districts, Interior

Committee adopted the Subcommittee's recommendation of the Governor's figure-355.1

P. 117 Park Management, Operations Administration

*Natural Resources
Budget Close-Out*

Committee adopted the Subcommittee's recommendation of the Governor's figure-38.9

P. 119 Park Management, Park Development

Committee adopted the Subcommittee's recommendation of the Governor's figure-143.1

P. 121 Park Management, State-Federal Coordination

Committee adopted the Subcommittee's recommendation of the Governor's figure-100.0

P. 123 Park Management, Administration & Support

Committee adopted the Subcommittee's recommendation of the Governor's figure-265.0

P. 127 Statewide Programs, Historic Preservation

Committee adopted the Subcommittee's recommendation of the Governor's figure-94.4

P. 129 Statewide Programs, Archaeology

Committee adopted the Subcommittee's recommendation of the Governor's figure-68.1

P. 131 Statewide Programs, Grants

Committee left this BRU open until such time as Rep. Miller could explain this program to the members.

P. 133 Statewide Programs, Direction and Support

Committee adopted the Subcommittee's recommendation of the Governor's figure-131.8

P. 137 Land Use Planning, Planning Unit

Committee adopted the Subcommittee's recommendation of the Governor's figure-130.7

P. 139 Land Use Planning, State-Federal Commission

Committee adopted the Subcommittee's recommendation of the Governor's figure-600.2

P. 143 Management and Administration, Office of the
Commissioner

Committee decided to absorb the responsibilities of Coastal Zone Coordination program into this program

with zero funding for the Coastal Zone Coordination BRU. Committee recommends LEGISLATIVE INTENT (to be drafted by Rep. Guy and Mr. Grogan) and a Total Expenditures figure of 528.9

INTENT

P. 145 Management and Administration, Office of the Assoc. Comm.

Committee adopted the Subcommittee's recommendation of the Governor's figure-73.1

P. 147 Management and Administration, Pipeline Admin & Support

Committee adopted the Subcommittee's recommendation of the Governor's figure-61.0

P. 149 Management and Administration, Coastal Zone Coordination

This program was absorbed into the Office of the Commissioner BRU on Page 143.

(Changed Tape - H77-40)

Rep. Guy commented on the Coastal Zone Coordination program and some discussion ensued. Chairman Cowper suggested that Mr. Grogan look into finding an appropriate place to add \$35,000 to funding a program for a coastal zone inventory of marine mammals as requested by Rep. Guy. Chairman Cowper also said he would attempt to get more information on this matter.

P. 151 Management and Administration, Planning and Research

Subcommittee recommended deleting the funding for a position vacant since December, 1974. There was a motion to disallow the position approved by the Governor and delete the funding for the vacant position. Objections by Reps. Freeman, Rhode and Haugen were noted. Motion carried on a count of 6-4. Committee recommends:

Personal Services-253.8, Total Expenditures-307.9

P. 155 Commercial Fish, Research

Committee adopted the Subcommittee's recommendation to allow the position allowed by the Governor and to add \$22,000 for shell-fish research, i.e. an inventory assessment of the crab-fish production. Committee also voted to show LEGISLATIVE INTENT that the Biologist

INTENT

designated to Dillingham actually stay in Dillingham on a full-time basis.

*Natural Re-
sources
Budget Close-
Out*

Total Expenditures-1851.3

Full-Time-34.2, Temporary-19.3
Man-Months-638.0

P. 157 Commercial Fish, Management

Committee adopted the Subcommittee's recommendation of the Governor's figure-3992.4

P. 159 Commercial Fish, Administration and Support

Subcommittee recommended the Governor's figure. Motion to delete the position allowed by the Governor carried changing the figures as follows:

Personal Services-567.4, Total Ex-
penditures-682.9

Full-Time 19.0

P. 161 Commerical Fish, Federal Aid Programs

Committee adopted the Subcommittee's recommendation of the Governor's figure-1400.9

Representative Buchholdt arrived at 2:55 p.m.

Chairman Cowper called a recess at 3:00 p.m.

Recess

Tape H77-39 Log #1472
to H77-40 Log #0969

HOUSE FINANCE COMMITTEE
Monday, March 14, 1977
3:15 p.m.

All members were present except Rep. Cowper. Others present were:
Rep. Mike Miller; and Bob Grogan, Fiscal Analyst, Legislative
Finance.

NATURAL RESOURCES

NATURAL
RESOURCES

P. 161 Commercial Fish, Federal Aid Programs

The subcommittee recommended the Governor's figure of 1400.9; no
objection.

P. 165 Game, Investigations and Research

The subcommittee recommended the Governor's figure of 4019.9; no
objection.

P. 167 Game, Management

The subcommittee recommended the Governor's figure of 342.4; no
objection.

P. 169 Game, Hunter Safety

The subcommittee recommended the Governor's figure of 117.9; no
objection.

P. 171 Game, Administration and Support

The subcommittee recommended the Governor's figure of 318.5; no
objection.

P. 175 Sport Fish, Investigations and Research

The subcommittee recommended the Governor's figure of 2001.4; no
objection.

P. 177 Sport Fish, Management

The subcommittee recommended the Governor's figure of 739.6; no
objection.

P. 179 Sport Fish, Sport Fish Restoration

The subcommittee recommended the Governor's figure of 46.7; no
objection.

P. 181 Sport Fish, Administration

The subcommittee recommended the Governor's figure of 192.7; no
objection.

P. 185 FRED, Anadromous

Rep. Guy said he would like to line item 60.0 for a fish hatchery and aquaculture site in the Yukon-Kuskokwim River. Rep. Swanson moved that LEGISLATIVE INTENT be added to this effect. Motion to add 11.0 this this BRU for a Fry Marking Program; no objection. The new total is 4957.8.

P. 187 FRED, Kitoi Bay

The subcommittee recommended the Governor's figure of 118.5; no objection.

P. 189 FRED, Fire Lake-Ft. Richardson

The subcommittee recommended the Governor's figure of 572.0; no objection.

P. 191 FRED, Crystal Lake

The subcommittee recommended the Governor's figure of 513.8; no objection.

P. 193 FRED, Engineering Support

The subcommittee recommended the Governor's figure of 147.3; no objection.

P. 195 FRED, Administration

The subcommittee recommended the Governor's figure of 679.7; no objection.

P. 197 FRED, Hatcheries Administration

The subcommittee recommended the Governor's figure of 104.5; no objection.

P. 201 Administration & Support, Office of the Commissioner

The subcommittee recommended the Governor's figure of 201.6; no objection.

P. 203 Administration & Support, Information & Education

The subcommittee recommended the Governor's figure of 182.7; no objection.

P. 205 Administration & Support, Administrative Services

There was a motion to add 5.0 on Grants for the Anchorage Zoo; Rep. Freeman objected, but the motion carried. Personal Services was reduced to 817.8--delete position vacancy. LEGISLATIVE INTENT: By the first day of the next session a complete inventory of equipment and its use and purchases shall come to the Legislature along with a break-out of capital projects and funds intact on January 1, 1978.

INTENT

P. 207 Administration & Support, Vessels

NATURAL
RESOURCES

The subcommittee recommended deleting 120.0 from Contractual; no objection. New Contractual figure is 148.7 for a new Total of 1150.8.

P. 209 Administration & Support, Board of Fisheries

The subcommittee recommended the Governor's figure of 91.4; no objection. Rep. Guy moved the following LEGISLATIVE INTENT: When the various regional, local advisory boards are established and locally sanctioned, these members of both the Game and Fisheries Boards shall be recognized. No objection.

INTENT

P. 131 Statewide Programs, Grants

Rep. Cowper moved that the amount of 200.0 in general funds be added under Grants for trails and footpaths. Rep. Haugen objected. Rep. Buchholdt objected to the amount saying it should be greater. Rep. Gruening moved to amend the motion to 300.0; motion failed. Rep. Gruening moved to adopt LEGISLATIVE INTENT: Division of Parks recommend that where feasible the construction be coordinated with the Department of Highways road program in order to utilize the available monies in the best way possible. No objection to intent. Rep. Gruening moved to rescind action in failing to adopt the previous amendment. The motion carried. The figure of 300.0 will be added in general funds under Grants for trails and footpaths.

INTENT

P. 211 Administration and Support, Board of Game

The subcommittee recommended the Governor's figure of 66.9; no objection.

P. 213 Administration & Support, Housing Program

The subcommittee recommended the Governor's figure of 128.7; no objection. LEGISLATIVE INTENT: By the first day of the next session a complete inventory of equipment and its use and purchases shall come to the Legislature along with a break-out of capital projects and funds intact on January 1, 1978. Also, a break-out of what is paid in rent. No objection to Intent.

INTENT

P. 217 Habitat Protection, Marine/Coastal Habitat Mgmt.

The subcommittee recommended that this program be deleted. Rep. Duncan objected because these people were never asked to testify. Rep. Cowper stated that if the State did not provide its own CZM Plan, the federal government would do it for us. Rep. Schaeffer moved to accept the Governor's recommendation of 183.5; motion carried.

P. 219 Habitat Protection, Land and Water Protection

The subcommittee recommended deleting two positions; no objection.

P. 221 Habitat Protection, Land and Water Management

The subcommittee recommended deleting two positions; no objection.

P. 223 Habitat Protection, Administration & Support

*NATURAL
RESOURCES*

The subcommittee recommended the Governor's figure of 192.2; no objection.

(Tape changed to H 77-41)

P. 225 Habitat Protection, Pipeline Monitoring

The recommendation was for a new Total of 1051.3; no objection.

The meeting was recessed at 4:50 p.m.

Tape H 77-40 #0969
to Tape H 77-41 #0062

HOUSE FINANCE COMMITTEE
Monday, March 14, 1977
7:00 p.m.

All Committee members were present with the exception of Rep. Rhode. Also present was Robert Grogan, Fiscal Analyst, Legislative Finance Division.

Present

NATURAL RESOURCES

*Natural Resource
Budget Close-Out*

(Continuation)

P. 229 Protection, Enforcement

Subcommittee recommended allowance of the positions approved by the Governor and exchange requested positions Nos. 11-18 for game agents for Dutch Harbor/Sand Point, Seward, Kotzebue and Galena. Motion for adoption of Subcommittee's recommendation for allowance of positions #1, 2 and 3 carried. Rep. Haugen moved position #4-Trooper-Bethel be redesignated for Craig and costs be adjusted accordingly. Motion carried. Motion to change #5-Corporal-Bethel to Petersburg with adjusted costs carried. Subcommittee's recommendation to allow requested positions #6-#10 was adopted by the Committee as follows: #6-Clerk Typist, Soldotna, #7-Corporal, Nome, #8-Trooper, Fairbanks, #9-Corporal, Palmer, #10-Protection Aide, Kodiak. Committee adopted the Subcommittee's recommendation to disallow requested positions #11-#18 and recommend the following positions with appropriate costs: Trooper, Dutch Harbor/Sand Point; Trooper, Seward; Trooper, Galena; Trooper, St. Mary's/Lower Yukon. Motion to delete \$35,000 for vacancies carried.

