

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2695

Public Assistance Administration: Chairman Meekins moved to accept the computer generated figures on all the line items, except that the fixed costs shall be added back in. There was no objection.

Data Services: Representative Rogers moved to accept the computer generated figures for all the line items, except that data processing and other fixed costs are to be added back in. There was no objection.

Vital Statistics: Chairman Meekins moved to accept the computer generated numbers except that fixed costs are to be added back in. There was no objection.

Planning & Research, Health Planning: There was discussion on grants. Chairman Meekins moved to accept the computer generated figures for all the line items except grants, and to take \$153.0 from the governor's figure on grants. Representative Smith objected. There being no further objection, the motion carried.

Planning & Research, Resource Development: Chairman Meekins moved to accept the following figures: Personal Services \$389.2; Travel \$69.1; Contractual \$46.8; and commodities \$2.5. He stated he was taking a percentage reduction since they do not have numbers for FY 79. There was no objection.

Planning & Research, Administration: Representative Duncan moved to accept the computer generated figures. There was no objection.

Planning & Research, State Health Planning Committee: There was discussion on the Board. Chairman Meekins moved to accept the computer generated figures. Representative Smith objected. There being no further objection, the motion carried.

Alcohol and Drug Abuse, Administration: There was discussion on the program and advisory board travel. Chairman Meekins moved under personal services to accept the computer figure plus the two positions already added by RP, less a 5% reduction. He further moved that travel be \$43.8; Contractual \$195.5; and Commodities be \$8.2; and that any fixed costs be added back in. There was no objection.

Alcohol and Drug Abuse: Representative Haugen moved to accept the governors figures for Alcohol Abuse Grants and Drug Abuse Grants. There was no objection.

Alaska Psychiatric Institute: Chairman Meekins moved to accept the governor's figures. There was discussion. There was discussion on funding sources. Mr. Lucas explained that money taken

in under state institutions from Medicaid, and it has all been moved to general fund monies. He suggested that medicaid and program receipts be put back in the budget. He stated he thinks it puts more of a burden on them to collect the money. Chairman Meekins moved to amend his motion to adjust the funding sources per Mr. Lucas' suggestion. There was no objection to the amendment. There was no objection to the main motion.

Contract Forensic Services: Chairman Meekins moved to accept the Governor's figure. There was no objection.

Community Mental Health Services, Regional Administration: Chairman Meekins moved to accept the Governor's figure on personal services, and the computer figures for the other line items. There was no objection.

Community Mental Health Service, Fairbanks Regional MH Clinic: There was discussion on the program. Representative Rogers moved to accept the governor's figure in personal services, and the computer generated figures for the other line items. There was no objection.

Community Mental Health Services, Juneau Regional MH Clinic: Chairman Meekins moved to accept the governor's figure in personal services, and the computer generated figures for the other line items. There was no objection.

Community Mental Health Services, Community MH Grants: Mr. Lucas advised that \$213.0 has been transferred in. Representative Duncan moved to accept the Governor's figure. There was no objection.

Community Mental Health Services, Emergency Hospital Care: Chairman Meekins moved to accept the Governor's figure. There was no objection.

Harborview: Chairman Meekins moved to accept the following figures: Personal Services \$4158.1; Travel \$13.1; Commodities \$368.2; and equipment zero. He stated under contractual he would like to take the same percentage off the \$881.0 included in what is now grants/claims, and take the \$791.0 figure and distribute it proportionately. He further moved that the fixed costs be added back in and that the funding source be changed according to the recommendation made under the API BRU. There was no objection.

Council/Handicapped & Gifted: Chairman Meekins moved to accept the Governor's figure. There was no objection.

Community DD Services, Regional Administration: Chairman Meekins moved to accept the Governor's figure in personal services, and the computer generated figures for the other line items. There was no objection.

Community DD Services, Residential Care: Chairman Meekins moved to tentatively accept the governor's figure. He stated the Department will be coming in with a proposed change for this component. There was no objection.

Community DD Services, Family Support: Chairman Meekins moved to accept the Governor's figure. There was no objection.

Mental Health Administration & Support, Central Office Administration: Chairman Meekins moved to accept the computer generated figures. There was no objection.

Mental Health Administration and Support, MH Advisory Council and Lnd Board: Representative Haugen moved to accept the figure of zero. Representative Rogers objected. Representative Duncan moved to accept the Governor's figure. Representative Moss and Haugen objected. The motion carried.

Mental Health Administration and Support, Demonstration Grants: There was discussion on the figures. Chairman Meekins moved to accept the Governor's figures. There was no objection.

The meeting adjourned at 2:30 p.m.

ADJOURN

Tape HFC 79-59 Side 2 #476 to end
HFC 79-60 Side 1 #001 to end
Side 2 #001 to end
HFC 79-61 Side 1 #001 to 652

3/3/79

HOUSE FINANCE COMMITTEE

March 5, 1979

9:20 a.m.

All members of the Committee were in attendance, except Representatives Guy, Moss and McKinnon. Representative Duncan arrived later in the meeting. Also in attendance: John Crandall, Administrative Assistant to Chairman Meekins; John Lucas, Budget Analyst, Legislative Finance.

PRESENT

Chairman Meekins called the meeting to order and advised the Committee would begin SOCIAL SERVICES budget close-outs.

SOCIAL
SERVICES
BUDGET
CLOSE-OUTS

OFFICE OF THE GOVERNOR

Volunteer Services: Representative Freeman moved the Governor's figure in Personal Services and the computer figure for the remaining items. There being no objection, it was so ordered.

DEPARTMENT OF ADMINISTRATION

Longevity Bonus: Representative Freeman moved the Governor's figures. Representative Rogers moved to amend this to the Governor's figure in Personal Services and Grants and computer figures Items 2-5. Representative Freeman objected. After brief discussion, Representative Rogers withdrew his amendment. There being no objection to the main motion, it was so ordered.

Pioneers Homes, Sitka: Chairman Meekins asked if Personal Services was fully funded. John Lucas indicated yes, based on 82 positions and that there is a 5% assessed vacancy on 84 positions. He advised the Governor reduced this component by two positions, but Personal Services was not reduced. Chairman Meekins noted the reason they didn't reduce Personal Services was that they can't terminate anyone, that these positions will be deleted as a result of attrition. He commented it is their intent to reduce the Pioneers Homes cost by \$30.0.

There was further discussion on the Mana Manning contract. Raising the rates was discussed, with Mr. Lucas stating these are set by the Department. Representative Montgomery noted there is provision for no charge for those who can't afford it. Representative Rogers commented they could budget for program receipts to keep the Governor from vetoing intent.

Representative Haugen discussed legislative intent on how to handle the resident fee. During discussion, Representative Montgomery commented this is a delicate matter, that it should be noted they do not wish to preclude the contracting nor do they wish to mandate it either.

Representative Rogers moved \$2,033.2 in Personal Services, which is the Governor's figure less \$50.0; and \$3.0 in Travel, \$225.4 in Contractual, and \$212.7 in Commodities, which represent FY 79 authorized; and the Governor's figures \$10.0 in Equipment and \$7.6 in Grants. Representative Schaeffer objected. Discussion followed, with Representative Rogers commenting this is basically maintenance plus \$30.0 and leaving 82 positions.

Chairman Meekins moved to include Legislative INTENT that the budget would allow the option of contracting out to Mana Manning for those two positions. The question was called for, and the motion carried.

INTENT

Chairman Meekins noted the same INTENT would apply to the Fairbanks and Palmer Pioneers Homes.

INTENT

The meeting went into executive session at 9:35 a.m.

EXECUTIVE
SESSION

The meeting adjourned at 9:50 a.m.

ADJOURN

Tape HFC 79-61 Side 1 #652 - End
Side 2 #001 - #358

HOUSE FINANCE COMMITTEE

March 5, 1979

1:30 p.m.

All members of the Committee were in attendance except Representative McKinnon. Representatives Duncan and Meekins arrived later in the meeting. Also present was John Lucas, Legislative Finance Division.

PRESENT

Vice-Chairman Freeman called the meeting to order and stated the continue with close-outs of the SOCIAL SERVICES category.

SOCIAL
SERVICES
BUDGET
CLOSE-
OUTS

DEPARTMENT OF ADMINISTRATION:

Pioneers Home, Fa__ anks: Representative Rogers moved to accept the Governor's figure for personal services less \$25.0 for one position, and to take the FY 79 authorized figures for the rest. He further moved to include the same intent that was accepted under the Sitka Pioneer Homes component. There was no objection.

Pioneers Home, Palmer: Representative Rogers moved to accept the governor's figure for personal services less \$25.0 for one position and to take the FY 79 authorized figures for the other line items. He further moved to include the same intent that was accepted under the Sitka Pioneers Home component. There was no objection.

Pioneers Home, Kotzebue: There was brief discussion on the numbers. Representative Schaeffer requested this be held open because he is looking into the Home with the Office of the Aging. There was no objection.

Pioneers Home, Anchorage: Mr. Lucas advised 38 positions were added by RP. The 3 full time positions listed #11 and #12 in the short form were not RP'd in. The total for these three positions is \$58.6. There was discussion. Representative Rogers moved to accept the figure of \$1590.5 for personal services, the FY 79 authorized for FY 79 (\$3.0), the Governor's figure for Contractual (\$565.2), FY 79 authorized for commodities (\$66.3), and the governor's figure for equipment (\$10.0), lands/buildings (\$347.5), and grants/claims (\$5.0). He further moved to accept the same intent that was accepted under the Sitka Pioneer Homes. There was no objection.

Pioneers Home, Central Office: There was brief discussion on equipment. Representative Rogers moved to accept the Governor's figure under personal services, and the computer generated formula figure for the other line items. There was no objection.

DEPARTMENT OF REVENUE:

Child Support Enforcement: Representative Rogers advised the Judiciary Committee is currently reviewing this program. He moved to tentatively zero out the BRU until they receive the Judiciary Committee's report. There was no objection.

DEPARTMENT OF EDUCATION:

Youth Employment Services: Representative Haugen moved to accept the figure of zero. There was no objection.

DEPARTMENT OF HEALTH & SOCIAL SERVICES:

Assistance Payments: Representative Rogers moved to accept the Governor's figures for AFDC and Aid to the Blind. There was no objection. Representative Haugen moved to accept the Governor's figures for Aid to the Disabled. There was no objection.

Assistance Payments, General Relief: Based on testimony received from the Department, Representative Haugen moved to accept the figure of \$600.0. Representative Smith objected. Five in favor. The motion carried.

Public Assistance Eligibility, Eligibility Determination: There was discussion on the Department's request for additional money to implement the federally required changes to the food stamp program.

(Representatives Meekins and Duncan arrived at this time.)
(Representative Freeman left to attend a Transportation Subcommittee meeting.)

Representative Rogers moved to accept the computer generated formula figures for all the line items, plus the data processing charge backs. Representative Smith objected. There was further discussion. Representative Rogers withdrew his motion. Representative Smith moved to accept the Governor's figures. Representative Rogers objected. There was discussion. Chairman Meekins suggested holding this BRU open and asking the HESS Committee to look into the program and come back with a recommendation. Representative Smith withdrew her motion. The BRU was held open.

Public Assistance Eligibility, Staff Development: Chairman Meekins moved to accept the governor's figures. There was brief discussion. There was no objection to the motion.

Chairman Meekins advised that representatives from the Ombudsman's Office are in town and would like to give testimony on their budget so they don't have to make a special trip back to Juneau. He advised their budget component is in the GENERAL GOVERNMENT category, Page 229 of the short form.

GENERAL
GOVERNMENT

Mr. Frank Flavin, Ombudsman, stated their budget is based on a need for additional persons because of their workload. He stated they are also requesting funds to go to computerization of their requests. He said they are requesting an increase in travel due to the travel workload placed on them because of correctional changes last year. He said the correctional assistant does require a great deal of travel to visit the various correctional institutions.

Mr. Flavin stated their case load right now is about two times that of any other ombudsman's office in the United States. He explained their workload. Mr. Flavin advised that last year they did not include funds in their budget for fringe benefits. In order to get the necessary money for the fringe benefits they had to leave a position vacant and withhold merit increases. He advised that is the reason their continuation budget is higher than normal. There was discussion on the Ombudsman's office.

Representative Rogers requested a list of recommendations from the Office on where their budget could be cut, per the Committee's intent to make a 15% reduction to all budgets.

Chairman Meekins called a recess at 2:30 p.m. The meeting was recalled to order at 3:00 p.m. Chairman Meekins stated they would continue with SOCIAL SERVICES budget close-outs.

SOCIAL
SERVICES
BUDGET
CLOSE-
OUTS

Program Services, Homemaker Services: Chairman Meekins moved to tentatively accept the Governor's figure, pending receipt of additional information from the Department. There was no objection.

Program Services, Foster Care: Chairman Meekins moved to tentatively accept the Governor's figure, pending receipt of additional information from the Department. Representative Rogers objected, and stated they are changing federal funds to general fund monies. He moved to tentatively accept the computer generated formula funding. There was no objection.

Program Services, Institutional Care: Representative Rogers moved to accept the computer generated formula figure. There was no objection.

Program Services, Day Care: Chairman Meekins moved to accept the Governor's figures. There was no objection.

Program Services, Youth Services: There was discussion on the program. Chairman Meekins stated he would like to make an addition under grants/claims. He advised the supplemental bill passed by the Committee funded the Anchorage Child Abuse Board and the Fairbanks Child Protection Task Force to July 1, 1979. He stated he would like to fund the Anchorage Child Abuse Board for FY 80. Chairman Meekins moved to accept the governor's figure and add \$140.0 with legislative intent that the money was to be paid as a grant directly to the Anchorage Child Abuse Board. Representative Rogers moved to amend the motion to add an additional \$81.2 with legislative intent that it to be paid as a grant directly to the Fairbanks Child Protection Task Force. There was discussion on child abuse. There was no objection to the amendment. There was no objection to the main motion as amended. There was further discussion on child abuse.

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Program Services, Special Projects: Chairman Meekins moved to accept the Governor's figures. There was no objection.

Social Services, Southcentral Region: There was discussion on personal services. Chairman Meekins moved to accept the request figure minus \$26.8, for a personal services figure of \$2022.9. Representative Rogers objected. Chairman Meekins stated last year the Governor vetoed 18 positions. He stated these positions are needed in the Anchorage area.

Chairman Meekins called at recess at 3:20 p.m. and recalled the meeting to order at 3:35 p.m. There was further discussion on the motion for personal services. Chairman Meekins stated he recognizes that if the new positions are accepted here, positions will have to be taken from another area. He stated he would be willing to have positions taken from other areas within his district. Representative Rogers stated he would have to maintain his objection. He stated he recognizes there is a problem in Anchorage, but his area has the same problem. The question was called for. There being no further objection, the motion carried.

Chairman Meekins moved to accept the computer generated figure for travel. There was no objection. He moved to accept the computer generated figure for commodities. There was no objection. He moved to accept the governor's figure for lands/buildings (same as the computer generated figure). There was no objection. There was discussion on contractual. Chairman Meekins moved under contractual to give them 85% of their request for communication, printing, repair and maintenance, highway working capital fund and other fees and expenses. He further moved to give them 100% of the space fee, and the continuation level for professional fees less the \$100.0 recommended by the Budget Review Committee. There was no objection to the motion. Chairman Meekins moved to fund 85% of additional costs for new positions. No objection.

Social Services, Northern Region: Representative Smith moved to accept the governors figure plus the two new positions, and 85% of their associated costs. There was no objection. Representative Smith moved to accept the computer generated figure for travel. There was no objection. Chairman Meekins moved to accept the fixed costs under contractual, and 85% of the rest. There was no objection. Chairman Meekins moved to accept the computer generated figures for commodities and lands/buildings. There was no objection. Representative Rogers moved to accept \$1.2 in equipment. Chairman Meekins stated that would be included in Smith's motion for associated costs. Representative Rogers withdrew his motion.

Social Services: Chairman Meekins moved to accept the governor's figure for personal services, and the computer generated figures for the other line items, plus 100% of all fixed costs for the following BRU's, and there was no objection:

Southeastern Region

Western Region

Northwestern Region

Southern Region: Representative Haugen moved to include legislative intent that the office in Wrangell not be deleted. There was no objection.

Social Services Administration, Central Office: Chairman Meekins stated there is \$503.5 under the Commissioner's Office (page 103 of short form) in grants/claims for womens shelters, and he would like to move that amount from that BRU to this one under grants/claims. He stated he would prepare the legislative intent to be included. There was no objection. Chairman Meekins moved to accept the computer generated figures for all the line items and including the \$503.5. There was no objection.

