

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2699

SPONSOR SUBSTITUTE HB 193

Included in this fiscal note are the Advisory Committee's associated costs, the Regional Board costs, Departmental costs, and the reductions to the current Master Board system.

REGIONAL BOARDS

All cost detail listed for one region then multiplied by six to reflect total.

Assume

-	1 secretary range 10 for Board	=	\$ 20,800	
-	9 man/month temporary support for meetings	=	\$ 13,400	
	SUBTOTAL		\$ 34,200	\$ 34,200

Assume

- 7 board members
- 3 meetings per year
- 14 days per board meeting
- \$200 per ticket
- \$100 each day per diem

Calculation

travel 7 x 3 \$200	=	\$ 4,200	
per diem 7 x 3 14 x \$100	=	29,400	
SUBTOTAL		\$ 33,600	\$ 33,600

contractual services: printing, leases, legal notices, rent, communications, etc.	=	\$ 10,000	
commodities and supplies	=	1,000	
equipment	=	2,000	
SUBTOTAL		\$ 13,000	\$ 13,000

TOTAL	\$ 80,800
extended for 6 regions	x 6
GRAND TOTAL	\$484,800

DEPARTMENTAL COSTS

There will be added costs to have staff support at the Regional Board meeting. This will be full regulatory support and staff at all regional meetings.

Assume

- 27 people to each regional board meeting
- 3 meetings per year
- 14 days per meeting
- \$200 per ticket
- per diem at \$55 per day

Calculation

travel 27 x 3 x \$200	=	\$ 16,200	
per diem 27 x 3 x 14 x \$55	=	62,370	
SUBTOTAL		\$ 78,570	\$ 58,570
extended for 6 regions			x 6
TOTAL			\$471,420

825

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NEW POSITIONS

New positions required to interface with six regulatory authorities in addition to master board. (All positions with benefits)

Assume

-	1 Fisheries Biologist IV	Range 20	=	\$	39,400	
-	1 Game Biologist III	Range 18	=		34,200	
-	2 Biologist II's	Range 16	=		60,400	
-	2 Administrative Asst.	Range 12	=		45,200	
-	2 Clerk Typist III's	Range 8	=		36,400	
-	2 Clerk II's	Range 7	=		34,800	
-	1 Accounting Cler III	Range 10	=		20,900	
		SUBTOTAL		\$	271,300	\$ 271,300
				TOTAL		<u>\$ 742,720</u>

DEPARTMENT OF LAW SUPPORT

The Department of Law would have to provide council to all regional boards and boards meetings. This would require a minimum of 252 (estimated) man/days of meeting time, plus there would be research time outside of the Board meetings. Also additional travel and per diem costs would be incurred.

TOTAL	<u>\$ 250,000</u>
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SUMMARY

Regional Boards	=	\$	484,800	
Departmental Costs	=		742,720	
Legal Service	=		250,000	
	SUBTOTAL		<u>\$1,477,520</u>	\$1,477,520

Master Board would be less expensive

-	reduce Boards' cost	=	(\$	35,100)
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TOTAL	<u>\$1,442,420</u>
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NOTE: Possibly should be added to any bill passed on this subject.

ADVISORY COMMITTEE

Currently there are 26 Committees which operate in rural areas that receive reimbursement for travel expenses, but no per diem. To make the process work better, a limited amount of per diem should be added to reduce the financial burden to the individual.

Assume

- 26 committees receive local travel
- 390 possible member ($15 \times 26 = 390$)
- $1/3$ would travel $390 \div 3 = 130$
- 4 meetings per year, 3 days each
- per diem at the rate of \$55 per day

Calculation

travel $130 \times 4 \times \$100$	=	\$ 52,000	
per diem $130 \times 4 \times 3 \times \$55$	=	85,800	
	SUBTOTAL	<u>\$137,800</u>	\$137,800
- miscellaneous expenses (\$100) for 58 committees			
58 x \$100	=	\$ 5,800	
	SUBTOTAL	<u>\$ 5,800</u>	\$ 5,800
- less current committee support costs			<u>(\$ 95,500)</u>
		NET INCREASE	<u>\$ 48,100</u>

HOUSE FINANCE COMMITTEE

March 29, 1979

1:48 p.m.

All Members of the Committee were present except Representative Schaeffer. Also present were Bob Green, Association of Alaska School Boards; Bill Thompson, Department of Education; and Dave Scott, Legislative Finance.

PRESENT

Chairman Meekins called the meeting to order and stated discussion would continue on the Education category.

EDUCATION
CATEGORY
BUDGET
CLOSE-
OUTS

Representative Moss stated an overview investigation should be conducted during the Interim to find out what the situation is with regard to REAA's. Chairman Meekins said he intends to have a subcommittee on this subject over the interim.

Representative Montgomery requested that the Committee hear comments from Mr. Green, Executive Secretary of the Association of Alaska School Boards. Financial Support Programs, Local Formula-REAA: Mr. Green stated they are concerned with the Committee's plan to use the fund balances in setting the FY 80 entitlements. He said they feel this is a very inappropriate way to set entitlements. He advised there is a wide variety of discrepancy between the fund balances and how much money is actually in each district. He commented the fund balances seem to be a reflection of the sophistication of management policies in the various districts, and said many districts don't properly encumber their funds. He said that if the fund balance approach is used, it won't take into account those districts that use centralized accounting practices.

Chairman Meekins commented that Mr. Green has not claimed that if the Committee takes that approach, those that have fund balances will get hurt. Mr. Green commented that if everyone were working under the same accounting practices he would not be able to suggest that this approach not be used; but there are so many different ways to deal with final year audits that, if this approach is used, districts will end up "playing politics" with their year end balances. Chairman Meekins said he sees Mr. Green's point and agrees it is a good one; but the Committee has to look at the \$12.5 million balance, and if they use those funds to reduce the amount of money that has to be paid to school districts, the \$12.5 million can be used for other important projects. Mr. Green said he could be more agreeable to Meekins' approach if the information on the fund balances was more updated than it is. He said

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the Committee is working from figures from July 1978, and is using that figure to determine a level of funding for FY 80. He said they don't know if that \$12 million is there for the FY 80 budget.

Representative Rogers commented that any other agency having funds left over at the end of the year would lapse those funds. Mr. Green commented that on the city and borough level, the state would be making decisions that should be local decisions. There was further discussion. Chairman Meekins said he is not trying to reduce the entitlement. He said the Committee is talking about allowing a figure greater than the Governor's figure, but changing the funding sources.

Mr. Green said he is making a plea that the Committee not utilize this approach in determining the FY 80 budget. There was further discussion on the proposal. Mr. Scott presented a chart to Committee members and explained. He said the end result of the proposal would be a dollar amount less than the FY 79 amount.

Representative Duncan commented that he views this as a reduction in the general funds for FY 80. He said this is not treating all the districts fairly. There was further discussion. Chairman Meekins agreed that there are problems with the proposal, but said they have to consider the \$12.5 million general funds which could be used somewhere else. Representative Montgomery commented that in the city/borough situation the money lapses back to the local government and, therefore, local taxes do not increase. He said the city/borough situation is completely different from the REAA situation. Mr. Scott commented that with his proposal they are not taking money away from the districts, it is a question of how much they will be given in FY 80. Mr. Thompson, Department of Education, suggested the Committee might want to obtain legal advice from their Counsel to see if it was possible to write language into the budget that would override the statutes. He explained the law which allows for the foundation program, and said it does provide for pro ration.

Representative Moss suggested taking the "short funding" approach. Representative Montgomery commented that if the Committee does reduce, it has to be equitable. Representative Freeman commented that if the Committee wants to reduce the Foundation funding by \$12.5 million, he would prefer taking a pro ration by that amount, rather than using the surplus. There was further discussion.

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Chairman Meekins asked how many members of the Committee were ready to say they are opposed to the proposal of offsetting the entitlements with the surplus. Representatives Freeman, Montgomery, Haugen, Guy and Duncan indicated they were opposed. There was further discussion. Representative Duncan suggested they obtain a legal opinion on the subject. Mr. Scott will check with the attorney.

Further discussion on the component was held.