Total Expenditures-4914.2

P. 231 Protection, Directors Office

Committee adopted the Subcommittee's recommendation to delete funding in Personal Services due to vacancies changing the figures to:

Personal Services-410.0, Total Expenditures-611.0

P. 233 Protection, Aircraft Section

Committee adopted the Subcommittee's recommendation of the Governor's figure-707.6

P. 233 Protection, Marine Enforcement

Committee adopted the Subcommittee's recommendation to

delete funding in Personal Services due to vacancies
changing the figures to:

*Natural Resources
Budget Close-Out*

Personal Services-444.9, Total Ex-
penditures-854.1

P. 239 Water Programs, Water Pollution Control

Committee adopted the Subcommittee's recommendation to
disallow the two positions allowed by the Governor, chang-
ing the figures to:

Total Expenditures-180.1

Chairman Cowper called a recess at 8:30 p.m.
(Changed Tape - H77-42)

P. 241 Water Programs, Water Supply

Subcommittee recommended the Governor's figures. Rep.
Guy moved to add \$1,500,000 to provide for safe water and
sewer system for Toksook Bay. There was an objection and
ensuing discussion regarding Rep. Guy's motion resulting
in failure of the motion. Rep. Swanson moved that \$1,200,000
go to Toksook Bay and \$300,000 to Nenana Bay water systems.
Motion failed. Committee decided to adopt the Subcommittee's
recommendation of the Governor's figure-611.8

P. 243 Water Programs, Village Safe Water

This program has been combined with the Water Supply program
on Page 241.

P. 245 Water Programs, Facility Construction and Oper

Committee adopted the Subcommittee's recommendation of
the Governor's figure-183.7 with instructions to Mr. Gro-
gan to check on the Federal and General Fund figures and
new positions funding.

P. 247 Water Programs, Directors Office

Committee adopted the Subcommittee's recommendation of
the Governor's figure-89.4

P. 249 Water Programs, Environmental Analysis

Committee adopted the Subcommittee's recommendation of
the Governor's figure-275.0

P. 253 Terrestrial Programs, Air Quality

Motion to disallow the new position allowed by the

Governor and the accompanying costs carried, changing the Total Expenditures to: 160.3

Natural Resource
Budget Close-
Out

P. 255 Terrestrial Programs, Land Use

Committee adopted the Subcommittee's recommendation of the Governor's figure-194.0

P. 257 Terrestrial Programs, Directors Office

Committee adopted the Subcommittee's recommendation of the Governor's figure-89.7

P. 259 Program Coordination

Committee adopted the Subcommittee's recommendation to delete funding for the new position allowed by the Governor changing the Total Expenditures to 229.9

P. 263 Administration and Support, Office of the Commissioner

Motion to adopt the Subcommittee's recommendation to delete the new position approved by the Governor carried. Motion by Representative Duncan to rescind the action just previously taken carried, changing the Committee's recommendation to allowance of the new position.

P. 265 Administration & Support, Advisory Board

Committee adopted the Subcommittee's recommendation to decrease the funding for Travel to 10.0 thereby decreasing the Total Expenditures to 11.2

P. 267 Administration & Support, Management Services

Committee adopted the Subcommittee's recommendation of the Governor's figure-268.3

P. 269 Administration & Support, Technical Services

Committee adopted the Subcommittee's recommendation of the Governor's figure-319.0

P. 275 Field Operations, Pipeline Monitoring

Committee adopted the Subcommittee's recommendation of the Governor's figure-252.9

P. 279 Regional Offices, Southeast Region

Committee adopted the Subcommittee's recommendation to decrease funding for Travel to 20.0 thereby decreasing the Total Expenditures to 238.7

P. 281 Regional Offices, Southcentral Region

*Natural Resource
Budget Close-Out*

Committee adopted the Subcommittee's recommendation to disallow the new position allowed by the Governor for a Total Expenditures figure of 451.8

P. 283 Regional Offices, Northern Region

Committee adopted the Subcommittee's recommendation to disallow the new position allowed by the Governor for a Total Expenditures figure of 403.9

P. 285 Regional Offices, Prince William Sound Region

Committee adopted the Subcommittee's recommendation to decrease funding for Travel to 10.0 thereby reducing the Total Expenditures to 152.2

Meeting adjourned at 10:15 p.m.

Adjourned

Tape H77-41 Log #0092
to H77-42 Log #1126

HOUSE FINANCE COMMITTEE
Tuesday, March 15, 1977
8:40 a.m.

All members were present except Reps. Rhode, Schaeffer, and Meekins. The Legislative Finance Fiscal Analysts were also present.

Rep. Cowper stated the purpose of the meeting was to close open budget components.

EDUCATION

EDUCATION

P. 20 Financial Support Programs, Revenue Sharing 874

Rep. Duncan said he felt this should be restored. He moved the figure of 1869.4; Rep. Cowper objected. The motion failed 4-4.

(Rep. Meekins arrived at 8:50 a.m.)

P. 9 Alaska Arts Council, Grants

Rep. Gruening moved to line item 25.0 for the Visual Arts Center in Anchorage. Rep. Freeman objected. Rep. Cowper said that would make the General Fund figure 325.8, and the Total 1032.0. There was no further objection to the motion; so ordered.

P. 41 Financial Support Programs, Bilingual Fund

There was a motion for the Governor's figure of 683.5; no objection.

P. 92 Public Broadcasting Commission, Operations

Rep. Cowper suggested that the operating expenditures for Homer and Unalakleet not be addressed now. They could come in as a capital request. Rep. Duncan suggested that the agency request be used with the exception of Homer and Unalakleet and line itemed. Also, under Legislative TV coverage add 39.0 to the figure to make it 108.0. Under Radio Network add 97.5 to make it 150.0. That would make the total 2231.5.

Rep. Cowper moved the Governor's figures down to Grants and Claims. Move the figure of 2231.5 with items being broken out in the INTENT statement (as indicated on the attached sheet), deleting Homer and Unalakleet and substitute the figure 150.0 under Radio Network and the figure of 108.0 under Legislative TV coverage. No objection to the motion; so ordered.

INTENT

P. 101 State Library, Anchorage Media Center

Rep. Gruening moved that this be the Governor's figure of 391.3, but all General Funds. The motion carried.

18 Lands Grants Miscellaneous

attachment

3-15-77

HFC

CODE	EXPENDITURE CLASSIFICATION	PRIOR YEAR (PY) ACTUAL	CURRENT YEAR (CY) AUTHORIZED	BUDGET YEAR (BY)			GOVERNOR'S BUDGET
				AGENCY			
				Maintenance	Change	Request	
600	LAND,BUILDING,NON-STRUCTURAL IMPROVEMENTS						
690	ASHA PAYMENT						
900	INTER-AGENCY TRANSFERS (Non-Add)						
700	TOTAL GRANTS,CLAIMS,SHARED REVENUE	1,258.9	1,673.6	2,242.5	568.9	2,242.5	1,902.2
700	Grants to Stations	1,248.9	1,403.6	2,100.75	697.15	2,100.75	
700	Radio Net		150.0	52.5	(97.5)	52.5	
700	Legislative TV coverage		100.0	68.25	(31.75)	68.25	
700	Mini-TV Dubbing	10.9	20.0	21.0	1.0	21.0	
700	Alaska Review				92.0	92.0	
900	INTER-AGENCY TRANSFERS (Non-Add)						
800	MISCELLANEOUS						

EXPLANATION:

KAKM, Anchorage TV 356.625
 Anchorage FM 120.6
 Bethel Radio/TV 393.0
 KTOO Radio, Juneau & TV Station 333.95
 ADLG, Dillingham Radio 138.048
 KMXT, Kodiak Radio 119.84
 KOTZ, Kotzebue Radio 155.5
 Narrows, Petersburg 36.75

KRBD, Ketchikan Radio 54.732
 Wrangell Radio 32.0
~~Homer Radio 120.6~~
~~Unalakleet Radio 120.6~~
 KBRW, Barrow Radio 118.5
 Radio Network 52.5
 Legislative TV Coverage 68.25
 Mini-TV Dubbing 21.0

Alaska Review 92.0 (see following pages)

BRU PUBLIC BROADCASTING COMMISSION BRU CODE 05-13-3-01-01-00 REVISED

18

LANDS
GRANTS
MISCELLANEOUS

403

P. 115 Professional Teaching Practices

EDUCATION

There was a motion for the Governor's figure of 83.8; no objection.

P. 95 Museums, Juneau Museum

Rep. Gruening moved to add 1.5 in Equipment making it a total of 4.5. Total Expenditures 441.4; no objection.

SOCIAL SERVICES

SOCIAL
SERVICES

P. 27 Longevity Bonus

Rep. Meekins moved to allow the Clerk Typist which was disallowed by the Governor for a new Personal Services figure of 98.7; no objection.

P. 85 Program Services, Youth Services

Rep. Meekins said they were asking for 83.5 for the Family Connection program. Rep. Swanson moved to add the 83.5 for a Total of 133.0; Rep. Freeman objected, but motion carried.

The meeting was recessed at 9:50.

Tape H 77-42
#1126 - 2288

HOUSE FINANCE COMMITTEE
Tuesday, March 15, 1977
2:40 p.m.

Committee members present were Representatives Freeman, Schaeffer, Buchholdt, Duncan, Swanson Meekins and Cowper. Those Committee members absent were Representatives Rhode, Haugen, Guy and Gruening at the opening of the meeting. Also present was Representative Nakak.

Present

Discussion of HB 260

Discussion
of HB 260

Chairman Cowper said that even though he had not included HB 260 on the agenda announced at the Session they would discuss it and hear Rep. Nakak's comments. If persons not present wish to make comment, the bill can be brought up again.

Comments by Representative Nakak: This bill is designed to assist the City of Nome and surrounding towns regarding the high cost of delivery of goods. Freight comes in from California, Washington and other places by water to one mile offshore. It appears that the highest part of the cost is the transferring to a barge and bringing the freight in the last mile. The barge companies are talking about a 14% increase in the coming year.

*Rep. Nakak -
Purpose*

City of Nome might have been able to come up with the funds to build a barge port facility were it not for two disaster expenses which unexpectedly occurred, one of which was the loss of a power generator that sank on a barge outside of Ketchikan.

Rep. Freeman inquired regarding insurance coverage on the lost generator and Rep. Nakak explained that the barge company had insured for \$5,000,000, but the value of the property it was transporting was more than \$7,000,000 and the loss was shared by all the customers, as well, as the barge company.