Social Services Administration, Staff Development: Chairman Meekins moved to accept the computer generated figures. Representative Rogers amended the motion to accept the governor's figure for personal services since there are only two employees. There was no objection to the amendment. There was no objection to the main motion as amended.

WIN: Chairman Meekins moved to accept the Governor's figure. There was no objection.

Office on Aging, Administration: There was discussion on the new positions. Chairman Meekins moved to accept the maintenance figures which do not include the new positions. There was no objection.

Office on Aging, Grants: Chairman Meekins moved to accept the Governor's figures. There was no objection.

Title IX: Chairman Meekins moved to accept the maintenance figure for all line items except grants/claims, and to accept the governors figure for grants/claims. There was no objection.

Old Age Assistance Payments, Old Age Assistance: Chairman Meekins moved to accept the Governor's figures. Brief Discussion. There was no objection.

Administration (DHSS), Commissioners Office: Chairman Meekins moved to accept the computer generated figures less \$450.0, and to allow 100% of all fixed costs. There was no objection.

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Administration (DHSS): Chairman Meekins moved to accept the computer generated formula figure plus all fixed costs for the following Administration BRU's, and there was no objection:

Directors Office
Personnel
Supply
Finance

Administration (DHSS), Graphic Arts: Chairman Meekins moved to accept the Governor's personal services figure, and the computer generated formula figures for the other line items. There was no objection.

Planning & Research, Human Services Planning: There was discussion on the need for this program. Representative Rogers moved the figure of zero tentatively, until they find out if this program is needed. There was no objection. Representative Rogers stated he will check into this.

Office of Internal Review, Administration: Chairman Meekins moved to accept the computer generated number for all line items except personal services, and to accept the governor's figure for personal services. There was no objection.

Office of Internal Review, Audit: Chairman Meekins moved to accept the governor's figure for personal services, and the computer generated figures for the other line items. Representative Rogers objected, and stated they are losing federal funds and the positions are continuing with state funds. There being no further objection, the motion carried.

Office of Internal Review, Collection: Chairman Meekins moved to accept the governor's figure for personal services, and the computer generated formula funding figure for the other line items. There was no objection.

Office of Internal Review, Fraud Investigation: Chairman Meekins moved to accept the governor's figure for personal services, and the computer generated figures for the other line items. There was no objection.

Office of Internal Review, Contract Internal Audit: Chairman Meekins moved to accept the governor's figures. There was no objection.

Quality Control: There was discussion on personal services. Chairman Meekins moved to accept a 5% reduction from the governor's figure on personal services, to allow associated costs of new positions at 85% of request, and to accept the computer generated formula figures for the other line items.

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There was discussion. Chairman Meekins moved to amend his motion to delete the Clerk Typist I, adding the other three positions, but to fund them at 75% (for 3/4 of a year). There was no objection to the amendment. There was no objection to the main motion as amended.

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS:

Chairman Meekins moved to accept the Governor's figures for the following BRU's, and there was no objection:

Sr. Citizens Tax Relief, Homeowners Property Tax Exemption
Sr. Citizens Tax Relief, Renters Equivalency Rebate
Sr. Citizens Tax Relief, Water & Sewer Asses. Defer.
Motor Vehicle Exemption, Representative Rogers moved
to include intent that no payments shall be made
to communities that do not make payments to senior
citizens. There was no objection to the intent.
Child Assistance
Winterization
CETA, Classroom Training
CETA, On The Job Training
CETA, Work Experience
CETA, Public Service Employment
CETA, Services to Clients

CETA, Administration: Chairman Meekins moved to delete the general funds and allow the rest. There was no objection.

Senior Citizen Housing Development: Representative Rogers moved to accept the Governor's figure. There was no objection.

The meeting adjourned at 4:25 p.m.

ADJOURN

Tape HFC 79-61 Side 2 #358 to end
HFC 79-62 Side 1 #001 to end
Side 2 #001 to end
HFC 79-63 Side 1 #001 to 132

3/5/79

HOUSE FINANCE COMMITTEE

March 6, 1979

9:05 a.m.

All members of the Committee were in attendance, except Representatives Duncan, McKinnon and Rogers. Representatives Freeman and Smith arrived later in the meeting. Also in attendance: Representative Jack Fuller; Charlie Johnson, Executive Vice President, Kawerak, Anchorage; John Crandall, Administrative Assistant to Chairman Meekins; Alison Farnan and Dave Scott, Budget Analysts, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order and stated the first order of business was to hear testimony on HB 337:

"An Act making a special appropriation to the Department of Education to reimburse Kawerak, Inc. for utility payments to the Nome Public Schools; and providing for an effective date."

HB 337

[Representative Freeman arrived at this time.]

Charlie Johnson presented background on the bill. He advised a similar bill passed the Finance Committee last year. He stated Kawerak is one of the 12 regional non-profit corporations. He advised they contract with REAA schools and handle the manpower and education programs, etc. He commented there are two reasons for the losses; the contract with the Nome schools was negotiated at 3% overhead; and the utilities on Long Bells High School were considerably higher than what was estimated. He explained the \$400,000 contract.

Mr. Johnson advised that, under Chapter 11, Kawerak is the only prime sponsor under CETA that has lost its CETA standing and then regained it. He discussed the bankruptcy and the balances owing the State and federal governments. He advised they are working with Senator Stevens office on the federal audit exceptions, such as payroll that was inaccurately documented, etc.

[Representative Smith arrived at this time.]

In response to a question from the Committee, Mr. Johnson stated, currently, the funding stands at a total of \$3 million--\$100,000 is State. He advised they paid \$189,000

for utilities that were in 1974-75 and 1975-76 and that 28% is for 1975-76. He stated the period involved covered both those years.

Dave Scott asked if this request is for recovery of dollars that Kawerak exceeded on their agreement. Mr. Johnson indicated no, it is for some of the utility costs that cannot be met. He added he feels they have a legitimate case for recovering this from the State.

Chairman Meekins asked if the range of the contract covered dormitories. Mr. Johnson indicated yes that they run the dorms and boarding home program. He advised the boarding home program finds homes in the community to place the students from the villages.

In a reply to a question from Representative Moss, Mr. Johnson stated the money bid for the utilities went to the Nome schools, with the exception of \$30,000 which is still part of Kawerak's debt to the public schools.

Representative Montgomery requested the Committee allow equal time for a response from the Department of Education. Mr. Johnson advised Commissioner Lind said the Department is not opposed to this. Chairman Meekins indicated Mr. Scott could contact the Department and report back to the Committee. Representative Montgomery concurred.

REQUEST

Chairman Meekins advised HB 337 would be held over pending Mr. Scott's report. He advised the next order of business is the overview of the GENERAL GOVERNMENT budget category by analyst.

HB 337
HELD OVER

Alison Farnan presented a handout to the Committee and explained it is an adjustment to the short form summary page. She advised the General Government budget category provides services to other State agencies and the public. She advised the category has about a 25% overall increase over FY 79 and 56 new positions. She also stated there would be a few amendments forthcoming. She advised the big jump is in inter-agency receipts--chargeback system for FY 80. She commented risk management premiums are budgeted here.

GENERAL GOV'T
BUDGET
OVERVIEW

Representative McKinnon questioned if there was any response from the Department regarding the 15% reductions. Ms. Farnan advised she had received one response from the Department of Law, Legal Services, which was that Phase II of the TAPS gas pipeline could be cut.

Ms. Farnan briefly listed by BRU where the large increases are located. She stated the Executive Office has \$185.0 for a contract for Management By Objective coordinator.

Ms. Farnan noted the Governor requested the Agencies support this program. She advised the contract is with Arthur Young, and the estimated total is \$300.0. She stated the MBO program is to improve the performance measures and identify idealized objectives.

During discussion, Representative Montgomery asked if proposals were called for or objective arbitration find. Ms. Farnan responded that the Governor made the decision on the contract and that it is not a study but a training program. She pointed out the MBO has been carried out in certain agencies and that it is to train various managers. She advised \$185.0 for the current fiscal year was not budgeted for MBO, but requested funds transferred over to the Office of the Governor.

There was discussion on FY 79 legislative intent. Representative Haugen discussed writing a line item budget.

Ms. Farnan noted there is a big reduction in the Lieutenant Governor's Office.

Ms. Farnan pointed out the Growth Policy Council was split this year, with the Public Forum being that offshoot.

In discussing Policy Development & Planning, Ms. Farnan advised the new positions here are related to CZM, paid by inter-agency receipts which originate from federal funds.

Chairman Meekins requested Ms. Farnan find out all the federal money in DPDP and inter-agency and, if DPDP were zeroed out, could the State still capture these federal funds.

REQUEST

Representative Haugen asked if the State clearing house was still located here, and Ms. Farnan indicated yes.

In EDA Planning, Ms. Farnan advised, there will be a budget amendment coming over to transfer \$75.0 back to DPDP for the Economic Impact Analysis program. She also noted, for FY 80, the Governor has eliminated the policy program specialist and put this into Telecommunications.

Ms. Farnan stated the next increase is in Personnel. She advised the personnel analyst II was actually approved by the Governor for the MBO program, but the short form does not reflect this.

Ms. Farnan called attention to large increases in Accounting regarding the data processing chargeback. Discussion followed, with Representative Freeman questioning the reason for this being done. He commented it seems like "empire building" to him. Representative Haugen agreed.

Chairman Meekins advised this matter would be addressed at the 1:30 p.m. meeting.

The meeting adjourned at 9:55 a.m.

ADJOURN

Tape HFC 79-63 Side 1 #132 - End
Side 2 #001 - #134

COOPERS & LYBRAND

CERTIFIED PUBLIC ACCOUNTANTS

IN PRINCIPAL AREAS

OF THE WORLD

RESIDENT PARTNERS

DAVID E. LOMB

LEE E. FISHER

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July 14, 1978

Ms. Irene Rowan
Executive Assistant to the
Assistant Secretary
Room 4622 N.
Dept. of Interior
18 and C Northwest
Washington, D. C. 20240

Re: Analysis of Kawerak, Inc. Management Systems

Dear Ms. Irene Rowan:

The purpose of this letter is to relate improvements in Kawerak's fiscal management capabilities. During my years as a management consultant for Coopers & Lybrand, I have worked closely with almost every Regional Non-profit in Alaska. I have worked very closely with several this past year including Kawerak. The work with Kawerak has consisted of design and installation of accounting and budgeting system; training in the use of the systems and monitoring the organization's progress. Over the past year, large improvements have been made in the areas of both accounting personnel and management systems. Kawerak hired an accountant, Mr. Steve Augdahl in October 1977. Mr. Augdahl is a highly qualified, aggressive accountant with the proper academic background and training to effectively handle Kawerak's diversified contracts and varying reporting requirements. He has reorganized the accounting office and increased the number of qualified staff. He conducts on-the-job training and rotates the bookkeeping duties to ensure the staff is well experienced in all aspects of the accounting function.

The present staff is the most highly qualified and motivated in Kawerak's history and compares very favorably with the best non-profits in the State. The staff is sufficiently qualified to accomplish any fiscal task that a Regional Non-profit is required to solve.

Additionally, Kawerak has implemented a new accounting system specifically designed for Regional Non-profits. This system is superior to the systems used by most non-profits

Ms. Irene Rowan
Page 2

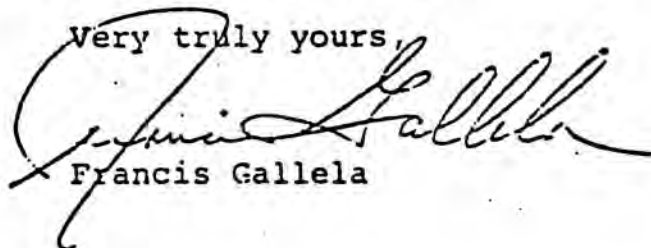
in the state. The system, developed by Coopers & Lybrand, incorporated audit and reporting requirements of the Department of Labor, Economic Development Administration, Department of Interior and the Department of Health, Education and Welfare.

These two areas of improvement have placed Kawerak ~~among the top and best operating non-profits in the state.~~ The Organization is now fully capable of administering any program in an effective and fiscally sound manner. Currently, they run a payroll of 300 persons at \$175,000 twice a month. Their program contracts total 2.5 million dollars. All financial activity is conducted efficiently and accurately.

Additionally, Kawerak utilizes preplanning to ensure that the accounting and reporting systems will accommodate new programs and contracts accurately and efficiently, thereby assuring proper reporting and maintenance of an audit trail.

If you have any questions concerning Kawerak's fiscal and management capabilities, please contact me.

Very truly yours,



Francis Gallela

pab

cc: Charlie Johnson, Executive Vice President, Kawerak
Alexander McNabb
Senator Michael Gravel
Senator Ted Stevens
Representative Don Young

	<u>FY 79 Adj.</u>	<u>GOV FY 80</u>	<u>% (-+)</u>
Pers. Svcs	\$37,935.3	\$ 40,879.5	8%
Travel	1,828.9	2,083.8	14%
Contractual	18,700.2	27,800.3	49%
Commodities	8,468.1	7,961.5	- 6%
Equipment	574.9	486.8	-15%
Lands/Bldgs	2,413.1	2,529.9	5%
Grants/Claims	97.9	8,129.6	(83X)
Miscellaneous	13,462.8	14,101.7	5%

HOUSE FINANCE COMMITTEE

March 6, 1979

1:45 p.m.

All members of the Committee were in attendance except Representative McKinnon. Representatives Duncan, Guy and Smith arrived later in the meeting. Also present were Alison Farnan, Legislative Finance Division; Deputy Commissioner H. D. Skoug, and Barbara Bounds, DOT/PF; Tom Johnson, Supervisor, State Equipment Fleet, DOT/PF; Wil Condon, Deputy Attorney General, and Dick Pegues, Administrative Officer, Department of Law; and Alison Elgee, Division of Budget and Management.

PRESENT

TAPE

DESCRIPTION

HFC 79-63 Side 2

GENERAL
GOVERNMENT
OVERVIEW

- 135 Call to Order, 1:45 p.m.
- 136 Rogers moved to ask staff to draft a bill on the federal funding problem that would prohibit agencies from spending anticipated federal funds until the funds are actually received. Discussion. Haugen commented on RP's added to budget, and said that is what causes the majority of their problems. There was no objection to the motion.
- 190 Overview of GENERAL GOVERNMENT category. Alison Farnan's comments on Data Processing Charge-Back.
- 195 Farnan: Figures budgeted as interagency receipts do not balance with amounts budgeted by various agencies. Data Processing found that not only was there an initial discrepancy of \$72.6, but there could be up to three-fourths million dollars discrepancy between various BRU's. Further confused by Data Processing reorganizing into different components. Discussion.
- (Guy and Smith arrived.)
- 350 In answer to a question from Moss, Farnan stated in addition to the positions in Data Processing, there are about 270 positions spread throughout the agencies for their own systems analyst, etc.
- 378 DEPARTMENT OF ADMINISTRATION: Risk Management, Operations: Farnan explained new positions. Discussion.

(Duncan arrived.)

3/6/79

TAPE #DESCRIPTION

412	<u>Retirement & Benefits, P.E.R.S.:</u> Farnan said they are requesting five new positions.	
427	<u>Employee Housing, Housing:</u> Farnan stated this is the employees' housing program for state employees in bush locations. They will be bringing the program under a central agency for the first time. Discussion on housing.	
500	Discussion on scheduling of general government testimony.	
510	Farnan said positions 7-10 in short form were funded partly by anti-trust unit. Other positions were approved by RP during interim. Discussion on RP's.	
550	<u>Legal Services, FERC Continuation:</u> Discussion on supplemental appropriation.	
595	<u>DEPARTMENT OF REVENUE, Revenue Operations, Petroleum Revenue:</u> Farnan said they are requesting two new petroleum tax auditor positions.	
600	<u>DEPARTMENT OF TRANSPORTATION, Facilities Planning & Research, Procurement Policy:</u> Farnan advised they are requesting four new positions. Discussion on capital out-lay account.	
640	<u>Public Facilities:</u> Farnan advised there is an increase in positions here. Discussion on CIP positions. Farnan said there are some in this component.	
668	Farnan advised another increase is in <u>North Slope Haul Road</u> from nine to twelve months. Discussion on <u>Haul Road</u> .	
702	<u>Telecommunications, TV Demonstration Project:</u> Farnan advised there is no explanation in the budget for this. She said it is for 27 new sites.	
710	<u>State Equipment Fleet:</u> Farnan advised they have actually decreased their budget because of inflated rates in previous budgets. At the same time their rental rates have increased.	
729	Recess 2:22 p.m. Recall to order 2:45 p.m. Meekins said Committee would receive testimony from DEPARTMENT OF TRANSPORTATION.	Dept. of Transportation <u>Testimony</u>

3/6/79

TAPE #

DESCRIPTION

748 State Equipment Fleet: Mr. Tom Johnson, Supervisor, State Equipment Fleet, advised that last year the Legislature appropriated \$50.0 to have an independent study done on their rental rates. He said the general conclusion of that study is that they are competitive with private industry. He gave Meekins a copy of that study and of their response to questions asked in the Senate Finance Committee hearing.