The next component to be considered was Office of the Governor, Alaska Arts Council, Grants: Mr. Scott reminded the Committee of their reason for leaving this open earlier. Mr. Scott advised the \$208.8 in general funds is used to fund programs the Legislature indicated in past years that they wanted included. Representative Rogers asked where the \$180.0 in federal receipts they are losing would have gone. Mr. Scott said it would have been used to increase current operations. Representative Rogers said he would rather have federal receipts and a general fund match to replace the general funds. He said he thinks it would be a shame to lose the federal funds. There was further discussion. Representative Rogers moved to accept a total amount of \$1420.5 with funding to be as follows: \$825.2 federal funds, \$386.5 general fund match, and \$208.8 general funds. Representative Smith objected. There was further discussion. Representative Rogers said the total number is an increase of \$140.0 in general funds from last year. Representative Smith removed her objection. Representative Montgomery objected. The question was called for. The vote was 4-4. Chairman Meekins stated the component would be held over for further discussion when the other members of the Committee were present.

The next component to be discussed was Department of Education, Financial Support Programs, Pupil Transportation-Public: Representative Rogers explained why he had requested this component be held open, and said he has intent language which should take care of the constitutional problem of transporting private students on public school buses. He moved to add \$377.0 to the appropriation and to include legislative intent stating: "It is the intent of the Legislature that services purchased or provided by this appropriation be made available to all elementary students in the state whose point of origin and destination are congruent with existing public transportation routes." There was discussion on the intent language. Representative Smith commented that language does not specify that private students would be riding on a space available basis. Representatives Smith, Freeman and Montgomery indicated they would agree with the proposal if it didn't include additional funds, and if it was on a space available basis. Chairman Meekins requested this be held open until he had an opportunity to talk with several people who have contacted him on this subject. There was no objection.

DEPARTMENT OF EDUCATION:

State Library, Regular Operations: Mr. Scott said the recommendation follows his proposed guidelines except it allows for a \$1,000 grant aid program for local libraries. He said that with this proposal they are still below the FY 79 figure. Chairman Meekins moved to accept the legislative recommendation shown on the computer print-out. Representative Montgomery stated he objected to adding any money to this budget until they are sure they have funds for the instructional units. He said if they don't have money he wants to zero out these areas first. He requested the option to come back later and reopen these componets if they don't have the funds. Chairman Meekins said he could do so at any time. The motion carried.

State Library, Anchorage Media Center: Mr. Scott said the recommendation follows his proposed guidelines. Chairman Meekins moved to accept the legislative recommendation shown in the computer print-out. Representative Freeman asked why the extra position is shown. Mr. Scott said this is an object code transfer; it is an increase in positions but not in funds, as the position was previously under contractual. There was discussion. Representative Montgomery moved to amend the motion to accept 9 positions, and to take the funds for the new position and transfer them from personal services back to contractual. Representative Smith objected. There being no further objection, the amendment passed.

State Library, Alaska Health Science Library: Mr. Scott advised that position #2 in the short form had previously been funded by the public health center and they can no longer fund it. He said they are requesting general funds for that position and he has recommended the request be accepted. There was discussion. Chairman Meekins moved to accept the legislative recommendation shown in the computer print-out except deleting the position and its associated costs. There being no objection, it was so ordered.

State Library, Blue Book: Representative Freeman moved to accept the legislative recommendation as shown in the computer print-out. There being no objection, it was so ordered.

Public Broadcasting Commission: Mr. Scott said he is recommending the Governor's figure but taking the \$71,000 related to the satellite delay center, which was double budgeted, out of this component. There was discussion. Representative Montgomery advised he has received a request that those funds remain here rather than in the DOT/PF budget. Further discussion. Representative Haugen stated there are many problems in this area, and this should be looked into.

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He commented that the Petersburg and Wrangell stations are probably going to have to shut down with this kind of an appropriation. He recommended this component be held open. There was no objection.

Program Evaluation, K-12 Education Program: Mr. Scott said the recommendation follows his proposed guidelines. He said he is not recommending the new position. Chairman Meekins moved to accept the legislative recommendation shown on the computer print-out. There being no objection, it was so ordered.

Program Evaluation, Career & Vocational Education: Mr. Scott said the recommendation follows his proposed guidelines. He said the increases are all federal funds, and there is no increase in positions. Chairman Meekins moved to accept the legislative recommendation shown on the computer print-out. There being no objection, it was so ordered.

Program Evaluation, Special Education: Mr. Scott advised his recommendation includes an increase for the audit functions, to increase the Department's ability to conduct audits with their current staff. He said the federal requirements do require additional oversight and evaluation. There was discussion. Mr. Scott said his proposal provides an additional \$11.0 in contractual and \$19.0 in commodities for additional support. He said the total is \$310.8, and doesn't allow for any new positions. Chairman Meekins moved to accept the legislative recommendation as shown in the computer print-out. There being no objection, it was so ordered.

Program Evaluation, Supplemental Programs: Mr. Scott advised there are no general funds involved here. Most of the funds are federal receipts. Other funds are interagency receipts which are received from Public Safety for driver training. Chairman Meekins moved to accept the legislative recommendation as shown in the computer print-out. There being no objection, it was so ordered.

Professional Teaching Practice: Mr. Scott said the recommendation is to continue to fund the Commission with fee receipts only. He said this will involve one slight change. In the past the Commission has only been receiving \$25 of the \$30 fee -- \$5 has gone into the general fund. He is recommending the PTPC get the entire \$30, and there is intent in the print-out to accomplish this. There was discussion. Chairman Meekins moved to accept the legislative recommendation as shown in the computer print-out. Representative Smith objected. There being no further objection, the motion carried.

Executive Administration, Commissioner: Mr. Scott advised the recommendation follows the proposed guidelines. There is no data processing charge back. The reduction in personal services is due to a position being terminated by the Department. Representative Moss moved to accept the legislative recommendation shown in the computer print out. There being no objection, it was so ordered.

Executive Administration, Planning Information & Research: Mr. Scott said the recommendation follows the guidelines with one exception. He is recommending adding \$80.8 for the continuation of the basic skills assessment system in the contractual line item. There was discussion on the program. Mr. Scott explained it is adding a program in the math area which was not included before. Chairman Meekins moved to accept the legislative recommendation as shown in the computer print-out. There being no objection, it was so ordered.

The meeting adjourned at 4:02 p.m.

ADJOURN

Tape HFC 79-92 Side 2 #684 to end
 79-93 Side 1 #001 to end
 Side 2 #001 to end
 79-94 Side 1 #001 to 573

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ASSOCIATION OF ALASKA SCHOOL BOARDS

SUITE 2, 204 NORTH FRANKLIN STREET • JUNEAU, ALASKA 99801 • PHONE 586-1883

March 29, 1979

The Honorable Pappy Moss
Alaska House of Representatives
Juneau, Alaska 99811

Dear Representative Moss:

As we discussed today, here are some of the concerns that the School Boards Association have with the Governor's budget as drafted on 3/27/79.

- P. 12 School Boards are concerned about the manner in which the distribution of bus transportation funds are limited by legislative intent both for the FY 79 and FY 80 years.

Establishing in legislative intent the eligibility criteria of prior year entitlement plus an inflation factor, effectively places a lid on what districts may receive regardless of their entitlement or the amount of money in the budget.

As an example of school board concern is the FY 79 funds distribution wherein districts could only receive their FY 78 entitlement plus six percent. (Noteworthy is the fact that DOE regulations required that districts pay contractors a 10.5% inflation factor while only receiving 6% from the State.) Adding insult to injury in this issue is the fact that CSSB 222 essentially siphoned off 1.2 million dollars from transportation funds (because the cap made them excess) and reallocated them to capital projects.

Creating a limit on entitlement forces districts to use local or Foundation Support funds to pay for route expansion and route changes or extra costs during the initial year of any cost change. Our approach would allow eligible dollars in the budget to be used for this purpose.

RECOMMENDATION

We feel that the \$20,269,300 is adequate to fund transportation at full entitlement under the law.

Attachment

834

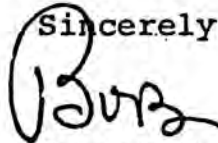
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We would not like to see legislative intent placed in the budget to place a prior year entitlement plus an inflation factor.

We would rather merely see the budget passed as written without the intent clause and then should there be any shortfall, let it be prorated over all of the contracts. (The risk of a shortfall is better than a certain limit created by legislative intent.)

- P. 22 REAA "In-Lieu-Of" maintained at last year's level (8790.0) is at least better than getting cut by 25% as the Governor was requesting.
- P. 56 Legislative intent here would usurp 50% of city/borough surplus funds against FY 80 entitlements. This would cost Anchorage \$5 million.