Chmn. Cowper asked Rep. Nakak if it would be necessary to dredge a channel. Mr. Nakak replied that there are two possible sites - one is where the jetty is right in town and the other is towards the west end of Nome (where the causeway was during the mining days).

Rep. Nakak explained that this appropriation would give them a start and they would then be able to go to EDA for funding. \$2,000,000 was appropriated by the Legislature last year in Waters and Harbors, but because of the cost overrun of \$300,000, due to the loss of the power genera-

3/15/77

tor, Nome was unable to come up with the requested \$267,500.
This amount would attract the EDA funding.

Rep. Freeman made a motion to report out HB 260
with unanimous consent. Chmn. Cowper said he
would like to hold this bill for a day or two in
case any of the members not present would like to
comment on it. The Committee concurred and HB 260
was held over.

HB 260
Held Over

Chairman Cowper called a recess at 2:55 p.m.

Recess

Tape H77-43 Log #0000
to H77-43 Log #0470

3/15/77

CORRECTION

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

tor, Nome was unable to come up with the requested \$267,500. This amount would attract the EDA funding.

Rep. Freeman made a motion to report out HB 260 with unanimous consent. Chmn. Cowper said he would like to hold this bill for a day or two in case any of the members not present would like to comment on it. The Committee concurred and HB 260 was held over.

HB 260
Held Over

Chairman Cowper called a recess at 2:55 p.m.

Recess

Tape H77-43 Log #0000
to H77-43 Log #0470

HOUSE FINANCE COMMITTEE
Tuesday, March 15, 1977

All members were present except Reps. Rhode, Haugen, and Guy. Jay Hogan, Director, Legislative Finance, and Milt Barker, Fiscal Analyst, Legislative Finance were also present.

The first thing on the agenda was HB 234 and HB 233.

HB 233, 234

Rep. Gruening explained that this was to help mount a legislative lobbying effort. There's a year to a year and a half before anything will be done on D-2 lands. We need public involvement and more activity in Washington on a state basis. There's no plan on an informational level. Hopefully this council with the appropriation can help build an informational effort and keep the legislature informed at all levels. In the statehood effort although there was no congressional representation the territorial legislature appropriated money to send people back to lobby for statehood. There were efforts to contact the key newspaper people in the state. In was a grass roots informational effort.

Rep. Gruening said Rep. Malone had suggested a Committee Substitute that allowed \$20,000 for travel money to be in Legislative Affairs. Rep. Gruening asked how the rural people felt about this. Rep. Gruening replied that on representation it would be best to survey the field to see who is really interested and who would be effective. Someone on the caliber of Don Wright could advise. It's not necessary to specify one from each group. Rep. Swanson said he wanted to be sure that all people are represented on the committee.

Rep. Meekins moved to report out CS for HB 233. There was no objection. The committee report was circulated and CSHB 233 was reported out with a "do pass" recommendation.

*CS for HB 233
Reported Out
"DO PASS"*

Rep. Cowper moved and asked unanimous consent to report out a Finance Committee Substitute for HB 234 adding a section with a figure of \$20,000 for Travel. There was no objection. The Committee Report was circulated and Finance CS for HB 234 was reported out with a "do pass" recommendation.

*CS for HB 234
Reported Out
"DO PASS"*

The Committee then went back to budget consideration.

DEVELOPMENT

DEVELOPMENT

P. 50 Native Claims Payments

Rep. Duncan said this could be eliminated and make it a direct pass through. Mr. Hogan said there was no need for this one and Shared Taxes to be in here. It would take \$50,000,000 out of the budget to eliminate these two things.

Mr. Hogan suggested that the House go ahead and treat these as pass-throughs in the budget. Rep. Duncan said that legislation was required for the pass through of shared taxes. Rep. Cowper suggested that the bills be prepared and sent to the floor with a Committee Letter attached.

DEVELOPMENT

Rep. Duncan said that if Native Claims and Shared Taxes is eliminated from the Development category, that's 1/3 of the category. He suggested assimilating the other BRUs into existing categories. Rep. Duncan moved that the Development category be eliminated and that other BRUs be assimilated into other existing categories; no objection.

P. 79 Remote Route Subsidy

Rep. Swanson recommended subsidizing a mail route to a remote location at 4.5. Mr. Grogan said that since Remote Route Subsidy has been placed in C & RA there's been difficulty getting the money out. He recommended putting it in DOT. Rep. Cowper moved and asked unanimous consent that the figure of 4.4 be placed under Contractual in remote route subsidy BRU in the Transportation budget with LEGISLATIVE INTENT that this money is to subsidize mail delivery in the Cosna-Wien Lake area; no objection.

INTENT

SOCIAL SERVICES

SOCIAL
SERVICES

P. 35 Tourism

Rep. Meekins moved to add 75.0 under Contractual for a new total figure of 75.0; no objection.

P. 171 Administration (DOL), Commissioner's Office

There was a motion for the Governor's figure; no objection. Total of 526.1.

P. 189 Child Assistance, Head Start

Rep. Cowper recommended closing this for now at the Governor's figure of 305.9; no objection.

HEALTH

HEALTH

P. 63 Contract Institutions

Rep. Buchholdt said there was a project in Anchorage having do with people released from API. There's a Lodge where the people can go when they're not complete together. The main problem has been getting extra help for this establishment. Rep. Buchholdt suggested that 20.0 go in for the Lodge. Rep. Cowper moved and asked unanimous consent that the amount of 20.0 be added under Contractual, so the Total would be 1964.8. LEGISLATIVE INTENT: 20.0 be expended for The Lodge in Anchorage for services to the mentally retarded. No objection.

INTENT

SOCIAL SERVICES

SOCIAL
SERVICES

P. 53 Vocational Rehabilitation, Employment of the Handicapped

Rep. Buchholdt moved to include 86.1 to assist the number of handicapped people who are ready to be put in the employment force and help get them employed. The 86.1 should be under Grants and Claims. That makes the total 107.6. Rep. Cowper objected; motion carried.

P. 4 Alaska Plan

Rep. Buchholdt said the Governor is considering a supplemental of 50.0 for the Alaska Plan. Rep. Cowper said he thought the Governor should have to come in and justify the request. Rep. Buchholdt moved the figure of 50.0; motion failed 5-2.

HEALTH

HEALTH

P. 23 Environmental Health, General Sanitation

Rep. Swanson objected to the fact that all camps are regulated. There's something in the law about regulating tourist camps, but they have overstepped their bounds. Rep. Swanson moved to cut Travel to 40.0; no objection. The new Total figure is 1043.9.

P. 39 Child and Family Health, Nutrition

Rep. Cowper moved to delete the Clerk Typist on general funds; no objection. Rep. Cowper moved the remainder of the Governor's figures with General Fund reduced to 52.0; no objection.

P. 89 Planning and Research, Data Services

Rep. Meekins moved to delete the 300.0 Misc. for systems development and delete Systems Analyst II; no objection.

P. 65 State Mental Health Centers, Juneau

Rep. Duncan moved for LEGISLATIVE INTENT: If the Mental Health funding goes to a contract basis within that the regional consultant services would be provided; no objection.

INTENT

The meeting was adjourned at 5:20 p.m.

HOUSE FINANCE COMMITTEE
Wednesday, March 16, 1977
8:50 a.m.

All Committee members were present with the exception of Representatives Rhode and Schaeffer. Also present were Dr. Dafoe, Mr. Dave Scott, and Glen Vernon, Fiscal Analyst, Legislative Finance Division.

Present

Chairman Cowper said the purpose of the meeting was to take up the general plan of the University of Alaska budget. The Committee should first agree on the approach. (Reference to two Memos from Legislative Audit Division) Basically, their recommendation is to short-fund them and then take requests. It is suggested that the FY77 adjusted budget be used. Adjustments would be for the amounts taken out because of the Governor's veto (\$3.8 million), add in any salary adjustments made by legislation last year. It is also suggested that a maximum of \$500,000 be set on operating expenditures for programs such as libraries and endangered accreditation programs.

*Purpose -
Discuss the
Proposals
for U of A
Budget*

Statewide Administrative Budget - suggested that a small amount of money be appropriated specifically to the President and his Secretary, that a new BRU be set for the Board of Regents, and the Board of Regents will be required to come to the Budget and Audit Committee for approval of the management system proposed. It has been proposed that a detailed statement of intent accompany the Committee's budget recommendation carefully defining "maintenance" and to inform them that they should come back with a proposal for a supplemental with an appropriate format for budgeting. In no way can the supplemental appropriation exceed the 12% allowed by the Governor.

*Re Board of
Regents*

Rep. Freeman commented that he will be requesting \$179,000 for Ketchikan Community College to fund a new marine technology program which otherwise would have been taken care of in the "change" column. The program is to enable the people in the marine transportation areas to get training in that field without the necessity of leaving Ketchikan. Chairman Cowper said that his comments regarding new programs were not directed at this type of new program. Rep. Duncan asked if his intention then is that a new program of this type would fall within the \$500,000 allowance and Chairman Cowper replied that it would.

*New Pro-
grams Al-
lowance*

Rep. Swanson inquired regarding the status of Dr. Hiatt and Chairman Cowper replied that the matter could be addressed later on if the Committee wishes to pursue it.

Rep. Haugen asked what amount would be from General Funds and Chairman Cowper replied \$57 million. Rep. Haugen asked if there is going to be an effort to find out if the programs are going to be subsidized or self-supporting, pointing out that General Funds didn't cover the Personal Services, and that he is not satisfied that the "offerings they make are supporting themselves". Chairman Cowper explained that part of the gap was due to the research institutes operating from restricted funding. When their funding is gone, they will have to eliminate some of the staff, and whatever else is necessary, to stay within their budget.

U of A Budget Proposal

General Funds Monies

Rep. Gruening asked Chairman Cowper if it is his feeling that the Committee won't have the necessary information this year to write a full operating budget and Chmn. Cowper answered that that is his feeling and that of the auditors and analysts, as well. Standards for Maintenance will include any increases to accommodate operating expenses due to increase in student counts and that information should be available to write a full budget for next year.

Glen Vernon explained that the concept of this approach is that the General Fund figures would not go over the Governor's. That would limit their supplementals then to an amount not to exceed that amount. The rationale behind this concept is to be able to provide the University with a budget to operate on this year, but have the actual figures to provide them with a realistic budget next year.

Concept of Approach

Rep. Gruening asked if new classes coming under the general curriculum would come under this figure. Chairman Cowper answered that adding or subtracting classes will be pretty much up to the various campuses but they will have to stay within certain guidelines.

New Curriculum Funding

Rep. Duncan asked where programs working towards accreditation would be funded. Dr. Dafoe said that, if his information is correct, only one program which is in danger of losing its accreditation - the Chemistry program in Fairbanks. Rep. Duncan asked if it would be included in the Maintenance definition and Chairman Cowper replied that it would.