HFC 79-64 Side 1

042 Johnson: In the budget they have requested one permanent new position and one part time position, funding for that comes from vacant position in Yakutat. He stated their budget is based on their FY 78 actual budget plus inflation for FY's 79 and 80. Have come in under their maintenance budget. Explained changes in budget. Have included \$120.0 to improve things and make them more efficient. They've started an extensive training program for their staff.

111 Discussion on new positions.

160 Meekins asked why their budget had decreased and their rental rates are going up. Johnson said the actual rental rates are based on costs and costs have come up. He stated the budget has been based on previous budgets, and they overbudgeted in the past. He explained the rental structure and said even with their increase in rates they are competitive.

243 Discussion on requests for new equipment made by agencies. Johnson said they don't have any in-put to what the agency requests. Discussion on replacement equipment.

329 Meekins appointed a subcommittee to look into the state equipment fleet. Duncan, Freeman, Montgomery and Moss will serve on said committee.

502 Duncan questioned funding sources and commented that other agency's budgets may have more in their budgets than what they are actually giving to State Equipment Fleet. There was discussion. Duncan asked what the Agency's inflation rate for rental equipment was. Johnson said they told them to use the FY 78 rental rates plus 9% for inflation.

587 State Equipment Fleet, North Slope Haul Road: Johnson advised three state facilities have just been constructed. Cost of construction was about \$5 million. He stated equipment costs include trucks, dump trucks, etc.; anything needed to maintain a highway. He said the budget is a guess.

3/6/79

TAPE #DESCRIPTION

- 618 Johnson: State is maintaining the road from Livengod to Cold Foot; State is contracting out for maintenance of road from Cold Foot to Prudhoe Bay.
- 650 Smith asked what is included in the budget. Johnson said five mechanics, fuel, travel, contractual services for rent of buildings, equipment for shops, etc. Further discussion on costs.
- 693 Meekins asked what months they funded last year. Johnson said October through June. There was further discussion on costs. Johnson commented budget includes \$90,000 in over time.
- HFC 79-64 Side 2
- 010 Duncan commented that DOT is also budgeting for equipment on North Slope Haul Road. There was discussion.
- 139 Meekins requested staff to prepare a Memo with a list of all components that have anything to do with North Slope Haul Road in any category. The list should include the category page number and budget information relative to the Haul Road.
- 174 Schaeffer requested a listing of nine month operation costs versus twelve month operation costs. Farnan will provide.
- 200 Legal Services: Mr. Wil Condon, Deputy Attorney General, Department of Law said because of the way the budget process works with positions in their Department initially funded from other departments, it looks like they are asking for an increase in their budget this year. He said if they are fully funded, the Department will be at least one attorney smaller at this time next year. Regarding a budget cut, Mr. Condon said if there is going to be a major cut the first place they will cut is in places where they are taking the initiative to file actions and pursue a case.
- 333 Discussion on contractual. \$1.4 is a data processing charge back.
- 353 Condon comments on memberships in national organizations. Condon said approximately \$7,000 goes to the Association of Attorney General's. He stated they get a great deal of service from them.
- 375 Condon said the Department is broken out into three budgets. He explained the budgets.

3/6/79

392 Meekins referred to a copy of a memo from Preston to Kearns that he has, and questioned the State legal service people's strategy of using delay in the courts to exhaust the financial resources of the private citizen. Condon responded it is against their policy to do what is stated in that memo. He said that generally speaking his people are too busy to do that sort of think. Further discussion.

491 Meekins asked what they have done to make sure this sort of thing won't happen again. Condon stated he has talked about the memo in office meetings and made it clear that this was not their policy. There was further discussion.

570 Discussion on their budget. Moss asked where they would take a 15% reduction. Condon said it would probably have to come from the second half of the TAPS tariff case.

626 Montgomery asked why Telecommunications, Legal Representation is a special BRU. Condon said the decision was made late in the budget preparation process to include this here. He said it was previously being done under the Governor's Office of Telecommunications. He advised they are contracting with a firm in Washington D.C. He stated this is something that could not be handled by one of their staff attorneys.

689 The meeting adjourned at 4:15 p.m.

ADJOURN

Tape HFC 79-63 Side 2 #135 to end
HFC 79-64 Side 1 #001 to end
Side 2 #001 to 689

HOUSE FINANCE COMMITTEE

March 7, 1979

9:00 a.m.

All members of the Committee were in attendance, except Chairman Meekins, Representatives Duncan, Guy and McKinnon. Representatives Schaeffer, Smith and Moss arrived later in the meeting. Also in attendance was a delegation from Ketchikan.

PRESENT

Tape #

Description

HFC 79-64 Side 2

- | | | |
|-----|--|---------------------------------|
| 689 | Vice Chairman Freeman called the meeting to order and noted a quorum was not present. He introduced Helen Finney, City & Borough of Ketchikan and spokeswoman for the group, and advised the Committee would hear testimony regarding Ketchikan's priority projects. | <u>KETCHIKAN
DELEGATION</u> |
| 695 | Finney introduced the various members of the delegation.

[Schaeffer arrived at this time.] | |
| 717 | Comments from a representative (Kay) of the Ketchikan School District on their priorities. She advised would like to see 100% funding and equitable funding between the districts. Requested the Committee consider revision of foundation formula. Stated not asking for a ratio change. Stressed she hoped no new projects would be considered if this jeopardized the present ones. | |
| 750 | She advised they are against binding arbitration. | |
| 760 | Finney stressed need for high priority on hydro-electric financing. | |

HFC 79-65 Side 1

- | | |
|-----|---|
| 001 | Mr. Fader addressed remarks to HB 192, revenue sharing. Stressed importance of and urged passage of the bill. |
| 046 | Discussed Alaska Municipal League's views. Advised 17-21 mill rate in Ketchikan which may go up 1 mill in the city. |

<u>Tape #</u>	<u>Description</u>
083	Mr. Yoder discussed the transportation priorities--main priority is building a by-pass route.
118	He discussed using State, borough and private funds. Stated requesting \$200.0 thru Department of Transportation to do physical survey to decide feasibility so that route can be identified; then route can be built on segment-by-segment basis.
148	Haugen asked if this would be part of the high-system, and was informed it would.
183	Freeman commented Chuck Pool, Ketchikan, was to supply the Committee with backup material in this matter. Yoder indicated this is so.
200	Mr. McBride stressed important thing is that route be identified. Gave example of developer putting in subdivision and going on their statements as to where the route will be.
220	Discussed the availability of federal funding. [Smith arrived at this time.]
255	Mr. Fox, Division of Tourism, discussed cooperative marketing in the industry. Stated he feels the \$200.0 for convention and travel promotion is the proper amount for maintenance.
280	Rep. Smith discussed cooperative marketing efforts and mentioned Alaska had only 4,000 Japanese visitors last year.
300	Fox discussed problem of lack of facilities within State. Advised hotels in Ketchikan are book up 2-3 months in advance during their salmon derby. Stated he expects greater expansion of visitors' facilities. [Moss arrived at this time.]
330	Mr. Hanger, in the tourist business, feels convention promotion has been overemphasized. Stated would like to see restrictions on the \$50.0 allocated to Ketchikan lifted. Advised the grants program only allows for convention and incentive travel. Stated the money is not available for servicing the industry.

360 Fox discussed audio-visual tool developed for
Ketchikan.

379 A Ketchikan delegate (Connie) spoke on two social
service program requests for supplementals:
Gateway Opportunity Center and Night In-Take.
She asked that the Committee consider these
requests.

408 Freeman pointed out the Committee's views on
supplementals, but advised they would be con-
sidered. He added he is aware of the programs
and supports them.

428 Finney summarized Ketchikan's order of priorities:
(1) hydroelectric, (2) Transportation, (3) Ongoing
school programs, (4) revenue sharing & (5) Tourism.

441 Meeting adjourned at 9:35 a.m. ADJOURN

Tape HFC 79-64 Side 2 #068 - End
79-65 Side 1 #001 - #441

HOUSE FINANCE COMMITTEE
March 7, 1979
1:40 p.m.

All members of the Committee were in attendance except Representative Guy. Also present were: Alison Farnan, Legislative Finance Division; Alison Elgee, Division of Budget and Management; George Crowder, Director, and Mike Wheeler, Deputy Director, Data Processing; Mike Harper, Janet Green, Fran Ulmer, and Jane Andlick, Office of the Governor.

PRESENT

Tape #

Description

HFC 79-65 Side 1

441	Call to order 1:40 p.m. GENERAL GOVERNMENT category. Testimony from Department of Administration.	GENERAL GOVERNMENT CATEGORY TESTIMONY FROM OFFICE OF GOVERNOR
476	<u>Data Processing</u> : George Crowder, Director, Division of Data Processing explained with division does. They have three new components in the budget this year.	
506	Crowder: Their overall budget is \$6.4 million. 87 employees projected for FY 80. Approximately 29-30% of data processing expenses are currently in the Division's budget; 70% are not in the budget -- University data processing system, etc.	
536	Duncan stated they are increasing from \$4.5 last year to \$6.4 this year. He asked how much of the increase is due to them going to the Charge Back System. Crowder said the increase is misleading. In FY 79 they had a capital budget and an operating budget. This year the capital budget is in the operating budget. Their real operating budget was \$900,000 higher last year. Discussion.	
580	Discussion on ASHA payments. Alison Elgee advised the largest portion of the decrease is seen in the Commissioner of Administration's Office budget.	
590	Duncan questioned the consolidation with Department of Labor. Crowder said they have sent a report to fed's regarding savings if they consolidate with the Department. He said they think they will save a minimum of \$250,000 general fund. He said that is not reflected in this budget. It will come in as an RP as soon as they get a formal go ahead from Fed's. Discussion on consolidation.	
700	Rogers questioned difference between State and University computers. Crowder said they work closely with University but the machines are not compatible. He said they presently have under study the possibility of consolidation of networks so the computers can "talk together".	

TAPE #DESCRIPTIONTape HFC 79-64 Side 2

- 001 Discussion on number of computers and kind the Division has. Crowder stated the computers they are requesting are replacement computers. He explained the need for the new computer.
- 180 Meekins questioned the implementation schedule. Crowder said if they do get the funds the equipment can be put in immediately. Discussion on workload of computers.
- 270 Duncan questioned the figures for funding of the computer. Farnan will check into the discrepancy in the figures.
- 417 Meekins spoke to the problem of reconciling the numbers for the data processing charge back. Crowder explained they made recommendations to the agencies on budgeting for the charge-back. In the meantime their was a change in philosophy on how to charge. He said they asked for additional information from some agencies and many didn't provide that information. He said they want to see this reconciled so they can see how much service goes to each agency. He stated they have three people working on trying to reconcile this.
- 480 Duncan questioned the Anchorage data entry. Crowder stated they are in the process of going to a total contracting program because it is working out to be cheaper. There was discussion.
- 520 Duncan requested a breakdown in computer data entry between Anchorage and Juneau. Wheeler said about 2/3's is in Juneau and 1/3 in Anchorage.
- 568 Discussion on new positions added.
- 582 Recess 2:35 p.m., Recall 3:00 p.m. Testimony from Office of the Governor
- 620 Executive Operations, Executive Office: Janet Green, Administrative Officer, said they are not talking about any substantially new programs. Farnan said there is a change here. Green stated the Committee would be receiving a Budget Amendment. They want to transfer the Press Secretary back because they won't be needing it.

3/7/79

TAPE #DESCRIPTION

640 Management By Objective (MBO) was explained. Mike Harper, Executive Assistant, said this is an attempt by the Governor to improve the overall efficiency of government. He said the idea is to have MBO training for key members of the Cabinet and governor's staff. Plan to train about 150 high level people on the budget. They are requesting one position for this. Discussion on MBO.

HFC 79-66 Side 1

001 Further discussion on MBO.

074 Discussion on the MBO contract. Harper said they selected Arthur Young, a CPA firm who does this. He stated they are doing this as a joint effort with Leonard Lane & Associates. The contract is \$230,000 for the first phase. They intend to pay for the training part of the contract through RSA's (Reimbursable Service Agreement). Meekins asked how they could do this without going through the Legislature, and Harper responded he didn't think it was a transfer between appropriations. He said they will be utilizing funds that would probably be used for training programs anyway. He stated these funds will come out of FY 79. Meekins questioned FY 80, and asked if they would be requesting funds. Harper said they will be going the "RSA routine" again. He stated the only money budgeted for MBA is for the Office Coordinator in the amount of \$60.0.

168 Discussion of Phase 2 of MBA. Harper stated he expects the cost for this phase to be \$200.0. He stated they are not planning any additional phases.

223 Rogers asked where the budget could be cut. Harper stated they are not prepared to say that one area could stand a 15% cut more than another.

252 Further discussion on the MBO program.

300 Meekins and Duncan stated they had problems with a program this size not being approved by the Legislature.

359 Duncan requested a recap of the program. Harper will provide.

370 Discussion on Leonard Lane & Associate's role in MBA.

506 Duncan asked if the bottomfish coordinator was in this budget. Harper said this was correct. Only his salary is in the budget. The expenses were handled by special appropriation.

3/7/79

TAPE #DESCRIPTION

- 522 Executive Operations, Special Projects Coordinator: Janet Green explained what this is. Right now their main project is the Delta Agricultural Project.
- 556 Executive Operations, Contingency Fund: Duncan asked how much had been expended this year. Green said as of January 31st they had \$120.0 left in the fund.
- 567 Executive Operations, Budget & Management: Green advised this is a continuation budget. The addition of twelve people is due the Senate Bill 222 which was passed last year. Discussion on SB 222.
- 606 Meekins requested a written response in terms of which parts of SB 222 they plan to do and what is required by the bill.
- 672 Executive Operations, Lieutenant Governor: Green advised this is the other BRU that has a budget amendment coming. Discussion on Lt. Governor's responsibilities under this budget.
- 707 Executive Operations, Policy Development & Planning: Fran Ulmer gave an explanation of what DPDP is, what is in it, and what it does. (see attached chart.)

HFC 79-66 Side 2

- 001 Continuation of explanation of DPDP.
- 092 Ulmer passed out DPDP's enabling legislation and an sample listing of issues and projects they have worked on (see attachment).
- 260 Ulmer stated they would be delighted to respond to Legislator's requests. She said there have only been two formal requests from the legislature for assistance. One was in relation to the Haul Road and the other was how to reduce the number of annual reports the legislature receives from administration.
- 310 Ulmer stated one of their principle funding sources is from HUD 701 to do comprehensive land use and planning.
- 329 Growth Policy Council and Alaska Public Forum were briefly discussed. Jane Andlick gave an overview of what the Alaska Public Forum does. Ulmer stated the split between the Growth Policy Council and the Alaska Public Forum was due to accountability between the two groups.