Sincerely,



Robert C. Greene
Executive Secretary

RCG:bld

HOUSE FINANCE COMMITTEE
March 30, 1979
9:10 a.m.

All members of the Committee were in attendance, except Representatives Freeman and Schaeffer. Representatives Smith, McKinnon and Duncan arrived later in the meeting. Also in attendance: Bill Thompson, Department of Education; and Dave Scott, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order and advised the Committee would continue EDUCATION budget closeouts. He also announced a joint meeting with the Resources Committee on Beaufort Sea leases tomorrow morning in Court Room A. He advised the meeting would follow the 9:00 a.m. Floor session.

EDUCATION
CLOSEOUTS

Executive Administration, Boards & Commissions, pg 111: Representative Montgomery asked how many boards were included here, and Mr. Scott answered five: State Board of Education, Museum Advisory Board, Governor's Commission on Handicapped, Education Compact Commission and Athletic Board. Representative Montgomery asked if these were "Sunsetted", and Mr. Scott indicated no.

Representative Moss moved the legislative recommendation. There being no objection, it was so ordered.

Project ETA, pg 115: Mr. Scott discussed the local participating district's contribution to the program. He suggested phasing in an escalating scale of 10% for FY 79, 20% for FY 80, 50% for FY 81 and 75% for FY 82. He stated the Department does not want to see the matching requirement. He distributed a handout on the electrical mail system. He stated it is a four-year, \$6 million project that sets up a network system.

[Representative Smith arrived at this time.]

Chairman Meekins noted, at this point, it is participating districts. Discussion followed.

Representative Rogers moved the legislative recommendation figures and the INTENT, deleting "is contingent upon" and including the escalating scale. Discussion followed, with Chairman Meekins amending the motion to put the "contingent" language back in.

INTENT

[Representative McKinnon arrived at this time.]

Mr. Scott noted the proper language of the budget bill is "contingent". The question was called for, and the motion carried (six in favor; Rogers opposed).

Department of Education, Cross Cultural Education, pg 117:
Mr. Scott recommended an \$80.0 reduction in Contractual Services, making it \$246.1.

[Representative Duncan arrived at this time.]

Chairman Meekins asked if there were objection to the legislative figures and intent. Representative Smith objected, stating she would like to see some centralization. Representative Smith moved to ZERO out this component in the EDUCATION budget and TRANSFER it to the UNIVERSITY budget. There being no objection, it was so ordered.

ZERO OUT IN
ED BUDGET &
TRANSFER TO
UA BUDGET

Student Financial Aid, Scholarship Loan Program, pg 121:
Chairman Meekins noted a bill will be coming in from the Senate on this for \$650.0. Representative Duncan moved the legislative recommendation. There being no objection, it was so ordered.

Scholar Loan Prog-FF, pg 123: Mr. Scott stated this is for the following year.

WICHE-Student Exchange Program, pg 125: Mr. Scott recommended, for FY 80, the Committee fund only the continuing students in this program. During discussion, he referred to Table IV of the cut sheet, and stated this is a grant to other states. He advised Alaska is buying student placement in other state institutions. There was further discussion on this program and the WAMI program, with Mr. Scott explaining the original intent of the WICHE compact. Representative Smith asked if this program were "Sunsetted", and Mr. Scott indicated no. Representative Smith then stated she feels this should be reviewed by a standing committee. Discussion followed, with Mr. Scott stating he considers it part of his job to follow up during the interim on any questions the Committee has raised on the budget.

Chairman Meekins moved to accept the legislative figures, decreasing this by \$63.0, with the INTENT. Representative Smith objected. The question was called for, and the motion carried (four in favor; two opposed; one abstension).

Student Incentive Grant Program, pg 127: Mr. Scott explained the legislative recommendation. Representative Rogers moved the legislative recommendation. There being no objection, it was so ordered.

Post Secondary Education Commission, General Administration, pg 131: Mr. Scott suggested deleting their part-time staffing budget, and on pg 133, and allowing the two federally funded positions. Representative Duncan moved the legislative recommendation. Representative Rogers objected. The question was called for, and the motion carried (five in favor; Rogers opposed).

Student Financial Aid Admin, pg 133: Mr. Scott recommended reducing this by \$26.9. Representative Duncan moved the legislative recommendation, making Total Expenditure \$536.0. Representative Rogers objected. The question was called for, and the motion carried (five in favor; none opposed).

Adult Educ & Voc Training, Adult Basic Education, pg 139: Mr. Scott recommended the Governor's figure \$1,173.1, which is also maintenance. Representative Rogers moved the recommendation. Representative Smith objected, then withdrew her objection. There being no further objection, it was so ordered.

Fire Service Training, pg 141: The Committee requested this be held OPEN, pending further information on the transfer from Skagway to Kenai. OPEN

Adult Vocational Education, pg 143: Mr. Scott recommended the Governor's figure, which is FY 79 authorized plus inflation. Representative Duncan so moved. There being no objection, it was so ordered.

Community Schools Planning, pg 145: Mr. Scott suggested the Committee zero out this program and explained why. Representative Duncan objected to the recommendation. Representative Montgomery stated he feels there is already enough for this and moved a ZERO figure. The question was ZEROED OUT called for, and the motion carried (five in favor; 3 opposed).

CETA Voc Ed Grants, pg 147: There being no objection to the legislative recommendation, it was so ordered.

Grants Admin, pg 149: Mr. Scott pointed there is no increase here in positions. He advised the RP positions are not permanent positions. He stated the recommendation is only \$5.0 over maintenance and a reduction of one position. Representative Moss moved the legislative recommendation. There being no objection, it was so ordered.

Skill Center, pg 151: There being no objection to the legislative recommendation, it was so ordered.

Vocational Rehabilitation, Counseling & Placement, pg 155: Mr. Scott recommended the Committee allow inflation in commodities. Representative Moss moved the legislative recommendation. There being no objection, it was so ordered.

Vocational Rehabilitation, pg 157 - pg 167: Mr. Scott stated he recommends the Governor's figures in all VocRehab, because of possible loss of federal funds due to the federal requirements. He also suggested a major interim review by him of this program. There being no objection to the legislative recommendation, it was so ordered.

Debt Service, Libraries, pg 171: Mr. Scott advised this is a statutory program, and if it does not pass Congress, this program will be deleted.

Mr. Scott advised there are about 10 pages being held open in the EDUCATION budget.

The meeting adjourned at 10:06 a.m.

ADJOURN

Tape HFC 79-94 Side 1 #573 - End
 Side 2 #001 - End
79-95 Side 1 #001 - #370

HOUSE FINANCE COMMITTEE
March 30, 199
1:45 p.m.

All members of the Committee were present except Representative Smith. Also present were Jay Hogan and Dave Scott, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order. There was discussion on how the JUSTICE budget category would be considered. Chairman Meekins suggested setting guidelines for the category, short funding the category, and working on it during the Interim. After further discussion, Chairman Meekins advised he would be receiving testimony on the JUSTICE category on Sunday, April 1. There was further discussion on scuedhuling.

JUSTICE
Category

Chairman Meekins called a recess at 2:15 p.m. and recalled the meeting to order at 2:35 p.m.

Recess

Mr. Jay Hogan testified before the Committee on federal funds and how they are treated in the budget. (See attachment.) He gave background information on the reason why the Budget and Audit Committee is still considering revised programs. There was discussion on the language in the budget bill (HB 60). Mr. Hogan stated he is presenting the information at this time for the committee's information. He stated he assumed the Committee would take action on the language in the bill at the time the budget bill is passed from the Committee. There was brief discussion.

Representative Rogers moved to delete section 3 of HB 60. There was discussion on section 6 of the bill. Representative Rogers amended his motion to also delete section 6. There was discussion. The question was called for and the motion and amendment unanimously carried. Chairman Meekins requested that the Committee consider whether assertive language needed to be included in the bill. He stated this would be brought up at the time the budget is passed from Committee. There was discussion on whether or not the Governor should be formally advised of the Committee's intent to delete sections 3 and 6 from the budget bill. The general consensus was that he should be advised. A letter will be drafted for Chairman Meekins' signature.

HB 60
Sec. 3&6
Deleted

There was discussion on what was included in the Governor's authority to line item veto. Mr. Hogan stated until the Courts rule on what is a valid veto and what is not, this question can't be answered.

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There was brief discussion on Governor's budget amendments. Chairman Meekins stated his understanding is that there has been \$83 million submitted in Budget Amendments, rather than the \$10 million the Governor has claimed.