Accreditation Programs

Rep. Guy, referring to #2 recommendation in the Memo whereby the appropriation would be going to the Board of Regents, asked if the rural education programs would be included in that appropriation. Dr. Dafoe explained that they come under a separate program and can be allocated separately.

Rural Education Programs

Chairman Cowper informed the Committee that the University has come forward with a counter-proposal to the one that the Legislative Auditors have worked up. (Reference: University of Alaska FY78 Budget Request) Chmn. Cowper referred the Committee to a sheet Dr. Dafoe had worked up and to a proposed Letter of Intent to accompany the final draft of the Committee's recommendation for U of A Appropriations. (See attachment-University of Alaska Appropriations.) The total General Fund appropriation would be \$111,749.9. Limit on supplementals would be \$1,000,000 for the Board of Regents. Assuming \$500,000 will be added on, this would put our recommendation below the Governor's figures.

U of A Budget

Proposed Letter of Intent and Appropriations

Rep. Duncan asked how the auditors arrived at these figures and Chmn. Cowper replied that it is the Free Conference Committee figure, plus the salary adjustments, less the Governor's cap. Dr. Dafoe said that they would have to go beyond this now and break down the detail, but there's not much point in doing that until it has been approved as a concept.

Basis for Figures

Rep. Gruening expressed his feeling that he is not willing to approve the statewide administrative structure at this point.

Glen Vernon stated that it would be possible that the Legislature could structure a line-item budget.

Dr. Dafoe suggested that it would be best to give the Board of Regents some flexibility to work out their budget subject to approval of the Legislature. To line-item would take a long time.

Chairman Cowper asked what the Committee wished to do at this point and if they would like to have more time to go over the proposed intent and Dr. Dafoe's worksheet. He said that it is just a proposal and a place to start. The Committee indicated they would like more time to go over the proposals.

Meeting was adjourned at 9:45 a.m. in order for the members to attend the regular House session.

Adjourned

Tape H77-44 Log #0000
to Log #1261

Attachments/Proposed Legislative Intent and draft of UofA Appropriations

Proposed Legislative Intent

Although the Alaska statutes make clear the responsibility of the Board of Regents to provide the Legislature "at the beginning of its regular session" with a report to include all receipts and expenditures of all funds and of educational and other work performed (A.S. 14.40.190), the Legislature has not to date received such report or reports. In the absence of complete, timely, and reliable final information on FY 76 operations and "to date" FY 77 operations, and with a further lack of definitive background for the FY 78 budget request, the House Finance Committee feels constrained to limit the FY 78 appropriations and allocations to the revised FY 77 budget levels, with only a few exceptions. (The FY 77 budget is based on the FY 1977 Free Conference Committee amounts revised to reflect the following adjustments: (1) salary increases from separately appropriated funds; (2) the general fund reduction imposed by the Governor; and (3) organizational changes requiring budget transfers.)

The House Finance Committee has divided the FY 77 Statewide Administration appropriation group into two appropriation groups for FY 78: 1. Board of Regents, and 2. Statewide Administration.

Appropriation group number 1 includes all of the functions of statewide administration and institutional support except the President and the President's Secretary and their support.

The amount of \$ is appropriated to the Board of Regents without allocation or object code delineation. This funding includes \$ general fund and \$ from other sources (). It is intended that the Board of Regents will carefully assess the functions of the Board of Regents and statewide administration and on or before July 15 submit through the Budget and Management Division to Legislative Budget and Audit the necessary Revised Program requests to reflect their operating plans.

In addition to the amount set forth above the Legislature declares its intent to be receptive to a detailed supplemental appropriation request, to be submitted no later than Feb. 1, 1978, to further accomplish Board of Regents responsibilities for governance and statewide administration in an amount not to exceed \$, net general funds.

For the President, President's Secretary, and support an amount of \$ is appropriated with the proviso that information be submitted to Budget and Management and Legislative Budget and Audit Committee showing the working budget within this funding. The Board of Regents shall include any necessary supplemental request for the President's Office within the supplemental request referenced above.

For the other appropriation groups the appropriations and allocations are set forth in the budget document. The amounts, with exceptions as noted, generally reflect the FY 77 revised budgets.

For these appropriations and allocations the Legislature declares its intent to be receptive to a detailed

supplemental appropriation request to be submitted no later than Feb. 1, 1978 which shall be limited to bringing the FY 77 levels to maintenance within the following definition:

- a- Additional amounts necessary to maintain present salary schedules;
- b- Additional amounts necessary to maintain and operate buildings and facilities coming on line during FY 78;
- c- Additional amounts necessary to meet documented needs for staff benefits; and
- d- Additional amounts necessary to fund bona fide workload increases in existing programs.

The amount of the supplemental request for these appropriation groups shall be limited to \$, net general funds.

Attachment to HFC Minutes
3/16/77 Meeting 8:45

University of Alaska Appropriations (To reflect proposed legislative intent)

<u>Appropriation</u>	<u>C.F.</u>	<u>Other</u>	<u>Total Appropriation</u>
President's Office	133.4	—	133.4
Board of Regents	* 5284.2	1151.0	6435.2
Sub Total	* 5417.6	1151.0	6568.6
<u>Program groups:</u>			
Research	6443.1	29852.8	36295.9
Fairbanks	20137.5	8553.9	28691.4
Anchorage	15278.9	6266.8	21545.7
Southeast	3848.4	1137.5	4985.9
REG	6469.0	1793.4	8262.4
Sub Total	52126.9	47644.4	99771.3
Two Sub-Totals	57594.5	48755.4	106349.9
<u>Allocate for BYR</u>			
Supplemental	1000.0		
<u>Allocate for Program</u>			
Supplemental	** 4,100.0		
Grand Total	** 62994.5	48755.4	\$111,749.9

* Includes 2265.5 for FY78 funding of salary increases not yet distributed in FY 77

** The Governor approved 64,013.6 general fund. The grand total noted above reflects a reservation of \$519.1 for committee adjustments and \$500.0 for capital items which would be put in direct capital appropriation.

HOUSE FINANCE COMMITTEE
March 16, 1977, Wednesday
1:50 p.m.

All members were present except Reps. Freeman and Gruening. Others present were: Reps. Parr, Specking, Brown. Others present were: Dave Scott, Budget man, U of A; Dr. Don Dafoe, Special Asst. to Finance Committee; Jay Hogan, Director, Legislative Finance; Fiscal Analysts, Legislative Finance Division.

CAPITAL BUDGET

CAPITAL
BUDGET

Rep. Cowper explained the Governor's use of the terms "Incremental General Funds". These are those which the Governor says will require additional taxes. Rep. Cowper said he had discussed with the Governor the possibility of direct funding capital projects instead of putting them on the bond issues. It has been recommended by fiscal advisors. Large bond monies may be required in conjunction with the capital move issue. In order to preserve our good bond rating we should fund capital projects through a direct appropriation.

Rep. Cowper went on to say that there is a \$26,000,000 project in the budget for a pre-detention center in Anchorage. There's been doubt of the viability of that. Rep. Cowper said his personal feeling was that there was not enough back-up for that project, and the money could be used for other projects.

The Committee then began consideration of the capital projects.

Dept. of Education:

EDUCATION

Film Acquisition, Juneau -- Rep. Buchholdt said the budget each year is about \$100.0. They spend their money. The Education subcommittee recommended approval and asked unanimous consent; no objection, so ordered.

Rare Alaskan Acquisition Fund, Juneau -- The Education subcommittee recommended funding this at the Governor's figure of 10.0; no objection, so ordered.

Museum Acquisition Fund -- Rep. Buchholdt moved that because of the increased prices on artifacts this be increased from 25.0 to 50.0. That would give more lee-way, but they will only spend what is required. There was objection to this; The motion passed 5-4.

Skill Center Dormitory,-- Rep. Specking said a bill was passed which did this, and this could be deleted. EDUCATION

University:

UNIVERSITY
OF ALASKA

Health Occupations Facility, Anchorage -- Rep. Cowper said this had been listed on the bond issue that failed as 200.0; now it's been raised to 400.0. Rep. Gruening moved to approve the figure of 250.0 and specify that they are not to take anything out for statewide administration. There was no objection; so ordered. LEGISLATIVE INTENT: 1) There shall be separate accounting. 2) Nothing shall be used for statewide administration.

Kenai Sprinkler System -- Mr. Scott explained that the building was designed without a sprinkler system, but now one is required by law. Rep. Rhode moved the figure of 100.0; no objection. LEGISLATIVE INTENT: There shall be separate accounting.

Juneau Fisheries Building -- Rep. Duncan pointed out that this included 20% for administrative purposes. He moved the figure of 374.0, which includes 7% for planning and engineering, and asked unanimous consent; no objection. LEGISLATIVE INTENT: Only 7% goes for planning.

Ketchikan Community College Career Building Remodeling -- Rep. Freeman moved the figure of 230.0; no objection.

Ketchikan Community College Ziegler Building Improvement -- Rep. Rhode moved the figure of 87.0; no objection.

Kodiak Community College, Seafood Processing Lab Equipment -- Rep. Cowper moved the figure of 100.0; no objection.

Kuskokwim Community College Sewer System -- Rep. Guy moved the figure of 150.0. Rep. Cowper said he had interviewed Pat O'Rourke, and in order to have a proper sewer system it would take 150.0. There was no objection to Rep. Guy's motion; so ordered.

Juneau Downtown Parking Improvement -- There was no motion on this.

Resources and Irving Building Completion -- There was no motion on this.

Student Center Completion, Anchorage -- This was HELD OPEN.

Additions to the Education and University of Alaska categories: ADDITIONS
TO CAPITAL
BUDGET

Rep. Swanson moved 300.0 for a sewer system for the school at Nenana. He explained that the system took up to 400 students. Rep. objected to the motion wondering if it was fair for one school to get off the hook when another has to pay. Rep. Cowper asked if this was related to the floor to which Rep. Swanson answered that it was. The motion carried, so ordered.

The Committee then returned to the OPERATING BUDGET to consider page 35 of the Social Services short form: Pioneers Homes, Kotzebue. Commissioner B. B. Allen arrived to speak to the Committee.

OPERATING
BUDGET
SOCIAL
SERVICES

Commissioner Allen explained that there was no agreement at this time for the City to operate the home. Rep. Cowper suggested adopting the maintenance budget with the understanding that this can be changed in Free Conference. Rep. Cowper moved and asked unanimous consent that the maintenance figure of 200.6 be adopted with the understanding that once an agreement is reached on what to do with this facility Free Conference can put in the correct figures; no objection. Rep. Cowper moved the LEGISLATIVE INTENT that further appropriation will be considered when an agreement has been reached on the Kotzebue home.