TAPE #DESCRIPTION

552 Meekins requested that the DPDP staff return tomorrow to give additional testimony.

557 Meekins made the following bill assignments:

BILL
ASSIGNMENTS

HB 307 - zero fiscal note - Duncan
HB 308 - \$9.7 fiscal note - Haugen
HB 309 - zero fiscal note - Haugen/Rogers
HCR 1 - Meekins (minor fiscal note)

HB 89 - Smith
HB 92 - McKinnon
HB 180 - McKinnon
HB 106 - Duncan
HB 108 - Rogers

671 The meeting adjourned at 4:40 p.m.

ADJOURN

Tape HFC 79-65 Side 1 #441 to end
Side 2 #001 to end
HFC 79-66 Side 1 #001 to end
Side 2 #001 to 671

3/7/79

3/7/79 Attachment

STATE OF ALASKA
OFFICE OF THE GOVERNOR
DIVISION OF POLICY DEVELOPMENT AND PLANNING

3/7/79

533

Attachment #1

Director
Deputy Director

Not in FY80 Budget

Tech. Training & Assistance
Program Coordinator

Growth Policy Council
Executive Director

Alaska Public Forum

Policy & Program Spec. I
Administrative Assistant I

Fed. Funded

Nat'l Oceanic Atmospheric
Administration

2 Nat. & Phys. Science
Planners

in NCMEC Budget

Office of Coastal Management

Coordinator
Policy & Program Manager I
Planner IV
Planner III
Research Analyst II
Administrative Assistant II
2 Clerk Typist

State and Federal Clearinghouse

State-Federal Coordinator
Research Analyst II

Paperwork Reduction
Manager Analyst III
Manager Analyst I

terminates
July 1 -
Not in FY80
Budget.

core staff

State Planning Process

3 Policy & Prog. Spec. I
2 Policy & Prog. Spec. II
1 Policy & Prog. Spec. III
1 Research Analyst III

Council on Science & Technology

Policy & Program Spec. II
Secretary I

Administration
Accountant II
Administrative
Assistant I
3 Clerk Typist
III's

LIST OF ISSUES AND PROJECTS ON WHICH DPDP STAFFING WORKED DURING LAST NINE MONTHS:

- 1 Analysis of Foothills Pipeline Proposal with DOT/PF
- 2 Haul Road Corridor Land Use Plan with BLM/North Slope and North Star Boroughs
- 3 Bottomfish Employment Study
- 4 Paperwork Reduction Program
- 5 Rural Energy (Electrical Generation) Study
- 6 Consolidated Annual Report Proposal
- 7 Review Capitol Improvements Procurement Process
- 8 Budget Review Committee (assist BRC members in policy review of agency budgets)
- 9 Prepare state's position on federal Welfare Reform
- 10 Prepare state's position on federal Inland Energy Impact Proposal
- 11 Assist preparation of Revenue Sharing Proposal
- 12 Alaska Power Authority Regulations (Governor's review of project; review of regulations)
- 13 Assist preparation of Loan Program Legislation
- 14 Revenue and Expenditure Issue (Constitutional Limitation Proposal)
- 15 Permanent Fund Legislation
- 16 Housing Data System designed, in need of a centralized location
- 17 Prepared Housing Office Proposal
Promote improved housing construction technology (Bethel House)
- 18 State contact for new OCS Lands Act: coordinate state's position on OCS; arrange public participation (including legislators and community leaders) in review of federal 5 year OCS leasing schedule
- 19 Organized Science and Technology Council
- 20 A-95 Computer System - will allow the identification of duplicate and conflicting proposals for federal assistance

- 21 A-95 Memorandum of Understanding with federal agencies for project reviews and consistency with state's CZM program
- 22 Various task forces including Remote Sensing, Telecommunications, Devils Canyon, Natural Resource Information Management Committee of Land Managers Cooperative Task Force
- 23 NANA Regional Strategies Program
- 24 Office of Northern Technology
 - Tanana Loop Agriculture Project
 - Bethel Energy Efficient Housing Project
 - Technical Information Assistance

HOUSE FINANCE COMMITTEE
March 8, 1979
9:10 a.m.

All members of the Committee were in attendance, except Representative Representatives Guy and Schaeffer. Representatives McKinnon, Rogers and Smith arrived later in the meeting. Also in attendance: Frances Ulmer, Director, Division Policy Development & Planning; John Crandall, Administrative Assistant to Chairman Meekins; Alison Farnan, Legislative Finance Division.

PRESENT

Tape #

Description

HFC 79-66 Side 2

- 671 Meekins called meeting to order and advised Committee would continue with GENERAL GOVERNMENT budget overview.
- 685 OFFICE OF THE GOVERNOR: Fran Ulmer discussed Growth Policy Council and Public Forum. She distributed a handout (see Attachment 1), and stated this lists the kinds of projects done in conjunction with Legislative Research. She stated the report makes an attempt to consolidate all the reports.
- 700 Ulmer discussed the report, which was part of FY 79 Legislative Intent.
- 712 Ulmer distributed copies of Administrative Order No. 26 (see Attachment 2), which created the Alaska Growth Policy Council. She further discussed the Order.
- 740 Ulmer referred to Adm. Order 26, page 2, (d) and advised the Council has spent most of their time on this and that is what created the Alaska Public Forum.

GENERAL
GOVERNMENT
OVERVIEW

HFC 79-67 Side 1

- 001 Further discussion on Adm. Order 26.
- 020 Meekins read an excerpt from a "secret" memo that indicated the Growth Policy Council is ineffective.
- 032 Discussion on the public input system. Ulmer stated the Public Forum acted as the advisory board to the Growth Policy Council.

Tape #

Description

- [Rogers arrived at this time.]
- 066 Ulmer advised the Forum is there and available to the public, the Legislature & anyone who wishes to use it.
- 085 Meekins asked how many people are on the Growth Policy Council, and Alison Farnan advised the Administrative Order states there are 12 members. Ulmer listed the following: Pomeroy, Selvig, Bradner, Tillion, Cline, Sherky, Dementa, Holman, Lt. Governor & herself as an exofficio member.
- 129 Ulmer stated she feels now that the Public Forum is in existence, the Council can spend more time on other issues. She feels they can produce in FY 79.
- [McKinnon arrived at this time.]
- 143 Meekins read excerpt of memo to Ulmer that "...the Growth Policy Council has not been productive in the three years of being in operation...floundering...drifting..."
- 177 Ulmer responded this is because the Growth Policy Council has concentrated on the Public Forum and the other duties have been neglected.
- 196 Ulmer advised, when the Council met in January, they decided on the issue which is their charge, and they feel they have direction at this time.
- 208 Further discussion on why Growth Policy Council direction was lacking.
- 218 Ulmer stated she feels this is the feeling of the person who wrote the memo and that the Governor had a lot of other issues pending, such as d-2.
- 227 Meekins referred to page 2 of Adm. Order 26 and stated he feels this is same function as DPDP. He discussed identity crisis and possible conflict between DPDP and Growth Policy Council.
- [Smith arrived at this time.]

Tape #

Description

- 265 Ulmer admitted this has been problem. She advised Council is non-state agency but works best when coordinated with State agencies, such as DPDP. She advised DPDP uses Council as a sounding board and that, now that the program has been split apart, this will work.
- 280 Meekins discussed there being a duplication of efforts and that perhaps one group should do this.
- 307 Ulmer stated the purpose is to blend the citizen with the State agency. Advised, ideally, this is not duplication, that they mesh well.
- 320 Ulmer requested the Legislature consider funding the program for the first half of FY 80 to see how they do with the new roll definition, regarding such matters as GSOC. Meekins advised this would be taken into consideration.
- 351 Ulmer referred to the organizational chart she passed out at yesterday afternoon's meeting where she suggested they cross out paper-work production & technical and advised, instead, they would like to add something.
- 362 Ulmer advised they are reflected in the budget but are not represented on the organizational chart: (1) Telecommunications, (2) OCS Lands Act, & (3) Economic Impact Analysis.
- 373 Ulmer stated this will be done as of July 30.
- 390 Meekins advised, at this time, the Committee would address the question of whether or not the University of Alaska library bill (HB 365) would be introduced by the Finance Committee. Rogers advised he had two bills drafted; one at 100% of the Regents' request, the other at 85% funding. He explained the 100% bill contains \$1,365.0 for Anchorage, Fairbanks & Juneau; \$227.0 for the community colleges; & \$110.0 for the Seward Skill Center. There was general consensus the Finance Committee introduce the bill at 100% financing. Meekins advised the bill would be taken up tomorrow.

FINANCE
COMMITTEE
SPONSORED
BILL (HB 365)

<u>Tape #</u>	<u>Description</u>
426	Ulmer advised the <u>Office Of Telecommunications</u> is being transferred to DOT&PF. She stated this does not need to be in the Office of the Governor; that this is the recommendation of a study that was done some years ago that it be transferred to a line department.
442	Ulmer advised this only relates to one position. being transferred to DPDP in the budget. She advised the transfer to DOT&PF results in a savings of \$165.0 in 4 positions.
470	McKinnon asked if this decision was made by the Governor's budget review committee, and Ulmer indicated yes, that they are moving all the satellite offices out of the Governor's Office.
487	Ulmer advised the Advocacy function is actually being done by Department of Law anyway.
495	McKinnon asked what was transferred to Department of Law. Janet Green advised this was contractual services, expenses for Washington, D.C., law offices; no positions.
517	Discussion on the RCA rate case.
538	Ulmer discussed APUC staff intervening in this matter.
542	<u>OCS Lands Act.</u> Ulmer stated this is significant because every Governor was requested by the federal government to designate an office to handle the federal money for this program. She advised DPDP was designated for this; also includes CEIP for OCS. She advised there is no money in the FY 80 budget to do staff work for the OCS Lands Act because it will be federally funded; it has not been yet. Stated, for this reason, DPDP is not asking for any money.
571	<u>Economic Impact Analysis.</u> Ulmer distributed copy of her memo (see Attachment 3) to Senator Dankworth, 2-26-79. She discussed budget amendment pertaining to 701 & 302 planning.

<u>Tape #</u>	<u>Description</u>	
592	Ulmer advised the budget amendment shows all EDA 302 Planning money going to Commerce & Economic Development with a portion going to DPDP for this program. She stated EDA was in DPDP until 1975 when it was transferred to Commerce & Economic Development. She advised the Governor has transferred it back to DPDP for this program--Economic Impact Analysis--as requested.	
618	Ulmer stated the budget amendment cuts back on the amount available to DPDP. This will show up as inter-agency receipt.	
640	Ulmer advised \$232.8 goes to Commerce, and \$75.0 will go back to DPDP.	
646	Ulmer explained federal plan for consolidating HUD 701 & EDA 302 programs. She advised this is why the State is proposing a merger of those two programs.	
660	Meekins questioned how the \$75.0 will be used. Ulmer stated she did not have a copy of the budget amendment now, but that it will probably be used for contractual.	
677	Ulmer advised she would like to discuss the compensive region planning process, but it is not essential to talk about this unless the Committee is seriously considering abolishing this BRU.	
698	Meekins advised of the Committee's viewpoint on considering zero-base budgeting.	
712	Ulmer requested opportunity to appear again before the Committee to discuss various DPDP projects that are invisible to the Legislature and the public at large.	
721	Meeting adjourned at 10:00 a.m.	<u>ADJOURN</u>

Tape HFC 79-66 Side 2 #671 - End
79-67 Side 1 #001 - #721

STATE OF ALASKA

JAY S. HAMMOND, Governor

OFFICE OF THE GOVERNOR DIVISION OF POLICY DEVELOPMENT AND PLANNING

FOUCH AD
JUNEAU, ALASKA 99811
PHONE: 465-3512

February 22, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Enclosed is a report of the work performed by the Division of Policy Development and Planning and the Legislative Affairs Agency as a result of the passage of HCR 121 last session. We have reviewed the problems of publications proliferation, both as they are defined in the resolution and as they are part of the larger issue of publications management in the executive branch. The report contains both an analysis of the problems and recommendations for their solution.

As a result of this work, the executive branch, with the assistance of the Legislative Affairs Agency, has moved to implement the recommendations of the report. On February 13, 1979, Governor Hammond directed that annual performance reports from executive agencies shall be consolidated into a single report from the executive branch. The first consolidated annual report will be completed at the close of FY 79, and should show a substantial cost savings to the state. The new format and organization should also make executive performance reports more comprehensible to the public and the legislature.

In addition, the Governor's Office has prepared legislation to delete from statute those reports the executive agencies have identified as no longer necessary. With the elimination of unnecessary reports and the consolidation of annual reports, over 60% of the publications required by statute have been reduced.

In order to comply with the intent of HCR 121, the Governor has also directed that, as of July 1, 1979, no publication shall be distributed directly to individual legislators. Each report submitted to the legislature shall be forwarded to the Legislative Affairs Agency, accompanied by a brief abstract of content. The abstracts will be circulated to each legislator, thereby giving notice of information available; the publications themselves will be available on request through the Legislative Library.

The Honorable Clem Tillion

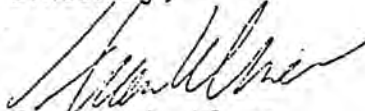
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February 22, 1979

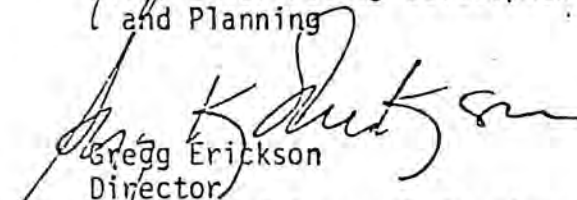
The concerns expressed by HCR 121 do not cover the entire scope of issues relating to publications control in government. Many publications are produced, not as the result of law or administrative directive, but as an integral part of program management. Until this time, Alaska has never established any policy controlling the creation or costs of these kinds of publications. In order to address this problem, Governor Hammond has asked each department to assist in setting some practical guidelines for the management of publications in state government. From these guidelines we hope to be able to recommend some effective general law governing report making as suggested by the resolution.

If you have any questions regarding the enclosed report or the inventory of publications, the Division of Policy Development and Planning will be happy to respond.

Sincerely,



Frances A. Ulmer
Director
Division of Policy Development
and Planning



Gregg Erickson
Director
Division of Research Services
Legislative Affairs Agency

Enclosure

EXECUTIVE AGENCY REPORTING REQUIREMENTS

In compliance with the wishes expressed by the second session of the tenth legislature in the passage of HCR 121, relating to the need for, cost, and distribution of executive agency reports, the Governor's Office and the Legislative Affairs Agency have completed a review and analysis of executive agency reporting requirements. As a result of that review, the executive branch has accomplished the following in an effort to reduce the number of publications and to better manage their cost and distribution:

1. Completed an inventory of publications identifying all reports required by statute and all reports submitted to the legislature. Total number of reports identified: 114;
2. Completed an analysis of each of the reports included in the inventory to determine:
 - a) usefulness to the public or legislature
 - b) usefulness in reaching program goals
 - c) cost of preparation
 - d) distribution;
3. Developed a new, streamlined approach to the preparation of annual performance reports which will consolidate all performance reports of executive agencies into one report. Total number of reports replaced by a single consolidated annual report: 44
4. Prepared a list of reporting requirements which should be deleted from statute. Number of reports to be deleted: 26
5. Identified areas of publications management which must be addressed within executive agencies and organized a working group to develop guidelines for the management and control of all publications.
6. Developed new distribution procedures for reports submitted to the legislature;
7. Developed a list of recommendations for future use by the legislature to prevent the continued proliferation of ineffective or duplicative reporting requirements and their resulting publications.

INVENTORY

The Office of the Governor and the Legislative Affairs Agency surveyed executive agencies to identify all reports required by statute and all other, unrequired reports submitted to the legislature as a courtesy. The result of that survey produced an inventory of 133 reports prepared and submitted by the executive branch on an annual basis (listing attached). As a part of that inventory, each agency compiled information regarding the function and purpose of each report, its effectiveness in meeting program objectives, its usefulness in meeting the needs of the legislature and the general public, the audience to which it is distributed, and various other data regarding the format and the cost of the report's preparation.

ANALYSIS

Analysis of the information accompanying the inventory of reports revealed that there are basically five kinds of reports/publications which are prepared:

1. Performance, progress or status reports showing the activities and accomplishments of an agency, including financial and statistical information. (This category referred to as "Annual Reports")
2. Financial statements of receipts and expenditures showing detailed financial information for audit purposes. (This category referred to as "Audit Reports")
3. Reports designed to promote or initiate some kind of action including: (This category referred to as "Action Reports")
 - a. Planning documents showing detailed program or operational plans of proposed activities;
 - b. Grant application materials and other financial packages or manuals showing detailed instructions regarding application for financial assistance;
 - c. Documents designed to generate revenue such as promotional brochures used to solicit investment or to increase commercial industrial activity;
 - d. Documents designed to initiate or amend legislation or regulation.
4. Research or educational reports containing detailed information on special subject areas, frequently aimed at a specialized audience, including: (This category referred to as "Research Reports")
 - a. Research-statistical reports conveying highly detailed information on a single subject area;
 - b. Training manuals containing detailed information regarding related responsibilities and activities;
 - c. Informational reports conveying notice of rights, responsibilities, laws, and regulations;
 - d. Educational publications containing information on a specific subject area, used in the direct delivery of services of the State to a client group, or for general informational purposes.
5. In-house, employee oriented publications designed for communication between government agencies or between program managers and their personnel such as newsletters, Christmas cards, etc.

EVALUATION AND CONCLUSIONS

Information compiled by reporting agencies revealed the following in regard to the usefulness of the reports in accomplishing program objectives or in meeting the information needs of the legislature and the general public:

1. Annual performance or progress reports:

Evaluation - A majority of annual performance reports are viewed as not directly helpful in accomplishing program goals. Many agencies feel, however, that these reports provide a necessary communication between programs and their special constituencies and that the communication itself is an important part of the overall operation of the agency.