The Committee continued their consideration of the EDUCATION category budget close-outs.

EDUCATION
BUDGET
CLOSE-OUTS

Office of the Governor:

Alaska Arts Council, Grants: Representative Rogers moved to accept a total figure of \$1420.5 (same motion made at previous day's meeting). There was brief discussion. The question was called for. Representative Rogers in favor; all other members opposed. The motion failed. Representative Moss moved to accept the Legislative Recommendation as shown in the computer print-out. Representative Rogers opposed. All other members in favor. The motion carried.

Office of
Governor

Department of Education:

Dept. of
Education

Financial Support Programs, Pupil Transportation-Public: Representative Rogers requested that final close-out of this BRU be held until after a decision had been made on the foundation program. There was discussion. Representative Montgomery advised that he had been asked to delete the legislative intent relating to 6% inflation. There was discussion. Representatives Freeman and Duncan indicated they had also received that request. There was discussion on the intent and on school bus contracts. Representative Rogers again explained his problem concerning transportation of private students and the need for an additional \$377,000. Representative Freeman moved to delete the legislative intent dealing with 6% inflation. The motion was unanimously carried.

Representative Rogers moved that legislative intent be included stating that future contracts for pupil transportation shall not be based on a per pupil mile contract basis. There was discussion. Representative Montgomery said he did not see why the language had to be included. He said he thinks the districts should have the right to write their contracts the way they need to. Representative Rogers withdrew his motion. Representative Rogers moved to hold this component open. There was no objection.

Financial Support Programs, Local Formula-REAA: Representative Moss moved to accept the legislative recommendation as shown in the computer print-out. There was discussion. Mr. Scott advised that legislative counsel's feeling was that the Committee could place the over-riding clause in the bill, but he also expressed doubt that, if the issue were taken to court, it would be upheld. Representative Rogers

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objected to the motion based on the statement made by legislative counsel. Representative Duncan moved to amend the motion to accept the figure of \$8790.2 in general funds. He advised this motion would strike the intent in the print-out. Representative McKinnon objected. He moved to amend the amendment to cut the \$8790.2 general fund figure by 10%. There was brief discussion. The question was called for on the amendment to the amendment. Representatives Freeman, Duncan, Guy and Schaeffer opposed the motion. The motion carried. The question now before the Committee was whether or not to accept the main motion as amended (\$7911.2 general funds). Representatives Rogers and Duncan opposed. The motion carried. The figure for this component was \$7911.2 in general funds.

Foundation Program Components, Student Adm. Support: There was brief discussion on the motion. Representative Freeman moved to accept the legislative recommendation figures. Representative Rogers moved to amend the motion to delete the intent language, but to otherwise leave the numbers the same. There was brief discussion. Representative Rogers said his amendment would have the effect of a 5% cut. Representative Freeman objected to the amendment to the motion.

A recess was called at 4:03 p.m. and the meeting was recalled to order at 4:07 p.m.

Chairman Meekins stated the money under this component is the foundation formula that goes to all school districts including the REAA's. Representative Montgomery moved to amend the amendment to fully fund the instructional units at \$168031.1. Chairman Meekins objected. There was brief discussion. Representative Freeman stated there seems to be a misunderstanding of what his original motion was. Representative Montgomery withdrew his motion. Representative Rogers withdrew his motion. Representative Freeman withdrew the main motion. There was brief discussion.

Representative Freeman moved to accept the total figure of \$168031.1 in general funds. Representative McKinnon objected. He moved to amend the motion to break the component out into two components: one with the amount of money consistent with what the REAA's are to receive, and that figure should be funded at 100%; the second shall be the figure for school districts, and that figure should be cut by \$2126.5, which is the same percentage of the surplus which was taken from the REAA's. Representative Freeman objected. There was discussion. Representative Duncan asked how they would distribute the dollars to the communities, and Representative Freeman said the figure would be pro rated. Chairman Meekins said the intent of the motion is to take the same percentage from cities and

boroughs as was taken from the REAA's. The question on the amendment was called for. Five in favor (Meekins, McKinnon, Moss, Schaeffer and Guy); five opposed. The motion failed. There was further discussion. The question on the main motion was called for. Representatives Freeman, Montgomery, Haugen, Guy and Schaeffer in favor. Representatives Meekins, McKinnon opposed. The motion carried.

Representative Duncan moved that under Financial Support Programs, Local Formula-REAA's to accept the figure of \$8790.2 in general funds. Approval of this motion would rescind the Committee's earlier action on the component. The question was called for. Representatives Guy, Schaeffer, Duncan, Rogers, Meekins and Moss in favor; Representatives McKinnon, Freeman, Montgomery and Haugen opposed. The motion carried.

The meeting adjourned at 4:27 p.m.

ADJOURN

Tape HFC 79-95 Side 1 #370 to end
 Side 2 #001 to end
 79-96 Side 1 #001 to end
 Side 2 #001 to 186

3/30/79

Introduced: 1/24/79
Referred: Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

HOUSE BILL NO. 60

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

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

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. Included within the general fund amounts appropriated according to the schedules in secs. 8 and 9 of this Act, the following amounts are from the unreserved special accounts in the general fund:

	Operating	Capital
Highway Fuel Tax Account	\$23,400,000	
Aviation Fuel Tax Account	3,500,000	
Watercraft Fuel Tax Account		\$2,400,000

* Sec. 2. A sum is appropriated from the general fund necessary to pay interest on revenue anticipation notes issued by the commissioner of revenue under AS 43.08.010.

* Sec. 3. (a) Federal or other program receipts which exceed the amounts appropriated in this Act are appropriated upon the determination of the division of budget and management, approved by the governor, that

(1) the expenditure of the receipts is consistent with the statutory authority under which the receiving agency functions, and

(2) the expenditure of the receipts is for a purpose which is consistent with others for which money has been appropriated by the legislature.

(b) The division of budget and management shall advise the legislative finance division of each expenditure approved by the governor under

HB 60

1 subsec. (a) within 15 days after its approval.

2 * Sec. 4. If program receipts fall short of the estimates appropriated
3 by this Act, the affected appropriation shall be reduced by the amount of
4 the shortfall in receipts.

5 * Sec. 5. Amounts equivalent to the amounts to be received in settle-
6 ment of insurance claims for property losses are appropriated from the gen-
7 eral fund to the affected agency for the purpose of replacing the facility
8 or service lost as a result of the incident giving rise to the insurance
9 claim.

10 * Sec. 6. If federal or other program receipts exceed the estimates ap-
11 propriated by this Act, the appropriation from state funds for the affected
12 program may be reduced by the amount of the excess if the reductions are
13 not inconsistent with applicable federal statutes.

14 (SUMMARY TABLE FOLLOWS ON PAGE 3)

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE
August 7, 1978

AUDIT DIVISION
POUCH W--ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF--STATE CAPITOL

JUNEAU 99801

Governor Jay S. Hammond
State of Alaska
Pouch A
Juneau, AK 99811

Dear Governor Hammond:

I am happy that the parties were able to mutually dismiss Kelley vs. Hammond, Civil Action No. 77-4, in the Superior Court at Juneau. I think we both agree that the best forum for settlement of the role of the Budget and Audit Committee in budget revision is the November ballot box wherein the people of Alaska will decide whether to amend the State Constitution in accord with Legislative Resolve No. 39.

As to the treatment of unbudgeted federal and other program receipts for fiscal year 1979, this letter serves to record that the Executive and Legislative Branches will continue to honor Stipulation No. 9, entered by the parties on 15 June 1978, which provides:

"A general appropriation of all unforeseen and otherwise unbudgeted federal and other program receipts for fiscal years 1978 and 1979 will be made by the Legislature, but their expenditure shall continue to be made only on approval by the Governor and the legislative Budget and Audit Committee. The Committee will act on proposed revised programs within sixty (60) days of their receipt. If the Committee does not act on the proposal within that time, no Committee approval of it is required."

Your noting your concurrence in the above will ensure an adequate modus vivendi, at least until the Eleventh State Legislature convenes in 1979.

Thanking you for your cooperation, I am.

Sincerely yours,

Mike Colletta

MIKE COLLETTA
Chairman, Legislative
Budget and Audit
Committee

CONCUR

Jay S. Hammond
JAY S. HAMMOND

Governor

Date: *Aug 11, 1978*

HOUSE FINANCE COMMITTEE

April 1, 1979

10:40 a.m.