INTENT

The next item in the Operating Budget to be discussed was page 189 of the Social Services short form: Child Assistance, Head Start.

Rep. Guy moved to re-open this BRU; no objection. Rep. Guy moved to increase the figure of 305.9 to 535.35; Rep. Cowper objected. Rep. Guy said this program had good end results for the native children in his village. Rep. Rhode asked if the communities were contributing to this. Rep. Guy replied that contributions are mainly in food in his village. Rep. Cowper recommended an overall 10% increase in the program including federal money. That would be the figure of 444.5. Rep. Guy withdrew his previous motion. Rep. Guy moved the figure of 444.5; no objection. Rep. Guy then read a list of villages into the record which he had in mind for the funds. (#1052 on tape H 77-45)

The meeting was recessed at 3:50 p.m.

Tape H 77-44 #1286
to Tape H 77-45 #1060

HOUSE FINANCE COMMITTEE
Wednesday, March 16, 1977
4:15 p.m.

All members were present except Reps. Duncan and Gruening.
Reps. Specking and Snider were also present.

CAPITAL BUDGET

CAPITAL
BUDGET

Education Additions:

EDUCATION
ADDITIONS

Rep. Schaeffer moved to add in 15.0 for Kotzebue radio equipment; no objection. This was vetoed last year by the Governor.

Rep. Rhode moved 225.0 for Homer radio equipment; no objection. That's for Kachemak Bay Broadcasting, Inc. of Homer.

Rep. Freeman moved and asked unanimous consent for the inclusion of 61.0 for KRBD Ketchikan radio equipment; no objection.

Rep. Schaeffer moved and asked unanimous consent for 15.0 for mini-TV for Norvik, Kyana, and Galena; no objection.

Rep. Buchholdt moved and asked unanimous consent for 20.0 for KAKM transmitter, Cooper Landing; no objection.

Rep. Buchholdt moved and asked unanimous consent for 300.0 for KAKM studio facilities, Anchorage public TV; no objection.

Rep. Duncan moved and asked unanimous consent for 50.0 for Alaska Educational Broadcasters for CCBI, which would allow receipt of federal funds for quadraplex recorders. This would bring in 180.0 in federal money; no objection.

Rep. Specking suggested that 12.5 be added for Glenallen and Copper Valley Library Association. 5.0 would be for the Glenallen library and 7.5 would be for Kinee Lake Bookmobile. Rep. Cowper moved and asked unanimous consent to add 5.0 for Glenallen library and 7.5 for Kinee Lake bookmobile; no objection.

Rep. Buchholdt presented a proposal for 20.0 additional for Unalakleet radio; no motion was made.

University Additions:

UNIVERSITY
ADDITIONS

Rep. Cowper moved 20.0 for the University Symphony for new instruments and asked unanimous consent; no objection.

Rep. Gruening moved 50.0 for the U of A library and 250.0 for the media center, U of A library and asked unanimous consent; no objection. The 50.0 is for library equipment.

Rep. Cowper moved to add 8000.0 for the museum on the Fairbanks campus and asked unanimous consent; so ordered.

UNIVERSITY
ADDITIONS

Motion to add 60.0 for Southeast Senior College for library books and equipment; so ordered.

Motion to add 175.0 for Seward Marine Lab equipment; so ordered.

Motion to add 990.0 for the Student Center in Anchorage; so ordered.

Motion to add 50.0 for the Nome Community College library for books, equipment, and supplies; so ordered.

Health:

HEALTH

Health & Social Services, Renovation & Soundproof Room & Equipment, Anchorage -- Rep. Meekins moved to accept the 14.0; no objection.

Health Additions:

HEALTH
ADDITIONS

Rep. Snider stated that Kodiak does not have an Orthopedic Surgeon at this time. They will be getting one, however, and the cost for the equipment for his use will be 17.6. Rep. Snider asked the Committee to consider adding 15.0 for this equipment. Rep. Cowper moved the figure of 15.0 for Orthopedic equipment for Kodiak; no objection.

Rep. Specking asked that 80.0 be added for the Council on Alcoholism & Community Services in Seward for bricks and mortar. A motion was made to add 80.0 for Seward Council on Alcoholism & Community Services for bricks and mortar; no objection.

Rep. Swanson moved to add 90.0 for the Doctors' Clinic at Tok for an addition on the building, equipment, and an X-ray machine; so ordered.

Natural Resources Management & Environmental Conservation:

NRMEC

Natural Resources:

NATURAL
RESOURCES

Atomic Absorption Spectrophotometer, Fairbanks -- Rep. Cowper moved the figure of 18.5; no objection.

Microfilm Camera, Anchorage -- Rep. Cowper moved the figure of 15.0; no objection.

Fish & Game:

FISH &
GAME

Acoustic Salmon Counters, Various -- Rep. Rhode moved to accept 310.0; motion carried.

Statewide Computer Network, Statewide -- Rep. Freeman moved to accept the figure of 85.1; motion carried.

Kitoi Bay Hatchery Repairs & Upgrade, Kodiak -- Rep. Freeman moved to accept the figure of 200.0; Rep. Duncan objected. Rep. Gruening objected to the overhead cost. Rep. Swanson moved to amend the motion to a figure of 160.0 and asked unanimous consent; no objection.

FISH & GAME

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

Tape H 77-45
#1060 - 2099

HOUSE FINANCE COMMITTEE
Thursday, March 17, 1977
8:30 a.m.

All members were present except Rep. Buchholdt. Jay Hogan, Director, Legislative Finance, and Legislative Finance Fiscal Analysts were also present.

CAPITAL BUDGET

CAPITAL
BUDGET

NRMEC:

NRMEC

Fish & Game:

Fire Lake Sewer System, Anchorage -- Motion to accept the figure of 20.0; no objection.

Auxiliary Generators, MV Pandalus, Homer -- Motion to accept the figure of 40.0; so ordered.

Kittiwake Alterations & Repair -- Motion to accept figure of 23.2; so ordered.

Department Communications, Various -- Motion to accept figure of 25.0; so ordered.

Naknek-Kvichak District Markers, Bristol Bay -- Rep. Freeman moved to approve 15.0; so ordered.

East Creek Incubators, Dillingham -- Rep. Haugen moved the figure of 202.0; so ordered.

Tolsona Lake Outlet Structure, Glenallen -- Rep. Cowper moved the figure of 25.0; no objection.

Starrigavan Estuarine Pen Rearing Expansion, Sitka -- No motion.

Beaver Falls Short Term Rearing, Ketchikan -- Rep. Freeman moved for inclusion of 47.4; no objection.

Snettisham Incubation, Juneau -- Rep. Duncan moved the figure of 272.5; no objection. Rep. Haugen asked that the Department give a resume of what's going on there.

Tagging Equipment Purchase, Juneau -- Rep. Duncan moved the figure of 16.2; no objection.

Fish & Game Additions:

ADDITIONS

Rep. Haugen moved the figure of 15.0 for a Stream Gauge at Thomas Bay; no objection.

Public Safety:

NRMEC

SuperCub - Purchase and Equipment -- Rep. Haugen moved 135.2; so ordered.

Aircraft Radios -- Rep. Swanson moved the figure of 48.0; so ordered.

Goose - Rebuild Center Section -- No motion.

There were no additions.

Public Protection:

PUBLIC
PROTECTION

PUC:

Computer Information System, Anchorage -- Rep. Cowper moved 122.5; no objection.

Public Safety:

Motor Vehicle Title Computer Disc Upgrade, Anchorage -- Motion for 13.0; so ordered.

Computer Room Air Conditioning, Anchorage -- Motion for 16.0; so ordered.

Military Affairs:

U.S. Property and Fiscal Office & Warehouse, Anchorage -- Rep. Freeman moved for 100.0; so ordered.

Alcantra Remodeling, Willow -- Rep. Cowper said it would be inconsistent with the Budget and Audit Committee's position to fund this. Rep. Duncan moved to delete it; so ordered.

Contingency Fund Capital Projects, Statewide -- Rep. Freeman moved the figure of 40.0; no objection. Rep. Cowper moved that the words "Contingency Fund Capital Projects, Statewide" be deleted and the language "Nome Armory Heating System, Nome" replace it; no objection.

Public Protection Additions:

ADDITIONS

Rep. Schaeffer moved that a proposed Civil Air Patrol hangar be added for Palmer at 379.5 and Kotzebue at 506.0 for a total of 885.5. He then amended his motion to reflect only a Hangar in Kotzebue at 506.0; no objection.

Administration of Justice:

JUSTICE

H & SS:

Pre-sentence Detention Center, Anchorage -- Rep. Schaeffer moved to delete this 26,783.0 item; no objection.

Major Renovations & Repair-Capital Equipment -- Rep. Cowper moved the figure of 230.0; no objection.

JUSTICE

McLaughlin Youth Center -- Rep. Freeman moved the figure of 120.0; no objection.

Justice Additions:

ADDITIONS

Rep. Schaeffer moved to add on for Court Buildings: Court Building, Barrow, 1,433.0; Court Building, Dillingham, 1063.0; Court Planning Study, Nome, 50.0; Court Planning Study, Fairbanks, 60.0, Total 2606.0; so ordered.

Rep. Duncan moved 1500.0 for a Juvenile Detention Center in Juneau; no objection.

Rep. Cowper commented that the public is upset with government spending, but they are upset with operating expenses and furthering bureaucracy.

The meeting was recessed at 9:55 a.m.

Tape H 77-46
#0000 - 1610

HOUSE FINANCE COMMITTEE
Thursday, March 17, 1977
1:20 p.m.

All members were present except Rep. Meekins. Others present were Rep. Keith Specking; Dave Scott, Budget Man, U of A; Glen Vernon, Fiscal Analyst, Legislative Finance; Don Dafoe, Special Assistant to Finance Committee.

UNIVERSITY OF ALASKA

UNIVERSITY
OF ALASKA

Rep. Cowper said the intention throughout the budget is to adopt the FY 77 figures, column 05 in the short form. Rep. Cowper moved and asked unanimous consent that the revised FY 77 figures be accepted throughout the U of A budget with the exception of Statewide Administration and those areas where the Committee wishes to make adjustments; no objection.

*Reference
to Revised
Short Form*

P. 19 Organized Research, Geophysical Institute

The new figures are Total 7307.6; GF Match 125.0; General Fund 1322.5.

P. 21 Organized Research, Institute of Marine Science

Rep. Cowper moved the figure of 50.0 for Claim Toxin Study; no objection. LEGISLATIVE INTENT: This will be the last year of the study.

INTENT

P. 35 Organized Research, AEIDC

Rep. Cowper moved to add 10.0 for partial funding of a Science Information Exchange Conference in Alaska; no objection.

P. 45 Organized Research, WAMI

Rep. Cowper moved and asked unanimous consent to add 33.5 for the state contribution for study of CO exposure in Fairbanks; no objection.