A thorough evaluation of annual report content and its ability to meet the information needs of the legislature and the general public revealed that the average report is too detailed for a general audience, and too general to be truly useful to a reader with special interest in a program. The result is that the general reader neglects the report entirely as being too lengthy to hold his interest, and the reader with special concerns must go beyond the report to gather additional information.

In addition, legislators and agency personnel alike complained that the reader must wade through a slough of self-congratulatory, public-relations material in order to reach the hard facts of agency performance. This complaint reflects the fact that many agencies, in practice, view the statutory reporting requirements either as a necessity or as an opportunity for justifying program management. The use of expensive paper stocks and photographic processes reinforces the impression that annual reports are used for public relations purposes.

Conclusion - It does not appear to be cost effective to continue to publish the amount of detail currently contained in agency annual reports. A condensed version of program activities with a listing of where more detailed information may be obtained would better meet the needs of both the general and the specialized audience reached by these reports. The length of the reports would thus also be reduced, thereby promoting a wider readership. The use of a simplified format and bare-bones reporting of agency activities would dispel the sense that annual reports are promotional publications.

2. Audit reports:

Evaluation - The detailed financial reports which fall within this category generally provide program accountability. Although these financial statements are prepared for the public, the amount of detail is too great and the format too specialized to make them of any great use or interest to the general public.

Conclusion - Although detailed audit reports which provide program accountability must continue to be prepared and published, it does not appear to be cost effective to publish a great number and mass distribute to a wide audience. The amount of use these reports enjoy appears

to be in inverse proportion to their length and complexity. Consequently, agencies should review carefully both the content and the distribution of these reports in order to reduce costs and waste. Public access to these reports may be largely satisfied by placing them within public information resource centers such as the depository library system.

3. Action reports:

Evaluation - All of the reports and publications which fall within this category are written for a special audience in order to achieve a specific purpose. The information tends to be highly detailed and may use technical or professional jargon not familiar to the general public. However, even though these publications may, by law, be information available to the general public, they are not designed for a general readership. Their success rests on how closely their content is tailored to the needs of a specific audience for a specific purpose.

Conclusion - Although the publications in the "Action Report" category are public information, it is not cost effective to mass produce and distribute them to a general audience. Agencies should review their distribution lists carefully to ensure that recipients are truly interested parties. Public information requirements may be met by placing these reports within public information resource centers.

4. Research-Education reports:

Evaluation - Reports in this category are frequently initiated by program managers to carry out responsibilities within the normal operation of the program. Although not always required by law as public information, they are frequently prepared for a general audience and given wide distribution. Insofar as these publications usually focus on a specific interest area, their content and language tend to be more highly specialized and less appropriate for a mass audience.

Conclusion - Without some verification of the actual need for and usefulness of research and educational reports, these types of publications will tend to proliferate in number and to perpetuate their own existence by becoming the substance of programs rather than their tools. Agencies should establish some regular procedure to verify each publication's need and usefulness.

In addition, since these reports tend to be somewhat detailed by their very nature, agencies must take care that the level of detail, as well as the type and level of language used, are truly appropriate to the audience. Reports which currently contain a majority of highly statistical material may perhaps be made more cost effective by dropping the information which receives less frequent use and meeting public needs by making that material available on request.

5. In-House publications:

Evaluation - In-house, employee oriented publications constitute a separate category but were not included in the formal inventory of publications prepared for this review since they are not required by statute and normally are not forwarded to the legislature. No evaluation of individual publications in this category was performed. However, key questions to be answered in regard to in-house newsletters concern the real purpose of such publications (i.e., employee relations/employee morale), the cost effectiveness of each publication's format, and alternative methods of accomplishing the stated purpose.

Conclusion - Analysis of in-house publications should take place as part of the executive branch's efforts to cut publications costs. Since there seems to be considerable difference of opinion among managers concerning the effectiveness of these publications, it will probably be necessary to establish some across-the-board policy regarding their use and format to which all agencies will adhere.

RECOMMENDATIONS TO EXECUTIVE AGENCIES

1. Consolidate annual performance reports from executive agencies to reduce the number and cost of these reports and to provide a more comprehensive and intelligible source of information regarding the executive branch of state government.

a. Audience: Focus the content and reading level of annual reports towards a general public audience and to legislators as representatives of the general public. This definition of audience assumes that the reader has a minimal understanding of the responsibilities and objectives of state government and will have a general but limited interest in the activities of any particular agency.

b. Organization: Organize the consolidated annual reports to correspond to the cover program organization of the executive budget. The issue or program definition of agencies provided by a cover-program organization will assist the general public to better understand agencies and their relationship to each other. In addition, the annual reports may provide an introduction to the detailed information available in the budget.

c. Reporting period: The reporting period should cover the preceding fiscal year. The use of fiscal year reporting period will eliminate the need for agencies to maintain duplicate sets of records, as is now frequently the case, and will enable agencies to coordinate the preparation of these reports with the preparation of the budget.

d. Content: Restrict narrative content largely to those programs having direct impact on citizen and social welfare; minimize in-house administrative programs such as data processing systems, purchasing and supply functions, etc. Within agency reports, focus on program objectives and responsibilities, including accomplishments of the preceding year and directions for the following year. Agencies should omit all detailed content (especially statistical and financial information) not congruent with the general interest level of the uninformed reader. However, in order to provide access to the more detailed information a reader may want, each agency should include a list of publications and public information available from it and how they may be obtained. The report as a whole should also contain a subject index in order to make the publication more useful as a resource or reference work.

e. Narrative style: Program objectives should be written in nontechnical language suitable for a general readership; the reading level of the reports should be geared to a 6th-8th grade reading ability. Program objectives and statutory responsibilities should be interpreted so that the reader will clearly perceive the impact of program activities and be able to relate them to citizen welfare.

In addition, care should be exercised that conclusions are not drawn for the reader regarding effectiveness and success of program management. A factual enumeration of program accomplishments versus program objectives will enable the reader to draw his own conclusions and will eliminate the impression that the report serves as agency promotion.

f. Length and format: The length of these reports should be kept to the minimum necessary to clearly cover program objectives, accomplishments, and other vital narrative. Agencies should keep in mind that brevity will assure a wider readership.

The format of the consolidated reports should be simple and inexpensive, both in order to save money and to dispel the sense that government is trying to impress the reader. The use of photos should be restricted to subject matter that clearly illustrates the activities of the program, and not merely program personnel.

g. Distribution: Consolidated annual reports should be widely distributed; the mailing list should include individual members of the legislature, public information resource centers, and other recipients as dictated by agency needs. These reports should be viewed as a starting point for anyone interested in information regarding state government activity and thus should be easily accessible to the general public.

2. Because all reports other than annual performance reports are more highly detailed in content and are designed for a reader with special interests, their content and style should be carefully reviewed to determine their appropriateness for the designated audience. In addition, distribution lists for these publications should be purged to eliminate recipients with marginal interest; adequate public access may be achieved by providing copies on request, or by directing inquiries to the State Library.

3. No report, publication, or document prepared by agencies of the executive branch, other than annual performance reports, should be routinely distributed to individual members of the legislature. All reports should be forwarded to the Legislative Affairs Agency which can take legal possession on behalf of the legislature and provide notice of receipt and availability of the documents. Each report should be accompanied by an abstract of content; a brief list of descriptors identifying document function, audience, and supplemental contents; notice of statutory authority and the status of information confidentiality. Revised document distribution will substantially reduce the number of copies which must be produced and will eliminate the flood of publications appearing on each legislator's desk, one of the major concerns of HCR 121.

4. The inventory of statutory reporting requirements accomplished as a result of HCR 121 identified a number of reports which appear to be unnecessary. Following the recommendation of the appropriate agencies, reports should be deleted from statute if (1) the reporting agency was never funded or has since expired; (2) the information is currently being reported elsewhere in combination with other information; or (3) the information appears to be totally useless to both the agency and the public (as indicated by those reports which have not been prepared for many years with no adverse effect). The executive branch should submit legislation deleting from statute the reports identified as unnecessary.

RECOMMENDATION TO THE LEGISLATURE

1. Future annual performance reporting requirements pertaining to executive agencies should, as much as possible, be framed in general terms which describe the overall subject or purpose of the report. A statutory requirement which calls for a general report of agency accomplishments allows that agency the flexibility of tailoring the report's content to the changing needs of the program and its perceived constituency. On the other hand, statutory requirements which enumerate specific program details to be cited in a general performance report such as the names of individuals receiving permits, or numbers of drug arrests and kinds of drugs seized, bind an agency to continued publication of that information even when it is no longer appropriate to the program or useful to the reader. The result tends to be either that the agency omits preparation of the report entirely and is thus not in compliance with law, or the report is produced but supplemented with other information and publications which better fulfill the original purpose of the required report. The legislature should carefully review the necessity and value of requiring specific content in a general report prepared on an annual basis. If specific program areas must be related, it would be more economical to prepare them as a separate report, with limited distribution, published for a specific period of time (i.e., 3 years, 5 years, etc.)

2. Where the legislature requires a special review of an area in the law, and desires an executive agency to submit specific recommendation for new legislation in that area, the directive to the executive agency should be made a part of the temporary law, rather than the Alaska Statutes. It would be appropriate in these cases for the legislature to state as clearly as possible the purposes and objectives of the specific review of the law in that area. It is neither necessary nor desirable to include in the state's permanent law a mandate that executive agencies report routine reviews of the statutes they enforce and administer, since this occurs in any case as a part of the executive branch's legislative program.

1 chairman need not be a member of the council.

2 (2) The director of the Division of Policy
3 Development and Planning shall be executive director of the
4 council and may not vote.

5 (3) The chairman, vice-chairman if not a
6 council member, and the executive director are not entitled to
7 receive additional compensation other than per diem and travel
8 expenses incurred on council business.

9 (c) Scheduled meetings may be of the full council or
10 of subcommittees. Council members are entitled to receive
11 compensation for no more than 24 scheduled meeting days a
12 year.

13 (d) The council shall help develop a definition of
14 critical problems affecting the development and growth of
15 Alaska by:

16 (1) examining the implications of processes
17 such as population growth, community change, rural development,
18 economic maturation, national and international influences,
19 changing life styles, environmental quality and others;

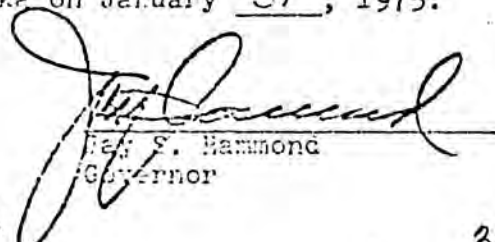
20 (2) providing policy, program, and other
21 recommendations to the governor;

22 (3) providing a stimulus to citizen, citizen-
23 group, legislative, agency, or other input to the state
24 government in the areas of council study; and

25 (4) producing at least one report annually
26 detailing the findings, recommendations, and areas of study of
27 the council..

28
29 This order takes effect on January 31, 1975.

30 Done at Juneau, Alaska on January 31, 1975.

31
32

Earl S. Hammond
Governor

OFFICE OF THE GOVERNOR
DIVISION OF POLICY DEVELOPMENT & PLANNING

The Honorable M. E. Dankworth
Alaska State Senate
Alaska State Legislature

February 26, 1979

Frances A. Ulmer
Director

FY 80 Economic
Evaluation Program

The Governor has expressed a strong interest in improving the ability of his administration to address, in a timely and consistent manner, the critical economic issues facing the state. In order to accomplish this, we have recommended the establishment of a centralized statewide economic analysis and research program within the Governor's Office. Activities of the program would be geared to providing the Governor, the legislature and the public with the results of economic research and evaluations of state programs. As important economic issues are identified and new programs and development projects suggested, the resources and expertise of various state agencies should be pulled together to provide a comprehensive evaluation of their merits and limitations. The economic analysis and research program would have the responsibility to both serve as the administration focal point for these evaluations, ensuring that the full spectrum of implications are addressed, as well as to provide a centralized approach for state actions and program implementation.

In the past, the state has not been able to put together an effective or concentrated effort in this area. The past approach has been fragmented, relying on either individual agency activities or on ad hoc task forces or working groups. While this approach has had varying degrees of success, it has not resulted in a unified state direction to address economic issues, issues that require inter-disciplinary, multi-agency attention. A single department just does not have the resources or mandate to carry out such a program. By establishing a centralized program in the Governor's Office, these issues are raised to the highest level of attention, control and visibility.

A full-blown economic evaluation and research program would have several components. These could include the development of specific solutions to the state's unemployment problem, the development of specific counter-cyclical state investment strategies, econometric modelling and forecasting, comprehensive analysis of specific development projects, policy and budgetary evaluations of state programs and recommendations of how these programs can affect the economy, and investigations of national and international trends and actions in such areas as oil and

gas, transportation and taxation. Our initial recommendation however, called for providing resources in FY 80 to develop specific strategies and actions to deal with one critical issue - the state's unemployment problem.

To tackle this issue, a two to three year in-depth effort was envisioned. We had recommended that FY 80 EDA funds (approximately \$230,000, including state match) be made available, along with existing DPDP resources in order to begin to undertake the various tasks involved. That work effort would have had several phases. In order to get a clearer idea of the actual and potential labor supply of existing Alaskan residents, the first efforts would have been the identification of involuntary unemployed and under-employed Alaskans and the determination of the skills or potential skills of these people. The next step would have been to determine what actions the state is already taking in this area, and who these actions are affecting. Next, the program would have appraised the potentials that exist for new or expanded unsubsidized employment opportunities. Finally, specific strategies and implementation programs would have been developed, including specific state investment strategies. Follow-up activities would have included evaluating the performance of these strategies and programs.

Subsequent to this recommendation for use of both EDA 302 and DPDP resources, the Department of Commerce and Economic Development suggested a major reorganization of various of its divisions. In order to make this reorganization possible, a portion of FY 80 EDA funds (approximately \$155,000 with state match) would be required to remain within CED. In order to accommodate the reorganization efforts, it was agreed to allocate only \$75,000 of FY 80 EDA funds to the economic analysis and research program, leaving the rest for CED. This \$75,000 contribution would not be sufficient, however, to adequately address the unemployment problem in the form suggested above. It was therefore decided to consolidate the \$75,000 EDA funds with existing DPDP resources to address another high priority component of the economic analysis and research program - the development of a systematic and comprehensive approach to evaluate major development projects.

A draft administrative order is attached that describes such a process. It spells out the steps that must be followed, and the range of evaluations required before the Governor can sign off on major projects within the state. It establishes a formal procedure whereby the Governor, the legislature and the public will be provided, in a timely manner, the answers to the policy and economic questions that are raised whenever a major action or project is proposed. It requires that the administration address specific areas of evaluation; that it make use of the expertise of all state agencies; and that written analyses are made available at critical points in the evaluation and development process.

The Honorable M. E. Dankworth

(3)

February 26, 1979

The FY 80 EDA funds of \$75,000 would be committed for contractual services, along with DPDP resources for the implementation of this review process - on specific development projects. One, or more, of the following projects are being considered for major project review during FY 80: OCS leasing schedule, Borax molybdenum development, proposed Valdez LNG facility, Beluga coal development, transport of natural gas to Fairbanks, financing of the Northwest gas pipeline, bottom fisheries development. The available budgeted funds will determine the number of projects evaluated and the scope of that evaluation.

As a sidelight, this consolidated approach to strengthen state economic development efforts is also gaining popularity at the federal level. The National Governors' Association has just recommended to President Carter that he consolidate several economic development programs such as EDA 302 and HUD 701. The intent at the federal level is to both reduce duplication and overlapping requirements and to provide states with a single program to deal with economic issues.

Enclosures

cc: Kent Dawson
Office of the Governor

Ron Lind
Division of Budget & Management

Bert Wagnon
Department of Commerce &
Economic Development

Jim Wiedeman
Department of Commerce &
Economic Development

Allison Farnan
Legislative Finance

HOUSE FINANCE COMMITTEE

March 8, 1979

2:05 p.m.

All members of the Committee were in attendance, except Representative Schaeffer. Representatives McKinnon, Duncan and Moss. Also in attendance: Representative Jack Fuller; Bob Speed, Speaker's Office; Sherry Shelley, Alaska Public Employees Association; Doris Simon, Employment Insurance; Warren Endicott, Legislative Affairs Agency; John Crandall, Administrative Assistant to Chairman Meekins; Alison Farnan, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order and advised the first order of business is the University of Alaska library bills.