All members of the Committee were present except Representatives Smith and Schaeffer. Also present were Representatives Parr and Fuller, and Dave Scott, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order. The purpose of the meeting was to receive an overview of the UNIVERSITY OF ALASKA budget.

UNIVERSITY
OF ALASKA
BUDGET
OVERVIEW

Mr. Scott presented proposed guidelines for the University of Alaska budget. There was discussion.

Mr. Scott advised that revenue bonds require a dedication of 35% of student fees. He advised the University has transferred that amount into the Plant fund, and that 35% is in excess of their need; so they have transferred approximately \$35.0 back into their general fund through the RP process, without review of the Legislature. There was brief discussion on the plant fund and the source of funds. Mr. Scott advised that C.I.P. positions the University has are paid for through the Plant fund. He advised the University is requesting that seven C.I.P. positions be brought into the general fund.

Representative Duncan commented the proposed guidelines don't include recommendation for additional positions needed for accreditation purposes. There was brief discussion.

Representative Rogers commented the recommended formula zeros out library books for all the campuses, and he has been looking for some solution to that. He is going to be suggesting that an amount be included for books for all the campuses. Mr. Scott said his guidelines assume that library books will be considered as a capital budget request. There was discussion on library book acquisition. Representative Rogers stated he would object if the basic amount needed for books is not included in the operating budget. Representative Freeman stated that in the past the Ketchikan Community College has received the "short end of the stick", and he intends to see that this doesn't happen again this year.

Mr. Scott advised that if his guidelines are followed, they will come out \$7.4 million below the Governor's figure, and about \$3 million below the FY 79 figure.

There was discussion on Mr. Scott's recommendation for the Organized Research components. Mr. Scott stated what he was trying to do with his recommendation was find a way for the Legislature to be able to look at general fund support in organized research. Representative Rogers said he believes splitting the component out Institute by Institute is enough.

Representative Fuller asked why they spend less money on mineral industry than they do on agriculture. Mr. Scott said one reason is that the University is a land grants college. He said there are more federal funds available in this area.

There was further discussion on Scott's proposed guidelines. Mr. Scott said there is no longer an independent Regent's staff. He said the staff has been turned over to the supervision of the President, and for that reason he is suggesting the Regent's staff be zeroed out. He said regents staff includes 4 internal auditors which he is recommending be transferred to Statewide Administration, and five other positions, which he is recommending be deleted. Two of those positions are filled. Representative Rogers said he has a problem with this. He said past policy has been to not cut out positions that are presently filled. Representative Montgomery stated he agreed with Scott's recommendation to cut out the regents' staff, and he compared the Regents with school boards. Representative Parr commented these positions were needed in the past, but he doesn't think the situation that existed in the past four years will exist again, so he doesn't think the staff is necessary.

Mr. Scott spoke to other guideline recommendations. There was brief discussion on the University's Master Plan.

Mr. Scott said he is suggesting that since the University has to comply with state procedures, that their external auditor come under the direction of the state Department of Administration. Representative Rogers said he has no problem with this, but thinks intent should be included saying they are to consult with the University. Mr. Scott said this would not change the dollar amount, it would just be a transfer from the University to the Department of Administration.

Mr. Scott advised the President is requesting a \$50.0 contingency fund, and he is recommending that amount be deleted. There was brief discussion.

Under Income, Mr. Scott said he believes the Board has over estimated the amount of student fees that will be generated in Kotzebue and Prince William Sound. He said he is also recommending that under the TVCC program, that 50% of the cost come from user fees.

Representative Rogers said the Committee should look closely at Sabbatical leave, and decide how they will deal with professional and administrative sabbatical leave. He also wants to look at recruitment and relocation expenses. There was brief discussion. Representative Rogers said he is concerned with the relocation expenses.

Representative Rogers referred to the RCA rate increase, and said he would recommend zeroing out all normal telephone call costs, etc., but including the amounts for fixed line charges.

Mr. Scott referred to page 11 of the short form, Sabattical Leave, and said he is suggesting that only faculty be granted sabattical leave.

Representative Rogers stated he is also concerned with the cash flow problem as it relates to federal receipts. He recommended this topic be discussed with University personnel who will be testifying before the Committee.

Mr. Scott referred to page 23 of the short form, and said this is the first time the Data Processing component appears in the University budget. He said he is recommending a reduced figure from the University's request. Mr. Scott said that page 25 of the short form is also a new component this year for risk management. He said he is recommending the medium program proposed by State Risk Management.

Mr. Scott presented the following hand-outs to Committee members:

1. Listing of areas of interest to Legislators in past years.
2. Explanation of discrepancy in student fees. He said this explains what the University has done and what he is proposing to the Committee. There was brief discussion.
3. Listing of dollar amount involved in utilization of inflation amounts in Research to surplant general funds. He briefly explained.
4. A letter from the University President on salary savings to the University. There was brief discussion.
5. A newspaper article concerning conflicts between the University of Alaska Anchorage and the Anchorage Community College. He commented there might be some budget implications due to this in the next few years.
6. Background information on legislative action in past years in asking the University to comply with statutory requirements.

Representative Rogers commented the University's accounting procedure is such that they haven't been complying with the "Haugen" report. He said he has requested that the equivalent of that report be supplied to the Committee by the time the University presents testimony on their budget.

4/01/79

There was discussion on Committee scheduling.

The next item to be considered was the fiscal note for HB 394 (An Act relating to community schools). Representative Duncan advised the bill is scheduled for floor action tomorrow. He said this bill was not referred to finance. He is proposing that the Finance Committee put out a zero fiscal note for this bill, and take up funding for community schools as a budget item. He explained the bill would allow Anchorage, Juneau and Kenai to continue to receive funding for their fifth year under the program. There was discussion. Representative Duncan stated if the Committee accepts the Governor's figure in the budget, each school will be getting more than they did last year, and they will also be able to fund these three schools.

HB 394

Representative Duncan moved that the Finance Committee report out a zero fiscal note for HB 394, and that the the analysis indicate the budget will not be increased, it will be a re-allocation of present funds already in the budget. Representative Rogers objected to the motion. The motion carried.

Zero Fiscal
Note for
HB 394

The meeting adjourned at 1:20 p.m.

ADJOURN

Tape HFC 79-96 Side 2 #186 to end
 79-97 Side 1 #001 to end
 Side 2 #001 to end
 79-98 Side 1 #001 to 104

4/01/79

HOUSE FINANCE COMMITTEE
April 1, 1979

Chairman Meekins called to order a meeting of the Justice Subcommittee (Meekins, Duncan and Montgomery) at approximately 2:30 p.m. The purpose of the meeting was to receive testimony from Department's under the ADMINISTRATION OF JUSTICE budget category. Testimony is recorded on the following tapes:

ADMIN. OF
JUSTICE
SUBCOMMITTEE
Testimony
from
Department's

HFC 79-98 Side 1 #104 to end
HFC 79-98 Side 2 #001 to end
HFC 79-98A Side 1 #001 to end
HFC 79-98A Side 2 #001 to 640

Minutes were not taken of this Subcommittee meeting.

4/01/79

HOUSE FINANCE COMMITTEE

April 2, 1979

9:05 a.m.

All Members of the Committee were present except Representatives McKinnon and Schaeffer. Providing testimony on the University of Alaska were: Foster Diebold, President, Sherman Carter, VP-Finance; Dr. Thombley, VP-Academic Affairs; and Howard Cutler, Chancellor, Fairbanks Campus. Also present was Dave Scott, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order. The purpose of the meeting was to receive testimony on the UNIVERSITY OF ALASKA budget.

UNIVERSITY
OF ALASKA
BUDGET
TESTIMONY

TAPE

DESCRIPTION

HFC 79-99 Side 1

- 001 President Foster Diebold made opening remarks concerning the University's principal duties this year, and what has been accomplished to date. He stated they have entered the final phase of putting together their computer financial operation.
- 111 Diebold presented a brief overview of the University's current financial status. He advised preparation of the budget began at the departmental level, and the FY 80 budget reflects greater staff input than any other budget.
- 175 Diebold commented on the Master Plan. He believes the FY 81 budget will be a direct result of the Plan. He commented on SB 80, and requested the Legislature to not pass legislation requiring the University to lapse funds. He advised that enrollment this year has increased by 9%; they have 9,400 Full Time Equivalent students.
- 229 Meekins asked what guidelines were given to the departments in preparation of their budgets. Diebold stated the departments were govrm bottom line figures. He said the first budgets submitted by the departments were a 40% increase from last year's budget, and they worked backward from that point.
- 290 Discussion on enrollment. Dr. Thrombley said the master plan is based on enrollment increasing 5% to 6% annually for the next five years, and that is a conservative figure. Dr. Cutler commented enrollment at the Fairbanks campus is up 15%, and that it is basically due to unenmployment.