P. 53 Fairbanks, Instruction - 4yr & Grad

Rep. Cowper moved and asked unanimous consent to add 28.8 for a Chemistry Instructor to maintain accreditation; no objection.

P. 69 Fairbanks, Institutional Support

The new figures are: Total 12434.4, General Fund 8254.6.

P. 75 Anchorage, Instruction - 4 yr & Grad

Rep. Cowper moved to add 60.0 for Senior College staffing for 1 1/2 positions; no objection.

P. 77 Anchorage, Instruction - ACC

U of A

Rep. Cowper moved and asked unanimous Consent to add two positions at a cost of 75.0 in General Fund; no objection.

P. 79 Anchorage, Instruction - Mat Su

Rep. Cowper moved to add 15.0 for 1/2 position in Career Education; no objection.

P. 83 Anchorage, Public Service

Rep. Cowper moved to add 35.0 for instruction in Eagle River. No objection. LEGISLATIVE INTENT: At least 75.0 is to be expended in the Eagle River Extension Program.

INTENT

P. 103 Southeast, Instruction - Senior

Rep. Duncan moved to add two positions including Fisheries for accreditation, total added 60.0; no objection.

P. 107 Sotheast, Instruction - Ketchikan

Rep. Cowper moved the figure of 580.5 plus 179.0; no objection. LEGISLATIVE INTENT: The 179.0 shall be used only for a new program in Marine Technology.

P. 113 Southeast, Academic Support - Senior

Rep. Duncan moved to add 13.0 for a clerical position for the library; no objection.

P. 127 Southeast, Institutional Support - Juneau

Rep. Duncan moved to add 37.5 for a Director of Admissions and Records for accreditation; no objection.

P. 151 Rural Education Affairs, Academic Support - Kodiak

Rep. Cowper moved the figure of 61.1; no objection.

P. 153 Rural Education Affairs, Academic Support - Kenai

Rep. Cowper moved the figure of 51.2; no objection.

P. 161 Rural Education Affairs, Student Services - Kenai

Rep. Cowper moved to add 21.3 for 1/2 position; no objection.

(Tape changed at 2:25 to H 77-47)

P. 9 Statewide, Institutional Support

Rep. Cowper moved the figure of 133.4; no objection. LEGISLATIVE INTENT: Funding is only for the President's Office, i.e. the President, his secretary, and his direct support costs.

INTENT

P. 11 Statewide, Capital Development

U of A

Rep. Cowper moved the figure of 0.0; no objection.

P. 13 Statewide, General Salary Increase

Rep. Cowper moved the figure of 0.0; no objection.

P. 15 Statewide Community College Salaries

Rep. Cowper moved the figure of 0.0; no objection.

P. 5 Board of Regents, Board of Regents

Rep. Cowper moved the Total figure of 122.9; no objection. The figures will be broken out. Rep. Cowper moved for a new BRU to be created entitled Board of Regents, Regents Distribution: 6312.3 under Misc; 2265.5 is for FY 78 funding of salary increases not yet distributed in FY 77; (pages 5, 9, 11, 13, & 15 in this BRU).
LEGISLATIVE INTENT: The remainder shall be distributed only upon approval of the Budget and Audit Committee.

INTENT

Rep. Cowper appointed a SUBCOMMITTEE of Reps. Gruening, Duncan, and Cowper to work out LEGISLATIVE INTENT.

*SUBCOMMITTEE
APPOINTED*

The meeting was recessed around 3:00 p.m.

Tape H 77-46 #1610
to Tape H 77-47 approx. #0700

UNIVERSITY OF ALASKA APPROPRIATIONS
(To reflect proposed Legislative Intent)

<u>Appropriation</u>	<u>G.F.</u>	<u>Other</u>	<u>Total Appropriation</u>
President's Office	133.4	---	133.4
Board of Regents	*5,284.2	1,151.0	6,435.2
SUB-TOTAL:	5,417.6	1,151.0	6,568.6
<u>Program Groups</u>			
Research	6,443.1	29,852.8	36,295.9
Fairbanks	20,137.5	8,553.9	28,691.4
Anchorage	15,278.9	6,266.8	21,545.7
Southeast	3,848.4	1,137.5	4,985.9
REA	6,469.0	1,793.4	8,262.4
SUB-TOTAL:	52,176.9	47,604.4	99,781.3
TWO SUB-TOTALS:	57,594.5	48,755.4	106,349.9
Allocate for Board of Regents			
Supplemental	1,000.0		
Allocate for Program			
Supplemental	**4,400.0		
GRAND TOTAL:	**62,994.5	48,755.4	\$111,749.9

* Includes 2,265.5 for FY 78 funding of salary increases not yet distributed in FY 77.

** The Governor approved \$64,013.6 general fund. The grand total noted above reflects a reservation of \$519.1 for committee adjustments and \$500.0 for capital items which could be put in direct capital appropriation.

NOTE: The allocations for each operating unit of the program groups listed above are broken out in the revised short forms dated 3/12/77. Thus, a budget bill can be prepared to show an appropriation to an appropriation group and the allocations to each of the sub-programs. For example, under REA the allocations for each community college, the extension centers, the cooperative extension service, and central administration and support can be shown.

PROPOSED LEGISLATIVE INTENT

Although the Alaska statutes make clear the responsibility of the Board of Regents to provide the Legislature "at the beginning of its regular session" with a report to include all receipts and expenditures of all funds and of educational and other work performed (AS 14.40.190), the Legislature has not to date received such report or reports. In the absence of complete, timely, and reliable final information on FY 76 operations and "to date" FY 77 operations, and with a further lack of definitive background for the FY 78 budget request, the House Finance Committee feels constrained to limit the FY 78 appropriations and allocations to the revised FY 77 budget levels, with only a few exceptions. (The FY 77 budget is based on the FY 1977 Free Conference Committee amounts revised to reflect the following adjustments: (1) salary increases from separately appropriated funds; (2) the general fund reduction imposed by the Governor; and (3) organizational changes requiring budget transfers.)

The House Finance Committee has divided the FY 77 Statewide Administration appropriation group into two appropriation groups for FY 78: (1) Statewide Administration, and (2) Board of Regents. Under (1), Statewide Administration, the amount of \$133.4 is appropriated which provides funding only for the President, President's Secretary and President's office support. A breakdown of object code allocations under this appropriation is to be submitted to Budget and Management and Legislative Budget and Audit by June 15.

Appropriation group (2) includes all of the functions of statewide administration and institutional support except the President and the President's Secretary and their support. The amount of \$6,435.2 is appropriated to the Board of Regents without allocation or object code delineation. This amount includes \$2,265.5 for FY 78 funding of salary increases not yet distributed for FY 77. This funding includes \$5,284.2 general fund and \$1,151.0 from other sources. It is intended that the Board of Regents will carefully assess the functions of the Board of Regents and statewide administration and on or before June 15 submit through the Budget and Management Division to Legislative Budget and Audit the necessary revised program requests to reflect their operating plans.

In addition to the amount set forth above the Legislature declares its intent to be receptive to a detail supplemental appropriation request, to be submitted no later than February 1, 1978, to further accomplish Board of Regents responsibilities for governance and statewide administration in an amount not to exceed \$1,000.0 net general funds. The Board of Regents shall include any necessary supplemental request for the President's Office under Statewide Administration within the supplemental request referenced above.

For the other appropriation groups the appropriations and allocations are set forth in the budget document. The amounts, with exceptions as noted, generally reflect the FY 77 revised budgets.

For these appropriations and allocations the Legislature declares its intent to be receptive to a detailed supplemental appropriation request to be submitted no later than February 1, 1978 which shall be limited to bringing the FY 77 levels to maintenance within the following definition:

- a- Additional amounts necessary to maintain present salary schedules;
- b- Additional amounts necessary to maintain and operate buildings and facilities coming on line during FY 78;
- c- Additional amounts necessary to meet documented needs for staff benefits; and
- d- Additional amounts necessary to fund bona fide workload increases in existing programs.

The amount of the supplemental request for these appropriation groups shall be limited to \$4,400.0 net general funds.

HOUSE FINANCE COMMITTEE
Thursday, March 17, 1977
2:55 p.m.

All Committee members were present with the exception of Representatives Buchholdt and Meekins. Also present was Alison Farnan, Fiscal Analyst, Legislative Finance Division.

Present

GENERAL GOVERNMENT

Open BRU's -
Gen'l Gov't
Close-out

P. 73 Data Processing, Services to Operating Agencies

Committee's recommendations regarding positions remains the same, as well as the legislative intent to accompany the recommendation (see Minutes for 3/7/77 meeting). Subcommittee's recommendation to decrease funding for Equipment in the amount of \$75,000 due to nonpurchase of a mini-computer was adopted by the Committee, changing the figure to:

Equipment-16.0, Total Expendi-
tures-2620.0

P. 77 Data Processing, State Telecomm Network

Committee adopted the Subcommittee's recommendation to decrease funding for Contractual in the amount of \$42,000 (high speed line costs), changing the figure to:

Contractual-183.7, Total Expendi-
tures-183.7

P. 149 Budget & Audit Committee, Legislative Audit

J. H. Hogan, Director, Legislative Finance Division, referred the Committee members to a Memorandum dated March 17, 1977, from him to Chairman Cowper regarding FY 78 Budget Changes (see attached copy). Mr. Hogan briefly explained the Memorandum. Chairman Cowper commented that the contract for Dr. Dafoe & Associates is to ensure that the Budget & Audit Committee will be able to keep a close rein on the University during the interim. Money will be appropriated to the Board of Regents and Dr. Dafoe will be there to act as a liason between the Committee and the Board of Regents.

Rep. Freeman made a motion to approve the figures submitted by Mr. Hogan in his Memorandum of March 17, 1977 to Chairman Cowper. There being no objection, the motion carried. Chairman Cowper asked if there were any objections to the Subcommittee's recommendation to accept the Governor's figure. There being no objection, motion carried. Committee recommends the Governor's figure - 1439.8

P. 153 Budget & Audit Committee, Committee Expenses

General
Government

Committee adopted the Subcommittee's recommendation of Total Expenditures-150.8

P. 157 Legislative Council, Salaries & Allowances

Subcommittee recommended increasing funding for Contractual due to increased allowances. Chairman Cowper asked for a motion to adopt the Subcommittee's recommendation and for changing the funding for Personal Services to 823.8 (60 salaries at \$9,000 for 100 days at \$35.00 per day, plus 73.8 PERS). The motion was made and there being no objection, carried unanimously.