HB 21 - "An Act making supplemental appropriation to the University of Alaska; and providing for an effective date."

HB 21

HB 233 - "An Act making a supplemental appropriation to the University of Alaska for laboratory equipment on the Anchorage campus; and providing for an effective date."

HB 233

HB 365 - "An Act making capital appropriations to the University of Alaska; and providing for an effective date."

HB 365

SB 90 - "An Act making a supplemental appropriation to the University of Alaska for the acquisition of library books; and providing for an effective date."

SB 90

Representative Rogers gave brief explanation of each bill and recommended that HB 21 and HB 233 be reported out as originally introduced. He advised HB 365, which was just introduced this morning, and SB 90, just read in today, might be held over so that the Committee would have a little more time for consideration.

[Representative McKinnon arrived at this time.]

HB 21, Representative Rogers advised, contains the acquisition of library books for Fairbanks and Juneau and that \$238.4 is 100% funding. HB 233, Representative Rogers stated, is for labs at \$198.6.

[Representative Duncan arrived at this time.]

Representative Rogers noted the Governor has continued to veto library books for all campuses. He pointed out HB 233 contains the money that was vetoed in the FY 80 capital budget (see attachment) that the Committee might not want to take the 15% reduction. Representative Duncan commented he felt this is personal preference and the 15% reduction need not apply to this.

Representative Rogers moved and asked unanimous that HB 233 be reported out at \$198.6. There being no objections, it was so ordered. HB 233 was reported out of Committee with a "do pass" recommendation.

HB 233
REPORTED OUT

Representative Rogers stated the reason these bills were split out was to keep them from becoming a "Christmas tree". He noted HB 365 represents the Regents' request for all campuses. He added the Governor approved portions of the Regents' request.

Chairman Meekins requested HB 21, HB 365 and SB 90 be held over. There being no objection, it was so ordered.

HB 21, HB 365
& SB 90
HELD OVER

[Representative Moss arrived at this time.]

The next bills to be considered by the Committee were HB 261 and HB 262:

HB 261 - "An Act making a supplemental appropriation to the Department of Law for a training program on the revised criminal code; and providing for an effective date."

HB 261

HB 262 - "An Act making a special appropriation to the Department of Law for a training program on the revised criminal code; and providing for an effective date."

HB 262

Bob Speed presented testimony on behalf of Speaker Terry Gardiner, who headed the Criminal Code Revision Subcommittee last Legislative session. He presented background on the bills and stated these are the appropriation requests to provide the funding for the program. He advised HB 261 is for FY 79 and HB 262 is for FY 80.

Chairman Meekins read the recommendations of the Judiciary Committee Report, as requested by Committee members.

Representative Freeman moved and asked unanimous consent that HB 261 be reported out. There being no objection, it was so ordered. HB 261 was reported out with a "do pass" recommendation.

HB 261
REPORTED OUT

Representative Montgomery noted there was a Judiciary intent for HB 262.

Representative Freeman moved and asked unanimous consent that HB 262 be reported out. Representative Rogers objected, then withdrew his objection. There being no further objection, it was so ordered. HB 262 was reported out with a "do pass" recommendation.

HB 262
REPORTED OUT

Chairman Meekins brought HB 25 up for consideration.

HB 25 - "An Act relating to unemployment insurance coverage for employees of the state and its political subdivisions; and providing for an effective date."

HB 25

Representative Duncan noted the fiscal note is zero. Chairman Meekins explained the manner in which the Committee handles bills with zero fiscal notes. He read the recommendations of the State Affairs Committee Report.

Sherry Shelley testified, basically, this bill passed the House last year. She advised it provides unemployment insurance coverage for State employees and that it takes out the "self-destruct" law. She gave a brief background on the bill.

Chairman Meekins pointed out there is no funding source change. Representative Rogers stated he feels there is a fiscal impact if the federal law is repealed.

During discussion, Representative Smith stated, if this is passed, there are no additions, the State would just get money back, and that if the federal law were repealed, the State would not be.

Representative Rogers asked how much it would cost if the federal law were repealed and was informed nothing. He then asked, if this weren't passed, how much would it cost and was informed there will be a cost to the bill only if the court overturns this.

Representative Duncan advised he doesn't think this is correct that the cost is being incurred now. He stated this is an implied cost, not a direct cost.

Representative Smith stated she feels this is a philosophical question on whether the State should provide unemployment insurance for its employees.

Representative Montgomery commented he is not opposed to this philosophically, but asked if there would be a supplemental next year. Representative Duncan advised the passage or nonpassage is not going to cause a supplemental because this is budgeted now. He added it was budgeted that way in FY 79 and FY 80.

In response to Chairman Meekin's request for figures, Alison Farnan advised, for FY 79, the cost would be roughly \$2.4 million. She added, if the court does overturn this, it will cost much more than that.

Doris Simon, Department of Labor, testified briefly that they are certainly not opposed to this bill.

Representative McKinnon moved and asked unanimous consent that HB 25 be reported out. The question was called for, and the motion carried (eight in favor; no opposed). HB 25 was reported out of Committee with a majority voting "no recommendation".

HB 25
REPORTED OUT

The next bill to be addressed by the Committee was HB 237.

HB 237 - "An Act making a supplemental appropriation to the Department of Natural Resources for the Iditarod Trail Race; and providing for an effective date."

HB 237

Representative Jack Fuller testified this is a \$20.0 supplemental for the support of the Iditarod Race. He commented he feels the State is getting "a lot more bang for their buck" than with the Vogue magazine ad campaign. He also pointed out funds are budgeted for the fur rendezvous and state fair grants and that he will try to have the Iditarod Trail Race included in state fair grants so that this supplemental won't come up again next year.

Representative Smith noted the Iditarod Trail Race has been designated the State sport.

Representative Rogers moved and asked unanimous consent that HB 237 be reported out. There being no objection, it was so ordered. HB 237 was reported out with a "do pass" recommendation.

HB 237
REPORTED OUT

Chairman Meekins brought HB 44 up for consideration.

HB 44 - "An Act making supplemental appropriations to the Legislative Affairs Agency; and providing for an effective date."

HB 44

Testifying briefly, Warren Endicott advised the check has been deposited but that they need the appropriation which gives them authorization to spend it. In response to a question, he stated it is his understanding this will be contracted with the University of Alaska.

Chairman Meekins moved and asked unanimous consent that HB 44 be reported out. There being no objection, it was so ordered. HB 44 was reported out with a "do pass" recommendation.

HB 44
REPORTED OUT

The meeting recessed at 2:50 p.m. for a call of the House.

RECESS

Tape HFC 79-67 Side 1 #721 - End
 Side 2 #001 - #730

SRA Box 1551-U
Anchorage, AK 99507
February 6, 1979

Joyce Munson
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Joyce Munson,

In response to your request for information on the money requested by the University of Alaska to equip its new Biology and Chemistry laboratories in the Health Occupations Facility on the Anchorage campus, I have briefly explained the development of the situation and have enclosed copies of a number of memos related to this issue. The original FY 80 capital budget request submitted by the University of Alaska included sums of \$100,000 and \$92,900 to purchase equipment for the Biology and Chemistry laboratories, respectively. These sums were included in the 'equipment' category ranked second in the University of Alaska FY 80 capital request priority list (reference A). In actual fact, the Biology Department submitted a request for \$198,600 to supplement the original \$100,000, but this was not included in the final University budget (reference B). The funding request from the Biology Department was for two possible levels of funding: \$100,000 to equip the laboratories at a minimal level, but \$298,600 (\$100,000 + \$198,600 supplementary) to equip the laboratories at a level typical of other universities (references B and E). The Budget Office of the Governor recommended to the Board of Regents that the FY 80 capital budget request be cut from \$5.7 million to \$0.5 million, meaning that only the 'fire and life safety improvements' are likely to remain in the final budget. The effect of not obtaining the money for the drastically needed laboratory equipment is clearly explained in the two enclosed impact statements (references C and D). I have also enclosed lists of the laboratory equipment which would be purchased by the Biology and Chemistry Departments if the required minimal money should be obtained (references E and F).

Needless to say, we really appreciate your efforts on behalf of our faculty and our students, who have already had to wait too long for laboratories which are properly equipped. A continued lack of equipment will mean that 54 biology students will have to share 12 compound microscopes or just 5 dissecting microscopes at one time, 62 biology and chemistry students will have to share our 1 low-speed, table-top centrifuge and our 1 top-loading balance (students already have to stand in line for 45 minutes to use it), 30 nursing and biology students will have to share 1 anatomical mannequin and 1 borrowed skeleton, and so on. The situation is very discouraging; we have three new laboratories in the HOF building with tables and chairs but virtually no equipment (the equipment which was in the one pre-existing laboratory has been divided up among the present three laboratories). We have been told that the laboratories in the high schools are better equipped. Our equipment situation is such that we can no longer offer our students a quality education. The end result will be that our good students and excellent faculty will go elsewhere (in fact, we have already lost a few of our best students since receiving news of the budget cut).

up to
wait

Excellent Nursing program in Anchorage

I feel it is absolutely essential that we at least obtain the \$192,900 originally requested in the University budget, in order to have a viable teaching program in the Sciences at UAA. If I can be of any further assistance, please let me know at the above address.

Yours sincerely,

Kristine Mann

Kristine Mann, Ph.D.

cc: Ron Lind
F. Diebold
F. Harrison
M. Loflin
S. Norrell
K. Knudson

HOUSE FINANCE COMMITTEE

March 8, 1979

3:40 p.m.

All members of the Committee were present except Representatives Smith, Schaeffer and Duncan. Also present were Dick Pegues, Richard Burnham and William Cummings, Department of Law; and Alison Farnan, Legislative Finance Division.

PRESENT

Chairman Meekins recalled the meeting to order and stated HB 91 would be brought up for consideration:

HB 91

"An Act making a supplemental appropriation to the Department of Law; and providing for an effective date."

Mr. Richard Burnham explained the \$24,000 for Angaiak v. Beirne. He stated this is a case relating to making food stamps available to people in rural areas as expeditiously as possible. He advised the judgment was against them, so they offered at settlement cost of \$24,000 for costs and attorney fees. He stated they felt they got a good deal because the judge would have probably awarded them more.

Mr. Burnham explained the \$61,000 for expenses incurred due to the contested 1978 primary election. He stated this was a highly unusual case. In answer to a question from Chairman Meekins, Mr. Burnham stated they spent \$17.5 for travel for the case, mostly between Anchorage and Juneau, but also to New York and Washington, D.C. He said at times there were as many as 20 people working on the case. There was discussion on the case.

Mr. Burnham stated they come in for a supplemental request when they run out of money. Representative Rogers commented it appears the expenses have been paid, and they are requesting the \$61,000 as a replacement or they will run out of money. Mr. Burnham said this was correct. Representative Rogers stated that the \$61,000 isn't really for the Primary Election costs then. There was further discussion on this portion of the bill.

Mr. Burnham stated the lapse clause (section 2) is not correct.

Mr. William Cummings testified concerning the \$14,100 for the Right-of-way settlement for access route to Juneau International Airport. He said it turned out the state didn't own the land, but the city did. He said they are repaying the money without interest. There was brief discussion.

Mr. Cummings explained the \$5,000 for right-of-way settlement for the Knik River Road. He explained when they built the road they thought it would only take half an acre, and it ended up taking 9 acres. He advised this \$5,000 bails them out of a bad situation. There was discussion on the case.

Representative Freeman requested that HB 91 be held so that he can have an opportunity to look it over in greater detail. There was no objection to holding the bill.

HB 91
HELD

The meeting adjourned at 4:15 p.m.

ADJOURN

Tape HFC 79-67 Side 2 #730 to end
HFC 79-68 Side 1 #001 to 539

3/8/79

JOINT COMMITTEE MEETING
HOUSE FINANCE
and
HOUSE COMMUNITY & REGIONAL AFFAIRS
March 9, 1979
8:15 a.m.

The meeting was held in the House Finance Committee Room. PRESENT
Finance Committee members in attendance: Chairman Meekins, Representatives Freeman, Guy, Haugen, McKinnon, Montgomery, Moss, Rogers and Smith; members absent: Representatives Duncan and Schaeffer. Community & Regional Affairs members in attendance: Chairman Parker, Representatives Branson, Carney, Metcalfe, O'Connell, Parr and Zarhoff. Also in attendance: Speaker Terry Gardiner; Mitch Gravel, Administrative Assistant for the Municipal Manager, Anchorage Municipality; John Williams, Policy Analyst, Legislative Affairs Agency; John Crandall, Administrative Assistant to Chairman Meekins.

<u>Tape #</u>	<u>Description</u>	
<u>HFC 79-68 Side 2</u>		
539	Vice Chairman Freeman called the meeting to order and advised the purpose is to discuss HB 192: "An Act providing for equalization of the tax resources of municipalities, continuing a portion of the program of state aid for municipal purposes, and providing for minimum entitlements; and providing for an effective date."	<u>HB 192</u>
545	Speaker Gardiner gave background and stated this was introduced last year is is a major change in the State's revenue sharing. Advised C&RA did a lot of work on this last year. [Meekins arrived at this time and turned the Chair over to Parker.]	<u>GARDINER TESTIMONY</u>
558	Gardiner advised, last year, John Willimas & Jack Chenoweth, LAA, worked up a computer model. Stated those changes recommended by Alaska Municipal League last year were made this year. Advised he hasn't received any changes from the State municipalities. Stated almost all of them are in support of the bill as it now stands.	

ADMINISTRATIVE ORDER NO. 26

Under the authority of AS 44.19.880(c), which states that the governor may establish coordinating or advisory planning groups within the Division of Policy Development and Planning, I hereby establish the Alaska Growth Policy Council.

(a) The council shall be composed of no more than 12 members who are appointed by and serve at the pleasure of the governor.

(1) The members of the council must be individuals reflecting a wide range of viewpoints and who have strongly indicated a dedication to public interests.

(2) The members of the council are entitled to receive \$100 per day compensation while attending scheduled council meetings. They are also entitled to receive reimbursement for travel expenses and per diem incurred on council business. Members who are legislators or salaried state officials are not entitled to compensation other than travel expenses and per diem.

(3) The members shall serve for staggered terms of three years each. However, the initial appointees shall be divided as equally as possible into three groups. Seats of the members of the first group shall be vacated at the expiration of the first year, the second group at the expiration of the second year, and the third group at the expiration of the third year, so that approximately one-third may be chosen every year.

(b) There shall be officers of the council.

(1) The lieutenant governor shall be chairman of the council and shall vote only in the event of a tie. He may designate a vice-chairman who shall preside in case of the lieutenant governor's absence from meetings. The vice-

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
FOUCH K. JUNEAU, ALASKA 99801
PHONE 485-3800

*He has
never
done this*

<u>Tape #</u>	<u>Description</u>
583	Gardiner advised the purpose of the bill is to modernize the State revenue sharing program; it is an attempt to more equally distribute the State's revenue. Stated it attempts to develop relationship to the tax burden the municipalities have. [McKinnon arrived at this time.]
607	Gardiner discussed what categories the bill replaces.
615	Gardiner discussed the new formula, top of pg 2 of the bill, and stated it is much simpler and more workable. Advised it includes property tax, sales tax. Discussed factor property value base.
630	Gardiner discussed industrial base. Stated one of the biggest industries going is State government, and Alaska has centralized its government service which generates a tax base. Commented this attempts to recognize this inequity.
648	Gardiner explained Chapter 89, bottom of pg 6, dealing with funding mechanisms for unorganized boroughs.
665	Gardiner discussed Minimum Entitlement program, pg 12, which would give municipality \$2,500 plus area cost-of-living differential.
678	Gardiner explained the items recommended by the Alaska Municipal League, pg 13, regarding regular elections, council meetings, budget & auditing procedure.
690	Gardiner discussed savings clause, pg 17 line 7 (2). Stated he feels HB 192 considerably changes what certain communities get. Stated he feels they should be kept at that minimum level--not necessarily have to have a "grandfather" clause.
704	Sec. 12, effective date: Gardiner advised the \$27,000,000 was picked last year and was an attempt to make sure there was enough revenue.
712	Gardiner advised this is on the computer, and the formula can be changed in any way. Stated the bill has been worked over very well the last two years and feels this is a much better system to go for for revenue sharing.

Tape #

Description

- 728 Discussion on qualifications for compensation by the State regarding Juneau.
- 747 Freeman asked if this had the support of the Alaska Municipal League, and Gardiner replied he has not had any response that they do not support it. Advised it is his understanding the Municipality of Anchorage is not supporting HB 192.