4/2/79

- 384 Brief discussion on costs as they compare to the number of students. Dr. Carter commented the percentage of the overall budget paid for by the state is very commendable. He commented the University he comes from receives 81% state participation; in Alaska it is about 50%.
- (Representative Guy arrived.)
- 464 Montgomery questioned the definition of full time equivalency. Thrombley said it is the total number of credit hours divided by 15 for one semester.
- (Representative Scheaffer arrived.)
- Board of Regents & Statewide Administration:
- 515 Dr. Carter commented on page V of the short form -- staffing patterns. Increase in positions for Board of Regents is for a secretarial position. Increase from 6 to 13 positions in facilities planning is due to switching of positions funded through the bond fund to general funds. He advised these are positions already on-board (equivalent to C.I.P. positions in other budgets). There was discussion on these positions. Diebold advised there are 30 to 40 of these positions in Statewide Administration.
- 630 Carter advised the increase from 4 to 6 positions in Systems Development is for two accounting positions requested to modernize and improve their accounting system.
- 652 There was discussion on the Board of Regents staff. Diebold stated the only staff reporting to the Board is the comptroller, and that is a statutory requirement. He stated there is also a budget analyst. Representative Rogers asked who the Board employees (secretary and assistant to the board) report to. Diebold stated these positions could be more appropriately called staff to the President for Regents' affairs. He said these positions report to him. Carter said the positions under this component perform functions that need to be done. The bulk of the positions are for internal auditors. He commented the positions could be shifted to another place.
- 730 Scott asked if both the Comptroller and Analyst are supervised by the President. Diebold commented a position could be reporting to one person and supervised by another person.

4/2/79

HFC 79-99 Side 2

001 Discussion on auditor positions and reporting requirements. Brief discussion on differences between internal and external auditor responsibilities. Carter said the internal auditors supervise functions of the University, and the external auditors provide reports on that.

136 The meeting adjourned at 9:56 a.m.

ADJOURN

Tape HFC 79-99 Side 1 #001 to end
Side 2 #001 to 136

4/2/79

HOUSE FINANCE COMMITTEE

April 2, 1979

1:30 p.m.

All members of the Committee were in attendance, with Representatives Guy, Rogers, Duncan and Schaeffer arriving later in the meeting. Also in attendance from the University of Alaska: Foster Diebold, President, Dr. Sherman Carter, Vice President for Finance & Comptroller; Ashok Dhingra, Director, Budget Development & Institutional Studies; Dr. Russell Jones, Acting Chancellor, UAJ; Dr. Patrick O'Rourke, Chancellor, Community Colleges, Extension & Rural Education; Dr. Frank Harrison, Chancellor, UAA; Dr. Howard Cutler, Chancellor, UAF; Larry Sweet, Organized Research. Also present: Rob Maurant, Alaska Student Lobby; Martin B. Moore, Bethel Radio & TV Broadcasting; Dave Scott, Budget Analyst, Legislative Finance Division.

PRESENT

Tape #

Description

HFC 79-99 Side 2

- 136 Chairman Meekins called the meeting to order and advised first order of business is to hear testimony from Martin Moore, Bethel Broadcasting.
- 145 Moore advised Bethel Broadcasting represents 54 villages in the surrounding area. He stated he would speak to the supplemental appropriation request Bethel Broadcasting has for \$25.0. He advised this would help maintain the translators in the Bethel area. He described the location of the translators and the problems they have in maintaining them. Stated the \$25.0 would take care of this.
- 215 Moore advised Bethel Radio & TV Broadcasting is asking for \$195,305 from the State for radio and \$497,700 for TV and have justification for this.
- 262 Moore stated TV is extremely important to the children in the area as an educational tool and for recreation. Advised also helps the area get acquainted with the Legislature through the Capital 79 program. Stated this provides only opportunity for people to see the Governor and provides a better understanding of what is happening at the State level. Advised they also learn preventative medicine through TV.

MARTIN MOORE
BETHEL
BROADCASTING

Tape #Description

- [Guy arrived at this time.]
- 310 Moore stated Bethel Broadcasting also controls its own broadcasting. Have programs in the native Upik language.
- [Rogers and Duncan arrived at this time.]
- 327 Moore advised he has been president of Bethel Broadcasting for 8 years and can witness it has been helpful to the people.
- 340 Meeking asked for response regarding question of not showing Capital 79 because it is not popular. Moore advised it is true the people do enjoy entertaining programs, but they need and appreciate the programs dealing with important issues, and Capital 79 does provide a lot of help.
- 389 Moore referred to \$57.0 in the budget to maintain the translators and obtain 3-4 more for the area. Commented he feels the Governor would probably cut this, but he feels this is very much needed.
- 413 Meekins noted this portion of the budget was left open. He asked if Moore had any written material to leave with the Committee, and Moore indicated no, but had copies of the prepared budget.
- 434 Committee had brief discussion on when to meet on DOT budget. The meeting is Tuesday night at 7 p.m. DOT BUDGET MEETING
- 490 UNIVERSITY OF ALASKA budget: Meekins discussed Committee letter regarding 15% cuts and prioritization and asked if UA had response. Diebold replied they did this from 15% across-the-board and then back. UNIVERSITY BUDGET HEARINGS
- 530 Diebold explained why they didn't have a lot of copies of their response to the Committee letter. He stated the UA budget is about 75% labor intensive. Advised \$10 million is fixed--insurance, debt service. Stated would provide copies of response to letter to Committee by Wednesday. Meekins stressed importance of request for information be timely.
- 574 Carter referred to comments made at this morning's meeting and stated originally submitted the budget for one Board of Regents statewide. Stated this was one component and not separated.

Tape #Description

- 590 Discussion on budget format. Scott stated UA did submit their budget in a form not consistent with shortform, but have met with both Finance Committee chairmen, and UA budget has been revised to reflect the shortform.
- 620 Board of Regents, pg 7: Carter stated it would be helpful and more efficient if Statewide Administration and Board of Regents could be split out. Also advised the positions here are 9, not 15.
- 643 Statewide Administration, pg 21: Carter discussed the total of 7 positions. Discussed taking from fund #5 and putting them into fund #1. Advised he has discussed this with Meekins. Stated these people do a lot of work on other projects (CIP).
- 660 Meekins stated the general concern is that there are positions that are State money and that are required by statute to be shown in the budget, and they are not shown there. He stressed the importance of the necessity for the funding sources to be accurate, whether federal funds, capital funds, research funds, etc.
- 685 Risk Management, pg 25: Carter advised they are working closely with John Haywood. Stated the UA is going to self-insure in a major program. Discussed deductibles and having reserve fund. Stated he feels it is necessary to have the reserve or revolving fund to help defray costs so that they don't have to wait until spring when the Legislature meets and submit a supplemental. Further discussion.

HFC 79-100 Side 1

- 001 Carter advised, in setting up a self-insurance program, it is recommended that a reserve be set up that won't be tapped for anything else. Meekins stated he feels, technically, they would be supplying a reserve for this under the lowest estimate.
- 082 Carter discussed the issue of salary savings, stating this year they are not significant--1% salary savings overall on statewide basis.

Tape #

Description

- 130 Moss asked how many in vacancy, and Carter answered he doesn't know right now, but will report back next week. Diebold advised each chancellor could have run total and have this to the Committee today. Scott pointed out he and Senate Finance Chairman requested list of vacant positions that should have been available to the Committee today. Meekins again noted importance of timely manner in providing Committee with written requests.
- 203 Carter stated there is an 87% increase in State-wide. Rogers asked what percentage is fixed. Carter discussed the UA phone calls. Meekins noted cost of phone calls and stated he feels it is economic to implement reductions there.
- 325 Organized Research-Alaska, pg 259: Larry Sweet presented handout (attached) and explained. He indicated where further details of the program can be found. Stated he has copy of the National Science Foundation, Sep-Oct issue. Montgomery noted cost of this manual last year was \$13 per copy and stated he felt this cost was more than was necessary. Diebold indicated he had heard this before.
- 427 Haugen brought up question on receivables. Carter advised this was reduced about 30% last year and is now about par for the course.
- 449 Rogers asked about inflation adjustment in federal receipts. Sweet advised, in the budget request, the federal receipts were estimated and were overestimated. Stated had federal requests but didn't have authorized budget last year. Commented he doesn't think in FY 80 they will get restricted funds. Discussion on what will happen if they don't get these funds. Diebold stated they have not yet had to lay off people, but added the UA will definitely have to address immediately the general fund end of the budget to absorb this should it be necessary.
- 537 Moss asked if the budget includes pesticide research, and Sweet replied soils fertility was in the request, but not in the continuation level. Dr. Cutler advised this is in the current budget submitted to the Committee. Moss stated he feels this is important and that this be put in here. Cutler noted figures contained in HB 390.