Personal Services-823.8, Contractual-240.0
Total Expenditures-1063.8

P. 159 Legislative Council, Leadership

Committee adopted the Subcommittee's recommendation of the Governor's figure-188.1

P. 161 Legislative Council, LAA Executive Administration

Committee adopted the Subcommittee's recommendation of the Governor's figure with an adjustment of 1.8 addition to Personal Services due to the session salary raises, changing the figures to:

Personal Services-126.5, Total Expenditures-540.6

P. 163 Legislative Council, LAA Administrative Services

Alison Farnan explained that the added on positions result in an overall increase in General Funds because they have been transferred out of another component. Committee adopted the Subcommittee's recommendation to accept the Governor's figure and added funding for Personal Services for the salary increase for the temporary positions, changing the figures to:

Personal Services-744.2, Total Expenditures-1115.7

P. 165 Legislative Council, LAA Research Services

Committee adopted the Subcommittee's recommendation of the Governor's figure, plus add-on to Personal Services for salary increases:

Personal Services-445.3, Total Expenditures-481.3

P. 167 Legislative Council, LAA Legal Services

General
Government

Committee adopted the Subcommittee's recommendation of the Governor's figure, plus adding to Personal Services for salary increases:

Personal Services-587.0, Total Expenditures-649.7

P. 169 Legislative Council, Session Expenses

Rep. Haugen asked how many secretaries per Legislator there are. Alison Farnan replied that there are 50 secretaries - less than one secretary per Legislator. Committee adopted the Subcommittee's recommendation of the Governor's figure plus adding funds to Personal Services for increased salaries:

Personal Services-645.3, Total Expenditures-1652.9

P. 171 Legislative Council, Council & Subcommittees

Committee adopted the Subcommittee's recommendation of the Governor's figure- 259.0

P. 173 Legislative Council, Assembly Building

Committee adopted the Subcommittee's recommendation of the Governor's figure-220.0

P. 175 Legislative Council, Equipment Account

Committee adopted the Subcommittee's recommendation of the Governor's figure-95.0

P. 177 Legislative Council, Office of Ombudsman

Subcommittee recommended an overall increase in funding to allow opening of Fairbanks' office. Objection by Rep. Swanson was noted. Motion by Rep. Swanson to accept the Governor's figure failed and Committee decided to adopt the Subcommittee's recommendation as follows:

Personal Services-318.1, Travel-22.4,
Contractual-66.9, Commodities-10.0,
Equipment-13.8, Total Expenditures-430.7

Full-Time-10.0

J. H. Hogan presented the Finance Committee, in care of Sub- "EFFICIENCY"
Banner Pre-
sentation

committee Chairman Jim Duncan, with an "EFFICIENCY" banner
for having closed the Capital Budget in record time.

Meeting adjourned at 3:45 p.m.

Adjourned

Tape H77-47 Log #0646
to Log #1600

3/17/77

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

March 17, 1977

MEMORANDUM

TO: Steve Cowper, Chairman
House Finance Committee

FROM: J. H. Hogan, Director
Legislative Finance Division

SUBJECT: FY 78 Budget Changes

The following items are proposed for inclusion in the FY 78 budget of Legislative Finance:

<u>Description</u>	<u>Line Item</u>	<u>Amount</u>
Salary increases for temporary session employees (105 day session)	Pers. Svcs.	\$ 5.6
Audit of Accounting records by Molitor, Doremus & Hanlin	Contractual	2.5
Capital Budget Analyst - a new position for Legislative Finance	Pers. Svcs.	40.9
Increase to Range 22 for 2 Finance Chairman Staff Assistants	Pers. Svcs.	11.2
Contract Services for Tanzer Economic Associates	Contractual	<u>25.0</u> 85.2

The following changes are proposed for the FY 78 Budget and Audit Committee budget:

<u>Description</u>	<u>Line Item</u>	<u>Amount</u>
Increase of Chairman's Staff Assistant Salary to Range 22	Pers. Svcs.	\$ 5.6
Contract & Expenses for Dafoc & Associates	Contractual	<u>20.0</u> \$25.6

HOUSE FINANCE COMMITTEE

Friday, March 18, 1977

8:40 a.m.

All members were present. Others present were: Rep. Nels Anderson; Rep. Keith Specking; Dr. Don Dafoe, Special Assistant to the Finance Committee; Jay Hogan, Director, Legislative Finance; Bob Grogan, Fiscal Analyst, Legislative Finance; and Alison Farnan, Fiscal Analyst, Legislative Finance.

CAPITAL BUDGET

CAPITAL
BUDGET

Development:

DEVELOPMENT

Revenue:

Increased Capitalization-Municipal Bond Bank, Anchorage -- Rep. Cowper suggested that this be left out for now with the understanding that when something comes in on it the Committee will reconsider it.

Commerce & Economic Development:

Community Assistance, EDA, All -- Rep. Duncan moved the figure of 162.0; no objection.

Energy Power & Alaska Economy Management System, Anchorage -- This was HELD OPEN.

Wind Generator Maintenance & Repair, Nelson Lagoon & Kotzebue -- Rep. Cowper moved and asked unanimous consent for the figure of 10.0; no objection.

Technological & Economic Options for Use of Waste Heat, Statewide -- This was HELD OPEN.

Natural Resources:

Agriculture Revolving Loan Fund, Statewide -- Rep. Cowper moved the figure of 400.0; no objection.

Red Beef Project, Kenai Peninsula -- Rep. Cowper moved to accept the figure of 226.1; no objection. Rep. Swanson wanted this item moved out of Incremental General Fund column.

Rep. Anderson handed out a copy of his capital budget request for consideration by the Committee. Rep. Cowper said it would be considered as to what went into the Operating Budget and what was in Capital Budget. Also, Rep. Cowper said HB 251 would be taken up by the Committee early next week. (Copy of request attached)

The Committee recessed to go to the floor session at 9:50.

Tape H 77-47

#1631 - 2294

March 18, 1977

Attachment

HFC

3-18-77

CAPITAL BUDGET REQUEST

AS SUBMITTED BY REP. NELS A. ANDERSON, JR.
DISTRICT 16

Aleknagik- Dillingham Road	Road maintenance & improvement. One grader.	\$ 200,000
Naknek	Beach Access Road	190,000
Naknek	H.B. 269 Approp. to Public Works/ Nornek Lake	150,000
Koliganek	Electrification Grant	20,000
Manokotak	Electrification Grant	20,000
Twin Hills	H.B. 251 Special Approp. to Reconstruct School	266,000
Port Heiden	Severe Beach Erosion	50,000
Egegik	Severe Beach Erosion	50,000
Quinhagik	Equipment Grant - Grader, Loader, Dump Truck	150,000
Newhalen	Equipment Grant - Grader	75,000
Kongiganak- Kwigillingak- Kipnuk	Gravel for Airports	375,000
TOTAL REQUEST		\$1,546,000

HOUSE FINANCE COMMITTEE
Friday, March 18, 1977
1:45 p.m.

All members were present except Rep. Guy. Reps. Brown, Specking, Parr, Nakak, and Rudd were also present. Others present were: Jay Hogan, Director, Legislative Finance; and Fiscal Analysts, Legislative Finance; and Mr. Carpenter, U of A Museum presentation.

CAPITAL BUDGET

CAPITAL
BUDGET

Additions:

ADDITIONS

Rep. Cowper moved and asked unanimous consent that 60.0 be added for a grader in Quinhagik; no objection.

Rep. Cowper asked Mr. Carpenter for his presentation on the U of A Museum. Mr. Carpenter explained that on the Fairbanks campus there is quite an extensive science establishment. There are two dozen institutions ranging from the Geophysical Institute to Marine Biology. Much of the scientific research from 65° north is tied in with the museum. It's tied very closely to the kind of research product exhibited in the museum.

U OF A

MUSEUM

Mr. Carpenter continued that the museum artifacts are stored in an old tin building by the lake. There's a fear of losing artifacts. The Museum has the most extensive collection of Lynx skulls and wolverine skulls in the world. The Carnegie is trying to get them away from the University. Mr. Carpenter said he regretted that the state lost the Pullen Collection. The museum is needed now. The new museum in Fairbanks needs to be funded so it can serve as repository.

Rep. Parr added that in the possession of the museum is some of the finest collections in the world. The museum should be a teaching and research asset and the natural history side is where that museum has been the strongest. The museum has some Pre-Cambrian rocks which contain some of the oldest animal fossils in the world. There's a plant identification center; many of the plants of Alaska have not yet been identified. This is an educational resource which needs to be utilized.

Rep. Cowper said the display portion of the museum would be a secondary use. The taxonomist at U of A is the one that people in Oregon and Washington go to to find out what kind of critters they have. There is enough material to form a basis for research, but it's everywhere. If it could be sorted out it could mean \$1,000,000 a year in federal research grants.

Rep. Cowper continued saying that there's no security there now, it's a fire hazard. The present display cases are cracked, there's no adequate air conditioning and dehumidifier. The museum would be first a research center and second a place where people could go to learn the heritage of Alaska.

Rep. Brown commented that on the fire hazard question -- the entire building is of wood and not fire proofed. It's estimated that the beams in the building would buckle in 8-10 minutes after the start of a fire.

U of A

Rep. Swanson said that in keeping with our Alaska history and especially in the interior which deals more than anyother area in the state with what's really Alaska, he supported anything that could be done to keep Alaska's history intact. The fact that 80,000 people went through the museum last year in the condition it is in is phenomenal. Rep. Swanson said he felt it was an honor to make the motion. He moved the figure of \$8,000,000 for a museum on the Fairbanks campus, U of A. Rep. Cowper said there were detail plans for the museum and a cost statement.

The Committee discussed the pros and cons of voting for the \$8,000,000 figure. The motion passed with all in favor but Rep. Meekins.

On the S.E Senior College Rep. Duncan said there were library books and media equipment that they need for accreditation. Rep. Duncan moved the figure of 60.0 for library books and equipment needed for accreditation; no objection.

*Southeast
Sr. College*

Concerning the Fisheries Lab in Juneau, Rep. Duncan said the University is going ahead with construction before the water system is studied. They should get their permits before they start building. Rep. Duncan proposed adding LEGISLATIVE INTENT: It's the intent of the Legislature that the U of A should secure the necessary water permits from the Department of Natural Resources for long term needs prior to construction. Rep. Duncan said he hoped he was not slowing down the Fisheries Lab, but the Legislature should make it clear that they should have the proper permits; no objection to intent.

*Juneau
Fisheries
Lab*

INTENT

Rep. Cowper moved and asked unanimous consent to add 70.0 for Kuskokwim Community College instructional TV; no objection.

*Kuskokwim
TV*

Rep. Specking said the Marine Labs in Seward have construction that has not been completed. It will require 175.0 to finish the walk-in cold room, temperature control room, etc. Rep. Cowper moved for 175.0 to complete the existing Seward Marine Laboratorles.

*Seward
Marine Labs*

Rep. Meekins moved 990.0 for the completion of a Student Center in Anchorage; so ordered.