HFC 79-68 Side 2

- 001 Rogers stated he feels this is equitable way but questions some of the changes.
- [Smith arrived at this time.]
- 028 Gardiner advised a lot of the changes come from recommendations of the Alaska Municipal League. Added this was not an attempt to raise revenues, but an attempt to come up with new formula. Stated he feels this is better system regardless of what level the Legislature decides to fund revenue sharing.
- 070 Parr questioned the paying of an equivalent amount in lieu of property tax now regarding the pulp mill. There was discussion on in lieu of federal funds with regard to air bases, etc.
- 127 Meekins wondered if the whole idea of revenue sharing is a good one. Commented on grants & claims in the budget being passed over to the schools, etc. Stated all these things are in effect revenue sharing. Discussed changing the whole concept of revenue sharing.
- 162 Gardiner stated there has been a lot of criticism at the State level. Stated they want to attempt to reduce property tax burden on the citizen by sharing some of the oil wealth with the municipalities. Advised this attempts to tie revenue sharing with the tax base.
- 193 Gardiner discussed computer printout showing small communities with high mill rate. Advised they don't have extras, such as parks & rec and police, etc.

Tape #

Description

- [Carney arrived at this time.]
- 213 Gardiner advised the municipality feels the State has a lot more ability to raise revenue.
- 226 Meekins advised he feels one of the problems with the current formula is that it provides an incentive or encouragement to raise taxes. Cited as an example a community putting on more hospital beds.
- 247 Gardiner stated he agrees with that in general, but that this should be left up to the municipality to decide how it will tax.
- 260 Meekins commented whatever the formula is, this is how the people will look at it. Further discussion on revenue sharing being an incentive to raise taxes.
- 295 Gardiner stated he recognizes the municipalities already have some high taxes, but doesn't feel this will cause them to raise them any higher. Meekins discussed reason he likes sharing revenue with municipalities is because it is more fair. Feels, however, this formula runs the risk of providing incentive for municipalities to raise taxes. Stated, as example, currently Anchorage does not have a sales tax, and this might encourage them.
- [Metcalfe arrived at this time.]
- 344 Rogers commented, if this is lowering taxes, then he is for it regarding the need for services. Gardiner advised it is not attempt on his part to say at what level the State should fund revenue sharing.
- 381 Guy questioned the Minimum Entitlement section. Gardiner advised, if the municipality cannot meet the requirements, they it would not be eligible for the \$25,000. Discussion on requirements for entitlement.
- 422 Moss questioned if this is attempt to get unorganized boroughs to incorporate. Gardiner indicated it could have that affect, but this was not an attempt. Added he feels a lot of small communities want to do this but cannot do it under the present system.

Tape #Description

- 460 Guy noted only two villages on the list contained in the bill are not incorporated. Discussed the villages not getting their full entitlement but only a pro-rated share. Further discussion on eligibility requirements.
- 514 Carney commented on pg 9, line 5, State Aid for Hospital Construction.
- 529 Freeman commended Gardiner on the bill. Stated seemed like and still seems like a good idea, but noted the pressures to include entitlements, etc.
- 550 Mitch Gravol agreed a considerable amount of work was done on the bill. He read a portion of a letter containing Lee's presentation to the board.
- 585 Gravol advised the Municipality of Anchorage cannot support the bill at this point. Advised he feels more work needs to be done. Stated the current formula distributes by formula; the new formula by tax base, which Anchorage cannot go along with.
- 600 Gravol stated a lot of communities feel the current formula is arbitrary, but he feels the proposed formula is just as arbitrary. Stated he feels the way the proposed formula is set up is somewhat of a hidden subsidy.
- 638 Gravol addressed Meekins' comments on revenue sharing providing a tax incentive.
- 669 Gravol discussed Anchorage's tax burden. Stated last year their budget increased by 4%. Advised Anchorage is at a point where they can reduce the mill rate and "we can't afford to lose that 'piece of the pie'." Stated he feels the revenue sharing trend is going down, not up.
- 702 Discussed the Governor's line item veto in FY 79 budget. Noted Governor recommends the funding remain at 80%.
- 716 Discussed various funding levels. Gravol stated Anchorage municipality feels they should be funded at 100%. Commented he does not feel this bill will pass until possibly 1982. Stated have to look at percent of entitlement. Advised Anchorage is concerned in terms of equity.

GRAVOL
TESTIMONY
MUN. OF ANCH.

Tape #Description

740 Gravol stated current formula protects pro-capita equity. As alternative, stated he feels they should bring out the hidden subsidy and not "tinker" with the formula.

HFC 79-69 Side 1

001 In conclusion, Gravol advised Municipality of Anchorage cannot support the bill in its present condition. Stated he wants to see the needs of the municipalities addressed in the bill, but not the way it is currently drafted; addressed so that pro-capita needs are considered.

054 Freeman commented on the population formula as being inequitable. Stated regarding Anchorage having 51% of the population, they get 51% of revenue sharing. Stated this is unfair to the small communities and he is against this.

122 Discussion on alternatives to the formula, such as working special needs into the formula.

159 Parr noted Gravol's Anchorage population figure doesn't agree with the computer printout.

184 Zharoff discussed monies being generated from outlying areas. Stated he was thinking in terms of fisheries.

214 Parr questioned Mr. McCarty, Department of C&RA, regarding the computer printout. Also discussed eligibility and standards for incorporation.

281 Discussion on roads maintenance section. It was noted that portion of HB 192 dealing with roads maintenance has not changed, with the exception of dollar amount.

320 In response to a question from Guy, McCarty noted there is a proposal to raise the current rate for maintenance of ice roads, and the Department is against this. Stated Department feels the villages can actually make money on the maintenance of ice roads.

355 Guy discussed concept of ice roads and waterways. McCarty stated ice road maintenance is currently \$900 per mile, and it is the proposal to raise it to \$1,500 is what the Department objects to.

387 John Williams gave brief overview of HB 192 and commented on subsidies.

WILLIAMS
TESTIMONY

<u>Tape #</u>	<u>Description</u>	
403	Williams referred to page 2 line 5 and explained this is "full and true" property value and not assessed--adjust assessed values to full and true.	
419	Williams discussed second class cities where there is Native allotment land.	
436	Williams briefly discussed Chapters 88, 89 & 90 of the bill. Stated he feels there is protection against incentives for raising taxes under Ch. 89.	
489	Further discussion on revenue sharing being incentive for raising local taxes.	
540	Meekins cited example of Legislature not cutting programs just because State receives federal funds. Discussion on revenue sharing match being \$1 from the State for every \$14 from local government.	
553	McKinnon noted fiscal note does not have any administrative costs. Brief discussion.	
560	Brief discussion on exemptions.	
590	Meeting adjourned at 9:50 a.m.	<u>ADJOURN</u>

HFC 79-68 Side 2 #539 - End
79-69 Side 1 #001 - #590

HOUSE FINANCE COMMITTEE

March 9, 1979

1:40 p.m.

All members of the Committee were in attendance except Representative Schaeffer. Also present were: Palmer McCarter and Lynn Wegener, Community & Regional Affairs; Representative Osterback; Pat Plenticoff, Aleutian Island Native Association; Dave Jensen, City Manager, Sand Point; Dick Holden and Doug Burton, Department of Transportation and Public Facilities; Richard Bradley, Director, Administrative Services, Mark Jensen, Associated General Contractors; Gene Wiles, Chevron Lobbyist; Dick Engen, Division of Libraries; Judy Crondahl, Department of Administration; Alison Elgee, Division of Budget and Management; and Alison Farnan, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order and stated the first bill to be considered would be HB 12.

HB 12

"An Act relating to northern technology; and providing for an effective date."

Representative Rogers stated the appropriate technology bill introduced by Clark Gruening last year did not pass. He advised he had a problem with HB 12 because the original fiscal note for the bill included \$84,000 as administrative money. He advised he has a new fiscal note with \$16,000 for administrative costs. He presented a proposed finance committee substitute and advised the main change would be replacing Division of Policy Development & Planning with the Council on Science and Technology. Representative Rogers advised the other change would be giving renewable resources the authority to make a block grant. There was discussion on the bill.

Representative Freeman asked what a person has to do to get a \$5,000 grant. Representative Rogers said the Council on Science and Technology will determine the manner. He said he feels the process should be as simple as possible. He explained who was on the Council and would be approving the grants.

Representative Rogers advised the total fiscal note is \$66,000 for the Council on Science and Technology. He stated he had also prepared a second fiscal note in the amount of \$100,000 for the loan fund, but he would ask that the Committee hold this note until they work on the entire loan program situation. He advised the \$66,000 to the Council is General Fund money.

Representative Rogers moved to report out a finance committee substitute to HB 12 with a new fiscal note in the amount of \$66,000. Representative Smith objected. The question was called for, and six members of the Committee were in favor. CSHB 12 was reported out with a "do pass" recommendation.

FINANCE
CSHB 12
REPORTED
OUT WITH
NEW FISCAL
NOTE

The next bill to be considered was HB 90.

HB 90

"An Act making a supplemental appropriation to the Department of Community and Regional Affairs, Division of Local Government Assistance; and providing for an effective date.

Mr. Lynn Wegener, Director, Administrative Services, Department of Community and Regional Affairs, stated that in preparing the FY 79 budget they estimated there will be \$900,000 available for distribution to boroughs and municipalities. In advised that in actual fact, according to the formula the figure should have been \$929,700. He explained this bill is asking for the additional \$29,700 so it can be distributed. There was brief discussion on the bill.

(Representative Guy arrived at this time.)

Mr. McCarter, Community & Regional Affairs, stated this is federal fund money that is passed through the general fund, and must be approved by the Legislature.

Representative Freeman moved and asked unanimous consent that HB 90 be reported out. There was no objection. HB 90 was reported out with a "do pass" recommendation.

HB 90
REPORTED
OUT

The next bill brought up for consideration was HB 161.

"An Act making a special appropriation to the Department of Transportation and Public Facilities for the construction of a 'Tustumena' class ferry; and providing for an effective date."

HB 161

Mr. Dave Jenson, City Manager, Sand Point, stated at this time they do have a ferry moving in and out of their community on an irregular basis. He stated presently they have no consistent way of moving freight into Western Alaska. He said that Western Alaska is serviced completely by Seattle, and unless they tie in with the Alaska market they would continue to be served by Seattle. He stated the approval of this bill would go a long way towards tying Western Alaska in with the Alaska market place. He stated if they have this market, Alaska could enjoy some of the benefits of the development of the bottomfishery.

Representative Freeman asked what they were talking about in miles from Kodiak. Mr. Jenson said approximately 350. Representative Freeman asked if it would be possible to use the existing western vessel. Mr. Jenson stated his understanding is that the "Tustumena" is a round-hulled vessel, and it is not equipped to move in rough oceans. He stated it could work, but it is not the most ideal vessel. Representative Osterback commented the problem with using the "Tustumena" is that Kodiak doesn't want to let it go.

3/9/79

Mr. Pat Plenticoff, Aleutian Island Native Association, stated they are very concerned with the availability of surface transportation. He stated they would encourage the Committee to look upon this request favorably. He said he thinks the benefits would be tremendous to the State once the bottomfish industry does develop.

Chairman Meekins questioned the alternative of continuing to send the ferry from Kodiak. Representative Osterback stated the "Tustumena" only stops at two points -- Sand Point and King Cove -- on its present run. He stated they can't go any further into Western Alaska without cutting service to Kodiak.

Mr. Dick Holden, Department of Transportation and Public Facilities, stated there is a problem with the Committee Substitute. He said that last year the Legislature appropriated \$226,000 that was matched by the bond issue recently passed for the Federal Highway Fund. He stated that money has already been approved for specific highway projects. He stated the \$18 million in the bill would have to come from FY 81. Chairman Meekins asked if he was saying that they would have to appropriate general fund money to replace the \$18 million in the bill, or "scratch" some projects that are presently going on. Mr. Holden said this was correct. Chairman Meekins commented he didn't think it was possible to come up with \$18 million general funds to replace the federal funds.

Mr. Holden stated they have another suggestion. He stated they could do the preliminary work to determine exactly what size the vessel should be. He stated this has to be done anyway, and it would cost approximately \$200,000 to do. Chairman Meekins asked if this report would also include a needs assessment. Mr. Holden said yes. Chairman Meekins stated he would like a "ball park" estimate of what the yearly operating costs for such a vessel would be.

There was further discussion on the "Tustumena" trips to Western Alaska.

Chairman Meekins suggested that Holden and Burton continue their work on studying the costs for the vessels. He stated they could hold HB 161 to use as a vehicle for such an appropriation if it is deemed necessary. He asked them to work with Osterback and Freeman on this. Representative Osterback commented the committee substitute is for two vessels; and suggested if they can't get two approved that they start on one the first year. Mr. Holden stated they would report back to the Committee by Tuesday.

HB 161
HELD
OVER

3/9/79

"An Act relating to the functions and organization of the state library distribution and data access center."

Mr. Dick Engen, State Libraries, stated this is an attempt to expand what they now have. He stated it is to provide access to data prepared by the State. He commented that more than one person is studying the same thing, and they need a method for identifying and having access to existing reference data.

Mr. Dick Holden, Department of Transportation and Public Facilities, commented their Department is spending a fortune trying to find out what other people already know.

Representative Montgomery asked if this would duplicate anything the University of Alaska is doing, and Mr. Engen said no.

Chairman Meekins commented the fiscal note indicates they would be starting out with federal money and state money would be used in future years. Representative Rogers stated this was correct, and said he strongly feels that if the state can cut out one \$100,000 study a year by having this program, they would break even. Chairman Meekins questioned the addition of personnel for the program. Mr. Engen said the fiscal note does require three additional people. He sated they need the people to do the actual indexing and setting of terms so people can find the information. He said it takes people to handle and catalog the information.

Representative Rogers asked if program receipts could be generated. Mr. Holden stated this would be a service to state agencies, so he thinks they could use RSA's. Chairman Meekins asked if the General Funds could be changed to Other Funds. Mr. Engen said he didn't have any objection to that. He stated he thinks it is most important to get the program going. Representative Rogers suggested the fiscal note be revised to include intent that the as the federal funds decrease, they are not replaced with general funds, but with Program and Inter-Agency Receipts.

Representative Rogers sated he had a number of amendments to the bill.

AMENDMENTS
TO HB 108

Representative Rogers referred to a letter from David M. Hickok, University of Alaska Information and Data Center concerning proposed changes to the bill, and moved to add #1 on page one of that letter to bill Page 1, lines 11 and 12. There was no objection. He moved to add #2 on page two of the letter after "system", on page 1, line 21. There was no objection.

3/9/79

Representative Rogers moved to incorporate the HESS amendments into a Finance Committee Substitute. Mr. Egen stated the purpose of the amendments is so municipalities don't have to participate in the program, but may participate. There was no objection to the motion.

Representative Rogers moved on page 2, line 19 to delete "state library" and add "center". There was no objection.

Representative Rogers moved to change lines 25, 26 and 27 on page 2 to read: (a) Upon the creation of data the state agency shall and the municipality may prepare an abstract or summary of it." There was no objection.

On page 3, line 2, Representative Rogers moved to add "Alaskan" before "libraries". There was no objection. On page 3, line 18, Representative Rogers moved to add "Alaskan" before "municipal". There was brief discussion. Representative Rogers withdrew the motion.

Representative Rogers moved to add "and other state and federal library systems" after "Congress" on page 3, line 20. There was no objection.

On pages 3 and 4, Representative Rogers moved to delete the line stating "The center may not engage in general public distribution of either (1) state publications or lists of publications or (2) the index of publications and research data. However". He stated he has received requests to have this deleted so people can get things from the library even if they don't work for the state. Chairman Meekins objected to the motion for the purpose of hearing an explanation from Mr. Engen. Mr. Engen stated he endorses the desire set out by Rogers. He stated that the state library is located in Juneau, but they try to treat Juneau like any other part of the State. He stated if anyone in Juneau wants to check something out of the State Library and is not a state employee, all he has to do is go to the Juneau Memorial Library and check it out through them. He stated he realizes this puts another step between the library and people checking out books, but it seems to be necessary to insure that all people in the state are treated equally. There was further discussion. Representatives Smith and Freeman objected to the motion. Representative Rogers withdrew the motion.

Representative Rogers moved to add "reproduction and printing costs and for" before "mailing" on page 4, line 6. There was no objection.

Representative Rogers moved to incorporate all these amendments into a Finance Committee Substitute. There was no objection. Representative Rogers moved that the finance committee substitute for HB 108 be reported out. Representative Moss objected. Chairman Meekins stated he assumes the motion includes

a revised fiscal note as discussed earlier. Representative Rogers amended his motion to include a revised fiscal note with the amounts the same, but changing the funding sources. There was no objection to the amendment. There being no further objection to the motion, CSHB 108 was reported out with a "do pass" recommendation.