Tape #Description

- 561 Moss discussed the Homer Research Farm and that some of the money was transferred from Kodiak to help this project.
- 573 Duncan questioned the federal receipts, stating the UA is proposing a 5.7% increase and that they didn't expect this money to materialize. He asked now UA wants the Legislature to over-appropriate this. Sweet advised the UA doesn't think they are going to meet what they projected. Diebold discussed the RP's on increased revenue and the problem they had with them last year. Sweet noted they haven't had any problems with RP's this year. Carter noted they are only going to expend as much as necessary.
- 637 Haugen commented on the problem with title to the land regarding Kodiak. Stated the \$400.0 request was to put this into Palmer redmeat research. Moss stated, consequently, reappropriated bond money. Diebold advised this is not resolved yet.
- 658 Scott stated there is no money in the Governor's budget nor in the UA budget for the Homer Ag Farm. Pointed out this needs to be addressed by the Committee.
- 671 Meekins questioned the reason for the breakout between Alaska Organized Research and Arctic Organized Research and asked for explanation of the differences. Stated he personally does not favor the split. Discussion on the terms applied research and non-applied research--the latter being non-specific or abstract research. Diebold indicated he strongly supports Meekins point of view. He gave examples of how the press treats certain research projects. Meekins stated he feels there should not be a policy breakout.

HFC 79-100 Side 2

- 001 Further discussion on research budget breakouts. Meekins asked if the UA strenuously objects to this view. Diebold indicated no and noted their basic breakout is 16 BRU's. Meekins indicated he understands this was to help the Committee.
- 054 McKinnon pointed out \$187.5 salary for one position on pg 273. Scott commented on position equivalency and stated this figure is wrong, but rest of page dollars are right and this works out to be accurate.

Tape #Description

- 092 Rogers brought up the subject of equipment and asked if there is any equipment they can't get along without. Diebold stated this was maintenance in FY 77, frozen in FY 78, continuation in FY 79, and they have a lot to make up in FY 80. During discussion, he stated he froze new hire, capital and equipment in FY 79. Sweet stated he has a list already prepared with their priorities in this area and would see the Committee was provided with a copy.
- 160 Meekins asked for a definition of "indirect cost recovery". Carter explained part of the insurance, utilities, etc. are termed indirect costs. He advised this is a negotiated rate with the federal government--federal auditors come in--and they do have a tentative rate now. He stated there is a spectrum of rates and gave examples. Scott noted in FY 79 budget, UA has \$3.5 million for indirect cost recovery and \$3.6 was collected in FY 78. Discussion on this analysis. It was noted this money was spread throughout the budget, and UA people indicated they are aware that more needs to be done regarding this. Further discussion.
- 327 Diebold and Carter indicated Sweet is the expert on this subject. Sweet stated he feels \$3.5 million for FY 79 is accurate. Stated this includes all the BR's, which show \$3.5. Discussion on how he arrived at that figure. Sweet stated looks like FY 80 will be where they currently are now.
- 394 Schaeffer asked where to get additional information on research efforts on material that is already done, and Diebold indicated this would be in the AEIDC manual.
- 420 [Meeting recessed at 3:20 p.m. and reconvened at RECESS 3:38 p.m., with Vice Chairman Freeman recalling the meeting to order.]
- 421 Rogers noted requests for several new sub-programs and asked if these should really be separate sub-programs. Sweet responded they don't have to be. He discussed the programs and why they were broken out. Advised UA calls these cooperatives. Rogers wondered if the UA couldn't put all of these into one Organized Research unit, titled Fisheries, Wildlife & Parks. Discussion.
- [Meekins returned to the meeting.]

<u>Tape #</u>	<u>Description</u>
480	Rogers asked if there was a reporting system and discussed this year's intent language. Scott suggested the Committee might want to take a look and continue this intent language regarding this year's reporting system.
556	<u>University Center-Anchorage</u> , pg 53: Dr. Harrison gave overview of UAA, containing general descriptive information that would help evaluate the UAA campus. He noted they are sharing the campus with Anchorage Community College. He discussed credit hours and faculty-student ratio that is currently 1 to 28. Discussed \$11-1/2 million of general fund for FY 79 and \$1.6 million in the operating budget that may not be forthcoming. Noted \$1.5 million in capital equipment for nursing program. Stated this is not part of the operating budget, but UAA regards this as their #1 priority--equipment for physical sciences and general purposes equipment.
615	Harrison advised #2nd priority is for the library. Stated they are in short supply of library materials; present inventory is approximately 190,000.
631	Harrison stated faculty positions is also a priority. Advised definitely a need and demand for UAA school of business and school of nursing.
640	Harrison stated programs are seriously being affected with reductions. Stressed critical need for capital equipment. Adv'sed of approximately 4,000 student enrollment level for next year. Stated quality of programs will be seriously impaired because of the lack of equipment, library books and faculty positions. Recapped UAA's list of priorities is #1 capital equipment, #2 library books and #3 faculty positions.
690	Rogers noted request for \$227.0 for books and journals and asked how much UAA needs. Harrison advised \$5 million to bring the library up to American Library Association (ALA) standards. Stated ALA does provide for numbers of periodicals and various staffing that should be in place.
720	Discussion on HB 365 "library bill". Harris advised that supplemental request is not part of the \$500.0 request. Meekins stated Committee felt library books was the UA's highest priority.

Tape #DescriptionHFC 79-101 Side 1

- 001 Further discussion on library bill. Meekins stated a faculty member alluded to the fact that this was money cut from the budget by the Governor. Stated Harrison's representation is different from his understanding.
- 065 Harrison advised highest priority is the instruction in the business school. Rogers asked if this was starting up new programs rather than building up existing ones. Harrison noted the engineering program is an expansion of the existing program. He advised the highest priority is in engineering, then in school of nursing. Noted in FY 80 UAA would further develop the baccalaureate program, which was campus level request. Discussion.
- 159 Montgomery asked about the accreditation report regarding library books. Harrison indicated the 1974 report by Northwest Accreditation Association noted the library deficiencies. He added they expect another visit from NAA during the fall semester of this year.
- 185 Montgomery asked how they arrived at the faculty-student ratio of 1 to 28. Diebold stated this is head count figure. Harrison advised it has nothing to do with full-time equivalency figure. Stated this is a measure of classroom density.
- 216 Montgomery asked if there was duplication of service with the ACC. Harrison advised accounting and personnel are a cooperative effort on the part of UAA and ACC at the Anchorage campus.
- 242 Montgomery asked the status of the contracts now with employees and if they currently have an agreement. Diebold stated they have an agreement that expires July 1. Montgomery asked where he gets his directions. Diebold stated his staff has a collective bargaining unit and will submit recommendations. Scott mentioned letter from the unit to reopen the contract was received late last month. Diebold stated he did not wish to discuss this further as letter from the bargaining unit to request the reopening of the contract was not submitted to him but to the Legislature.

[Meekins left the meeting at this time.]