*Student
Center,
Anchorage*

Development:

DEVELOPMENT

Natural Resources:

Plant Materials Center Office/Oab, Palmer -- Rep. Cowper moved the figure of 125.0; no objection.

Plant Materials Center/Electrical Upgrade, Palmer -- Rep. Cowper moved the figure of 30.0; no objection.

State Fair Capital Grants, Statewide -- Rep. Buchholdt moved the figure of 140.0; no objection.

Rep. Nakak asked for inclusion of 50.0 to supply the Northwest Community College library facility with library books, supplies, and equipment. Rep. Cowper moved the figure of 50.0 for the Nome Community College library; no objection.

ADDITION
U of A
Northwest
Community
College

Public Works:

Nome Harbor Dredging, Nome -- Rep. Cowper moved 2.5 for Nome Harbor Dredging; no objection.

Haines Harbor Facilities, Haines -- Rep. Duncan said that Haines has had a lot of trouble with their lumber industry. Rep. Duncan moved to add 370.5 for their boat harbor making the figure 600.0; Rep. Freeman objected. The motion carried.

Addition:

ADDITION

Rep. Swanson moved to add 72.0 for the City of Delta for dikes against erosion, Tanana River; no objection.

Mr. Hogan brought up the problems with allocations versus appropriations. This portion of the budget is generally done with allocations so they have the latitude to use extra funds not needed for one particular project on another project that may require more funding. Rep. Freeman agreed with the point saying that if you tie it down too tightly with an appropriation you may lose a project because there's no flexibility.

allocations
vs. approp.

Rep. Freeman moved to go the allocation route; Rep. Meekins objected and Rep. Schaeffer objected. The motion carried.

Rep. Duncan said he felt the state was falling behind on waters and small boat harbors projects. He suggested that the state put them back to what the communities and departments suggested. The Governor has reduced all of these figures.

Waters &
Small Boat
Harbors

The meeting was recessed at 3:25 (#2048, Tape # 77-48)

The meeting reconvened at 3:40 p.m.

Continuing on Public Works:

Development

Rep. Duncan moved the agency request of the following:

- King Cove Harbor Facilities, King Cove, 500.0
- Sandpoint Harbor Facilities, Sandpoint, 600.0
- Homer/Seldovia Harbor Facilities, Homer/Seldovia, 500.0
- Petersburg Harbor Facilities, Petersburg, 250.0
- Skagway Harbor Facilities, Skagway, 500.0
- Valdez Harbor Facilities, Valdez, 375.0
- Ketchikan Harbor Facilities, Ketchikan, 175.0
- Juneau Harbor Facilities, Juneau, 325.0
- Fairbanks Launching Ramps, Fairbanks, 22.5
- Sitka Harbor Improvements, Sitka, 100.0
- Cordova Harbor Improvements, Cordova, 200.0
- Seward Harbor Improvements, Seward, 250.0
- Whittier Harbor Improvements, Whittier, 25.0
- Anchorage Ship Creek Dredging, Anchorage, 50.0
- Emergency Repairs, Statewide, 75.0
- Administration, Planning, Engineering, Statewide, 450.0
- Add: Tenakee Dock, 50.0

No objection to motion; so ordered.

Addition:

ADDITION

Rep. Cowper moved the addition of 500.0 for Bethel stream erosion; no objection.

Rep. Cowper moved that these be allocations; no objection.

Transportation:

Transportation

Public Works:

Rep. Cowper moved that the following be accepted at the following figures:

- North/South Runway -- Stage III, Anchorage, 6542.0
- Miscellaneous Modifications/Improvements, Anchorage, 300.0
- Blast Protection & Runway 6R Seal Coat, Anchorage, 2060.0
- Auto Parking Expansion, Anchorage, 930.0
- Runway Oil Seal Coat, Fairbanks, 650.0

No objection to motion; so ordered.

Columbia Fast Food Service Conversion, Southeast -- Rep. Freeman said it makes sense to spend the 400.0 once rather than hire 10 people at 400.0 year after year. Rep. Duncan objected to the conversion. The motion carried with Reps. Duncan and Buchholdt objecting. Mr. Hogan suggested that language be put in that "The Department on passage of this appropriation should be released from the intent of the prior year."

Rep. Freeman moved the following figures on the following items:

- Vessel Upgrade, Southeast, 180.0
- Spare Parts, Southeast/west, 271.0
- Waste Disposal Design, Southeast/west, 50.0
- Dock Electrical & Safety Rehabilitation, Southeast, 40.0

No objection to motion; so ordered.

3-28-77

Highways:

Transportation

Equipment Acquisition, Statewide -- Rep. Cowper moved the figure of 812.0 with LEGISLATIVE INTENT that 60.0 is for D-6 crawler tractor for maintenance on Lake Harriet-Hunt Road, Ketchikan; no objection.

INTENT

Maintenance Facility, Eagle River -- Rep. Cowper moved the 160.0; no objection.

Security Fencing, Statewide -- No motion was made.

Additions:

ADDITIONS

Rep. Gruening moved the figure of 30.0 for a light rail study in the Anchorage area; so ordered.

Rep. Cowper moved to change Statewide Equipment Acquisition to 872.0 with LEGISLATIVE INTENT that 60.0 is for Quinhagak grader.

INTENT

(Tape changed to H 77-49)

Rep. Buchholdt moved to add 300.0 for Spenard urban dust control; So ordered.

Rep. Cowper moved to add 400.0 for Kotzebue roads and streets improvement; so ordered.

Rep. Haugen moved to add 250.0 for improvements to the road in Unalakleet from the ferry terminal to the airport; no objection.

General Government:

General Government

Public Works:

Rep. Cowper moved the following figures:

State Office Building, Boiler Replacement, Juneau--90.0

Capitol Building Heating System Repair, Juneau--435.0

Boiler Repair and Replacement, Statewide--45.0

Roof Renovation and Repair, Statewide--250.0

Painting State Facilities, Statewide--20.0

Sitka Pioneers Home Window Replacement, Sitka--70.3

Alaska Office Building Electrical Modification, Juneau--40.0

Capitol Building Door Replacement, Juneau--11.0

Juneau Parking Structure Storage Area, Juneau--49.0

No objection to motion; so ordered.

Revenue:

Treasury Computer Program--Rep. Cowper moved the figure of 270.0; no objection.

Additions:

ADDITIONS

Rep. Duncan moved 273.5 to provide Bethel and Nome with 2-way video telecommunications; so ordered.

In the Health category, Rep. Gruening moved to add 700.0 for a senior center in Anchorage; so ordered.

Under Administration of Justice, Rep. Cowper moved to put in 2000.0 for a Combined Facility in Barrow to replace the amount of 1433.0 for the Court Building alone; so ordered.

Justice

Development:

Development

Revenue:

Increased Capitalization-Municipal Bond Bank, Anchorage -- Rep. Cowper moved the figure of 0.0; no objection.

The meeting was adjourned at 4:45 p.m.

Tape H 77-48 #0000
to Tape H 77-49 #0821

HOUSE FINANCE COMMITTEE
Monday, March 21, 1977
9:05 a.m.

All Committee members were present with the exception of Representatives Rhode, Haugen, Guy, Schaeffer, Meekins, Buchholdt and Gruening. Also present was J. H. Hogan, Director, Legislative Finance Division.

Present

Chairman Cowper said that the Committee's figure for the Capital Budget is 9.5% below the Governor's - \$17,017.0 and referred members to a draft of the figures (attached). A full sheet is being printed and should be ready at 9:30. Figures show a general reduction in the budget of \$22,000. Capital Budget - \$31,544.0 - about \$4 million below the Governor's Budget. Must decide which of the BRU's will go under the subheadings of Appropriations and which will be under allocations. There is a suit challenging the right of the Budget and Audit Committee to revise the Budget - Waters and Harbors Capital Projects and University of Alaska Research components. A motion was made that all BRU's be placed under the Appropriations column with the exception of the Capital Budget for Waters and Harbors and U of A Research. There being no objections, the motion carried.

*HFC Budget
Rec. Below
Governor's*

J. Hogan said four sets of the completed short forms have been prepared and gave a brief explanation of the reasons for the limited number of them. He said they cover positions allowed, why cuts were made, and the intent. The sets being assembled are to go to House Minority, House Majority, House Finance and one for each Subcommittee Chairman.

*Short
Forms*

Chairman Cowper commented that he had tentatively planned to go to caucus at 2:00 o'clock with the Budget and that some time later in the week the Committee will need to have some hearings on some bills. The tentative schedule calls for capital planning bills to be taken up late in the week and some small bills in the meantime.

Representative Haugen asked what the main question is in regards to writing the budget and Chairman Cowper explained - The Administration has said, essentially, that the Budget and Audit Committee does not have the authority to approve or disapprove budget transfers with less than a whole committee. There is a question as to the legality of transfers of appropriations, approving expenditures, etc. It is the intention of the Governor right now to live with in the appropriations.

*Legality
Question
Re Trans-
fers by
Budget &
Audit Comm.*

Representative Haugen stated that it is his understanding that the Administration doesn't have any more right to

allocate federal funds than the Legislature does, and it is his opinion that the Legislature ought to be participating in it. The Legislature could reserve an appropriation in January for the funds.

*Allocation
of Federal
Funds*

Chmn. Cowper said the Budget and Audit Committee has turned down requests for federal funding at least twice that he is aware of. Grants are acquired by people who are skilled at getting grants and a lot of times those persons have nothing to do with the actual program.

Rep. Haugen commented that the Legislature should have some sort of control over the private non-profit programs as well. Representative Swanson commented on the same matter.

Chairman Cowper suggested the Committee consider the possibility of having an interim committee and there was brief discussion regarding such a solution.

*Interim
Committee*

Rep. Haugen suggested that the Finance Committee could come in five days before the Legislature convenes each year and begin reviewing. Chmn. Cowper said he supported that idea and brief discussion followed.

*Early Review
by HFC 5 Days
Prior to Ses-
sion*

Meeting recessed at 9:30 a.m.

Tape H77-49 Log #0839
to Log #1285

Gov's original budget for FY 78

<u>FY 77</u> <u>Auth</u>	<u>FY 78</u> <u>Gov</u>	<u>FY 78 Gov</u> <u>w/o Legisl.</u>	<u>HFC</u> <u>SC</u>
ed 282.8	254.9	254.9	254.9
f 37494.2	45226.1 (-8,085.9)	~~45226.1~~ 37,140.2	35,474.3
ther <u>16328.1</u>	<u>15019.9</u>	<u>15019.9</u>	<u>15,051.2</u>
<u>54,105.1</u>	<u>60,500.9</u>	~~57,745.5~~ 52,415.0	<u>50,780.4</u>

PFT's + 4.0

PFT's - 32.0

Temp - 6.0

G.F. 1665.9

4 1/2%