FINANCE
CSHB 108
REPORTED
OUT WITH
REVISED
FISCAL
NOTE

The next bill to be considered was HB 155.

"An Act relating to competitive bidding under the Fiscal Procedures Act."

HB 155

Mr. Mark Jensen, lobbyist for Associated General Contractors, said about 50% of the contractors are specialized contractors. He stated they endorse HB 155.

(Representative Duncan arrived at this time.)

Mr. Jensen stated he does have question on (ii) in section 2. He stated he thinks this could become very controversial, and he doesn't think it adds anything to the concept of what the Committee is trying to do. There was discussion on the bill.

Mr. Richard Bradley, Director, Administrative Services, Department of Administration, stated he has a question concerning the possibility of federal funds being affected. He stated he thinks the way the legislation is written they would not have an "out" if federal funds were threatened to be withdrawn. Chairman Meekins presented language which he thinks could solve that problem.

In answer to a question from Representative Freeman, Mr. Bradley stated that currently under the 5% program, they take the difference between the low bidder and the next vendor and if the Alaska vender is less than 5% above them, the Alaska bidder would receive the award. Representative Freeman asked if under this new bill, this meant that if a Washington bidder bid \$10 million for a product, and an Alaskan bidder bid \$10,999,000, or \$2 under the 10%, for the same product, the bid would go to the Alaska bidder. Mr. Bradley said this was correct. There was further discussion.

Mr. Gene Wiles, Lobbyist for Chevron, testified on the bill. He stated the definitions for "Alaska manufacturer" and "Alaska bidder" are different in the bill. He stated he agrees with Mr. Jensen that Section (ii) could cause a problem. He stated he didn't see any reason for this section, and he would recommend that provision be eliminated. Mr. Wiles stated they feel this bill is going to create an additional cost to the state.

3/9/79

Representative Freeman stated he would like to have this bill held to give him an opportunity to look at the bill and come up with new language. Chairman Meekins stated the bill would be held.

HB 155
HELD
OVER

The next bill to be considered was HB 65.

HB 65

"An Act making a special appropriation to the Department of Law; and providing for an effective date."

Representative Rogers stated he dealt only with the financial aspects of the bill. He stated the fiscal note is a "wild guess". He moved to amend the bill to add a new subsection (5) on page 2 to state "and are not eligible for any other state or federal programs which would cover the expenses." There was no objection to the amendment.

He stated he also has another proposed amendment which he has discussed with the sponsor of the bill. He stated he is concerned that someone might challenge this bill in Court and strike out some of the conditions. He stated his proposed amendment would basically be a nonseverability clause. The legislative affairs attorney stated he would draft the correct language for this clause. Representative Rogers moved to add the nonseverability clause language which will be drafted by the attorney. There was no objection. There was further discussion on the bill.

Representative Rogers moved to incorporate the accepted amendments into a finance committee substitute and report the CS for HB 65 out. There was no objection. Representative Rogers moved that the Committee Report for CSHB 65 be held until he had an opportunity to review and approve the language suggested by the attorney on the nonseverability clause. There was no objection. CSHB 65 was reported out with a "do pass" recommendation.

FINANCE
CSHB 65
REPORTED
OUT

The next bill to be considered was HB 107:

HB 107

"An Act making a supplemental appropriation for the payment of miscellaneous claims; and providing for an effective date."

Ms. Alison Elgee, Division of Budget and Management, presented an amendment to the bill (see original bill file). She said this amendment letter requests adding \$17.0 to the Department of Health and Social Services, and \$21.0 to the Department of Natural Resources. She explained the reason this supplemental is needed is that any obligations that are over two years old have to have the funds approved by the Legislature. She said most of these claims are due to stale warrants.

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Ms. Alison Farnan, Legislative Finance Division, stated they also have a request in the amount of \$950.00 to add to the bill. She explained this is a billing they have received from IBM which is over two years old. Apparently the bill was originally sent to Legislative Affairs and IBM has just now correctly billed Legislative Finance.

Ms. Farnan advised the total for the bill with these new requests would be \$108,181.40. There was discussion on the bill. In answer to a question from Representative Montgomery, Ms. Elgee stated there is no question these are debts owed by the State. She said the Department is satisfied that there was a sufficient lapse within their appropriations to cover these funds.

Representative Montgomery stated he would move to report out a finance committee substitute if staff from Legislative Finance and Budget and Management would certify that the backup is correct and these are legitimate bills. Ms. Farnan said she would check into the back-up. Representative Montgomery moved to report out a finance CS for HB 107. He further requested the Committee Report be held until Ms. Farnan checked on the backup. There was no objection to the motion.

FINANCE
CSHB 107
REPORTED
OUT

The next bill to be considered was HB 241.

HB 241

"An Act relating to state bonding."

Representative Montgomery stated this bill has a minor fiscal impact. He presented a proposed committee substitute and said the CS just contains a technical change.

FINANCE
CSHB 241
REPORTED
OUT

Representative Montgomery moved to report out the Finance CS for HB 241. There was no objection. CSHB 241 was reported out with a do pass recommendation.

The meeting adjourned at 4:30 p.m.

ADJOURN

Tape HFC 79-69 Side 1 #590 to end
 Side 2 #001 to end
 HFC 79-70 Side 1 #001 to end
 Side 2 #001 to end
 HFC 79-71 Side 1 #001 to 276

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HOUSE FINANCE COMMITTEE
March 12, 1979
9:10 a.m.

All members of the Committee were in attendance, except Chairman Meekins and Representative Smith. Representatives Schaeffer and Rogers arrived later in the meeting. Also in attendance from the Office of the Governor: Janet Greene, Special Assistant; Mary Capobianco, Public Offices Commission, Juneau Office; Patty Ann Polley, Director, Divisions of Elections, Office of the Lieutenant Governor; Alison Farnan, Budget Analyst, Division of Legislative Finance.

PRESENT

<u>Tape #</u>	<u>Description</u>
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HFC 79-71 Side 1

275	Vice Chairman Freeman called the meeting to order and advised Committee would continue with GENERAL GOVERNMENT budget overview.	GENERAL GOV'T BUDGET <u>OVERVIEW</u>
278	<u>Elective Operations, Public Offices Commission:</u> Mary Capobianco advised this is maintenance budget. Stated they are deleting a couple of positions.	
304	Duncan requested indication of where 5 positions are located. Capobianco advised 4 in Anchorage and 1 in Juneau.	
314	Duncan asked about Fairbanks. Capobianco replied recording function is handled in Fairbanks by city clerk who has the forms and manuals. Advised people in that area contact Anchorage or Juneau office. In response to a question, Janet Greene advised these are contracts with the municipalities.	
335	Duncan noted Juneau office was closed during last election which was very inconvenient. Capobianco advised she was on vacation but another person was there. Added she would make other arrangements so that this would not happen again. Also noted the office stops in August.	
367	Moss questioned the \$38.0 for travel. Capobianco advised this is for the Offices Commission 5 members who meet and do most of the travel.	
387	Greene advised \$5.0 is for staff travel. Moss discussed 25% cut in travel. Greene indicated this would cut down the Commission meetings.	

Tape #

Description

- [Schaeffer arrived at this time.]
- 408 Duncan asked if travel shouldn't differ as related to election year and non-election year. Capobianco replied there are still investigations and municipal elections when there are no state-wide elections.
- 428 Montgomery discussed operating the one office in Anchorage as opposed to the one-person Juneau office, as other areas contract out. Greene advised the Juneau office takes care of the lobbying law, which is the reason for this office.
- 448 Montgomery further discussed having one office with 5 girls, instead of maintaining 2 offices.
- 453 Freeman asked how much money was spent on the Public Offices Commission regarding public information ads. Greene advised this information is made available to the public. She advised the staff operates at the direction and request of the Commission.
- 499 Elective Operations, Elections: Freeman noted, as this is non-election year, why isn't there a more substantial reduction in the budget. Patty Ann Polley pointed out a \$600.0 drop in the budget this year. She pointed out initiatives and referendums continue to come up.
- 523 Moss questioned travel. Polley noted the personnel consists of director, 4 election supervisors, 2 administrative assistants and clerical.
- 535 Polley advised major expenses in the budget is for training election boards and registrars.
- 543 Moss questioned the use of contractual funds. Polley advised this includes all communications, advertising, payment of election boards, registrars, etc.
- 548 Moss noted FY 78 was only half of the current FY 79 budget. Polley advised part of this was because they were allowed to print summer 1980 elections items and order some of these ahead of time. Moss discussed 15% reduction in contractual. Polley indicated advertising could be dropped, but added many of the election supplies cannot be dropped as they are tied into this.

<u>Tape #</u>	<u>Description</u>
582	Polley listed various costs of election supplies, such as tally books, voter books, notices that are posted, pens & pencils.
600	Duncan asked if they have a supplemental in for elections, and Polley indicated no.
606	Duncan referred to statewide elections held every two years and discussed training process that is done perhaps only 2 or 3 days. Wondered if there shouldn't be more training of election boards. Polley agreed and stated finally they have been provided to go out to the rural areas to train election boards.
635	Duncan wondered if sufficient money is being appropriated for this purpose. Polley stated she feels the budget is sufficient for the training of election boards, but a cutback in travel would restrict this.
650	Freeman asked when they know who will be on the election boards. Polley advised the recommendation must be in by April 15, which is when the training of the election boards begins.
661	Moss asked how a the number of ballots to be printed is determined. Polley advised they don't print quite the number of registered voters, but close. She briefly explained how the number of ballots is determined. Stated they notify people that have not voted within 4 calendar years that the Office intends to remove their names from the voter rolls. Commented Elections notified 25,000 voters of intention to remove their names this week.
706	Moss discussed voters that no longer exist and how the Elections office know this. Discussed absentee ballots. [Rogers arrived at this time.]
716	Polley explained Title 15, which deals with residency requirements. Further discussion.
730	Duncan discussed April 15 date when the majority political parties notify Elections of their selection of election boards. Stated he feels training is the whole point. Polley commented, at one time, the date was June 1. Indicated earlier date would be fine.

Tape #

Description

742 Moss brought up voter history dealing with voting twice. Polley indicated 2 or 3 people did vote twice during the last election. She advised this has happened but they have caught them. Further discussion on duplication of voter registration.

758 Meeting adjourned at 9:40 a.m.

ADJOURN

Tape HFC 79-71 Side 1 #275 - #758

HOUSE FINANCE COMMITTEE

March 12, 1979

3:05 p.m.

All members of the Committee were in attendance except Representatives Meekins and Moss. Present from the Department of Administration were: Commissioner Bill Allen; Dick Bradley and Dick Winchell, General Services and Supply; Kellus Sewell, Administrative Services; Judy Crondahl; Karen Cory, Equal Employment Opportunity; and Paul Arnoldt, Retirement and Benefits. Also present were: Alison Elgee, Department of Administration, and Alison Farnan, Legislative Finance Division.

PRESENT

Vice-Chairman Freeman called the meeting to order and stated the Committee would continue to receive testimony in the GENERAL GOVERNMENT budget category, Department of Administration.

GENERAL
GOVERNMENT
CATEGORY
TESTIMONY
FROM
DEPT. OF
ADMINIS-
TRATION

Tape

Description

HFC 79-71 Side 2

- | | |
|-----|---|
| 005 | Kellus Sewell, Director, Administrative Services gave an overview of the Department of Administration. Sewell stated their FY 80 budget is \$77 million. \$12.5 is for Risk Management. If that and the data processing charge-back are taken out of their budget the total budget would be \$63.3. |
| 077 | Sewell said a 15% reduction in their budget would mean a \$15.4 million cut. He presented a chart on how the budget is broken out by category (see attachment #1). |
| 156 | Rogers said a 15% cut would mean a \$7.7 million general fund cut. McKinnon questioned the data processing charge back. He asked if the figure appearing in an Agency's budget is the amount they are obligated to transfer to the Department. Sewell said the amount included for computer operations has to be transferred. |
| 207 | Sewell commented on growth in department. He said about 81% of their budget is in personal services. He feels their Department has had the smallest growth rate of any department. The increase in their budget is due to the data processing charge-back. |
| 265 | <u>General Services, Purchasing:</u> Brief discussion on 1978 legislation (Ch. 161) listed here. |
| 355 | <u>General Services, Property Management:</u> Freeman questioned the increase in contractual. Dick Bradley, Director, General Services & Supply, said it was due to the data processing charge back. |

3/12/79

Tape #Description

- 375 Discussion on program receipts. Dick Winchell stated they come from the sale of surplus property.
- 410 General Services, Central Mail & Switchboard: Farnan questioned the request for a zip code sorter. Bradley: They are presently sorting by hand. They will save 2¢ per letter by presorting. A decrease is not shown in the Agency's budget for savings in postage. Winchell: The Department will only pre-sort mail for the Department of Administration.
- 490 General Services, Central Duplicating: Freeman asked what other funds are and Winchell said they are InterAgency receipts. They charge approximately 2.5¢ per copy; commercial cost is about 4¢. Freeman questioned the additional position. Bradley said it is a maintenance man. Elgee advised there will be a budget amendment under this BRU.
- 563 General Services, Archives: Bradley advised the increase is due to the data processing charge back.
- 585 Building & Equipment Services, Leasing & Facilities: There were no questions or comments for this component.
- 595 Employee Housing, Housing: Bradley stated this is a new program. He explained the program. It is an attempt to make all housing rates uniform and provide a decent level of maintenance to the units. This does not include Department of Education teacher housing. The maintenance budget includes those items they could identify that had previously been budgeted in the Departments of Public Safety, Fish and Game, and DOT/PF. The majority is from Public Safety.
- (Schaeffer arrived at this time.)
- 685 Discussion on the new positions. Elgee advised one position has been deleted from the Public Safety budget, all the other positions are "new bodies."
- 740 Farnan questioned the difference in funding sources. Winchell stated that is a value judgment on what program receipts will be. He said Budget & Management determined they would make more than what was previously budgeted.

3/12/79

TAPE #DESCRIPTION

754 Winchell said they anticipate saving considerable general fund monies by centralizing the program.

HFC 79-72 Side 1

001 Further discussion on housing program. Winchell said the State is trying to get out of the housing business when housing is available from the private sector.

085 Farnan said there is also \$25.0 in the capital budget for maintenance and repairs of units. Elgee stated those funds are for major repairs.

143 Labor Services, Labor Relations Agency: Judy Crondahl advised their request is a \$25.0 increase. They are requesting a supplemental for the current year.

179 Labor Services, Equal Employment Opportunity: Karen Cory, Director, EEO, said they have defined their strategy and where they thought the program should go. Presented a diagram (see attachment #2.) Discussion on last year's legislative intent (see attachment #3). Cory will provide Rogers with information on EEO hires.

344 Cory advised all their positions are filled.

356 Duncan referred to rumour he has heard concerning a decrease in staffing in Juneau office and he asked Cory what her plans for the offices were. There was discussion. Commissioner Hudson said there will not be a decrease in this program, and they have no plans to eliminate either office.

427 Further discussion on positions. Cory said one position is a temporary fill position. In answer to a question from Duncan, Cory stated they will fill the position that is currently being filled by a temporary with a permanent position. Duncan requested that he be kept informed on what happens with regard to the office staffing. Cory will do so.

(Haugen arrived)

490 Retirement & Benefits: Mr. Paul Arnoldt, Director, Division of Retirement and Benefits gave an overview of what the Division does.

3/12/79

TAPE #DESCRIPTION

525 Freeman questioned the reduction in contractual. Due to one time costs, etc.

540 Discussion on amounts contributed to retirement programs.

660 Duncan asked if they got the positions they asked for last year. Arnoldt said they got two positions, the information officer and benefits specialist. Duncan referred to a newsletter he has received which is put out by the Division, "PERS Newsbreak". He read the article and commented it gives incorrect information on those positions. He said he takes exception to this type of newsletter going out and "passing the buck" to the Legislature. Arnoldt said that was not the intent of the letter. There was brief discussion. Commissioner Hudson stated it does appear they are trying to shift the blame, and they will try to be more choosy about the words they pick in the future.

751 Retirement & Benefits, T.R.S.: No questions or comments.

HFC 79-72 Side 1

001 Retirement & Benefits, Other Benefits: Brief discussion.

023 Meeting adjourned -- 4:37 p.m.

ADJCURN

Tape HFC 79-71 Side 2 #001 to end
79-72 Side 1 #001 to end
Side 2 #001 to 023

3/12/79