Tape #Description

- 292 Haugen questioned the request for library books. Harrison stated the \$227.0 was the top priority and indicated it is in the operating budget. Further discussion. Harrison stated the top priority was the library books submitted by the Board of Regents. Rogers discussed comments he received from Anchorage and Fairbanks students regarding need for library books.
- 384 McKinnon brought up question of UAA and ACC providing new facilities and new services. Discussion. Diebold stated the need is constant.
- 422 Rogers asked if Academic Support, pg 57, budget is 1-year subsidy. Harrison advised this would be from theatre ticket sales--program receipts. Advised this is an attempt to provide additional support to their theatre; general fund money would be going to the theatre.
- 450 Freeman advised Committee would meet tomorrow morning at 9 a.m. and continue with UA budget.
- 460 Meeting adjourned at 4:30 p.m. ADJOURN

Tape HFC 79-99 Side 2 #136 - End
 79-100 Side 1 #001 - End
 Side 2 #001 - End
 79-101 Side 1 #001 - #460

TABLE 18
RESEARCH RELATED TO
AGRICULTURE

- Use of remote sensing data to aid in land selections and development (GI,AES)
- Evaluation of the agricultural potential of the middle Kuskokwim Valley and near Kenai (AES)
- Studies of the relative yields resulting from alternative crop varieties and crop management approaches in grain production (AES)
- Parallel studies in vegetable production (AES)
- Studies on the use of waste heat in agriculture (AES)
- Research on greenhouse production (AES)
- Use of wastes of fish processing plants for livestock feed (ASG,AES)
- Studies on forage production for livestock (AES)
- Economic assessment of barley production (AES)
- Marketing studies for small grains (AES)
- Economic demand analyses for rangeland grazing in Alaska (AES)

TABLE 19
RESEARCH RELATED TO
MINERALS

- Development of new methods for analyzing Alaskan coal deposits (GI,MIRL)
- Studies on coal production (MIRL)
- Inventory of reports pertaining to three Alaska coal areas (AEIDC)
- Survey of potential mineral resources in Alaskan water (IMS)
- Study of offshore placer sites (IMS,ASG,MIRL)
- Development of reliable sampling methods to locate uranium resources (IWR)
- Review of northern mining activities (MIRL)
- Evaluation of exploration methods in permafrost areas (MIRL,GI)
- Inventory of gold and silver deposits (MIRL)

TABLE 20
RESEARCH RELATED TO
WILDLIFE

- Use of satellite imagery to support fire suppression efforts on prime range-land for reindeer herders (GI)
- Study of the impact of grazing on tundra plants and nesting birds (IAB,ACWRU)
- Studies of reindeer and caribou physiology (IAB)
- Economic analysis of alternative reindeer management approaches (IAB)
- Economic and biological studies of antler harvesting (IAB,AES)
- Studies of methods of controlling infectious diseases in reindeer and their transmittal to herders (IAB)
- Comparative studies of reindeer and caribou food habits and effects on vegetation (IAB)
- Studies of nutritional sources for moose, snowshoe hares and ptarmigan (IAB, ACWRU)
- Studies of the effects of radioactive fallout on arctic animals (IAB)
- Studies of disease problems in Dall sheep and muskoxen (IAB)
- Studies of the range requirements of muskoxen (ACWRU)
- Studies of range conditions and their relationship to caribou migration (ACWRU)
- Studies of the relationship between wolf and caribou (ACWRU)
- Survey of wildlife resources using satellite data (GI,ACWRU)
- Evaluation of the effectiveness of aerial surveys of mountain goats and moose (ACWRU)
- Studies of whale-vessel interactions (ACPSU)
- Coordination of bowhead whale research (AEIDC)
- Studies on the effects of road traffic on animals in Mt. McKinley National Park (ACPSU)
- Wolf habitat studies in Mt. McKinley (ACPSU)

TABLE 21
RESEARCH RELATED TO
WOOD PRODUCTS

- Studies of forest production in interior Alaska (IAB,AES)
- Studies of the value of forest fertilization (AES)
- Studies of revegetation on logged areas (AES)
- Studies of the effects of climate, fire and browsers on the spatial pattern and relative abundance of tree species (IAB)

TABLE 22
RESEARCH RELATED TO
RURAL ALASKA

- Studies of coastal land and resource values pertinent to Native land selections (ASG)
- Socioeconomic evaluation of national interest land status on reindeer herding (IAB)
- Land use planning studies in the Copper River-Wrangell and Upper Yukon-Porcupine regions (AES,ISER)
- Studies on the influence of taxation policies on Native lands (AES)
- Studies on Native employment and subsistence (ISER)
- Studies on the impacts of alternative forest management practices in the Tongass National Forest (ISER)
- Economic studies related to air transport and economic development in northwestern Alaska (MGT)
- Use of satellite imagery to target main river channels for river-dusting operations to reduce breakup flooding problems (GI)
- Review of available water and waste-water treatment and transportation systems in northern countries (IWR)
- Evaluation of alternative waste-water treatment methods in Alaska (IWR)
- Experiments with two-way television communication by satellite for medical education, consultation and recruitment (WAMI)
- Studies on the effects of expanding television broadcasting (IAB,CXCS)
- Studies on rural high school program effectiveness (ISER)
- Studies of the transition of education to local control (CXCS)
- Analysis of elementary and secondary school financing (CXCS)
- Studies on rural teacher and teacher-aide training methods (ED)
- Inventories of cultural resources on national interest and Native corporation lands (ACPSU)
- Conducting archeological studies for municipalities (ACPSU)
- Studies of violent deaths in Alaska (WAMI)
- Film projects related to Native cultures (CXCS,LIB)
- Production of village profiles for the NANA, AHTNA, Aleut and Arctic North Slope Native regions (AEIDC)
- Air-quality research at Glacier Bay National Monument (ACPSU)
- Studies on the use of forest lands for recreation (AES)
- Production of a historical case file on navigable waters (AEIDC)

(See also energy studies section)

TABLE 23
RESEARCH RELATED TO
MARINE & FRESHWATER RESOURCES

- Prediction of new fishery resources from dredge and trawl surveys (IMS)
- Determination of level of production of subtidal clams (IMS)
- Studies of the harvest potential of the Alaska pollock (IMS)
- Assessment of new crab and bottomfish resources (IMS,ASG)
- Prediction of new fisheries based on ice studies in the Bering Sea (IMS, ASG)
- Studies of snow crab and king crab feeding and reproductive biology (IMS)
- Studies of the shellfish poisoning problem in Alaska (IMS)
- Work on developing a simple field test for paralytic shellfish poisoning (IMS,ASG)
- Research related to managing pink and chum salmon fry released from hatcheries (IMS,ASG)
- Studies of nutrient cycles in rivers and coastal lagoons to advance our understanding of the effects of pollutants and coastal fisheries (IMS)
- Studies of the effects of weather on the survival of fish larvae (IMS)
- Use of water temperature information to help fishermen locate pink shrimp populations (GI,IMS)
- Studies of the optimal release time and feeding habits of salmon fry (ASG)
- Investigations as to the causes of the decline in the state's shrimp fishery (ASG,IMS)
- Economic studies of salmon enhancement operations (ASG)
- Studies of consumer demand and marketing channels for the snow crab (ASG)
- Investment analysis of an Alaska bottom fishery (ASG)
- Analyses of the market structure of the state's salmon, shrimp, halibut and herring processing facilities (ASG)
- Taxation study of the Alaska bottomfish industry (ISER)
- Economic cost analysis of shore-based bottomfish processing (ISER)
- Evaluation of the Alaska limited entry program (ISER,ASG)

TABLE 24

RESEARCH RELATED TO
OIL & GAS

- Studies of near shore sea ice characteristics (GI)
- Studies of seismic activity in potential petroleum resource areas (GI)
- Location of marine gravel resources for oil platform drilling "islands" (IMS,GI)
- Study of attitudes toward petrochemical development in Fairbanks (ISER)
- Geological field work in the pipeline corridor (MIRL)
- Coordination of OCS environmental assessments north of the Bering Strait (GI)
- Studies of potential pathological problems found in bottom dwelling sh that might be affected by OCS development (IMS)
- Studies of the effects of low concentrations of petroleum on trout and salmon and other marine animals (IMS)
- Studies of the ecological effects of oil spills and road construction on arctic lakes (IMS)
- Ecosystem studies of the Simpson Lagoon area on the North Slope (IMS)
- Monitoring of environmental changes in Valdez harbor (IMS)
- Migration and ecological studies of shorebirds dependent on clams and other organisms that are sensitive to petroleum pollutants (IAB,AWCRU)
- Studies of arctic vegetation near oil wells and transportation corridors (IAB)
- Response of tundra plants to fertilization in revegetation efforts (IAB, (AES)
- Studies on the use of soil invertebrates as indicators of environmental quality in the Yukon River/Prudhoe Bay transportation corridor (IAB)
- Studies of the reaction of caribou to pipeline structures (ACWRU)
- Studies on Native employment on the trans-Alaska oil pipeline (IAB,ISER)
- Studies on the urban impacts of oil development (ISER)
- Study to assess how oil and gas development has affected the local government on the North Slope (ISER)
- Identification of areas of former human habitation on the Outercontinental Shelf (MUS)
- Studies of management procedures to offset the effects of oil spills (AES)
- Analysis of coastal energy impact regulations (ISER)
- Study of the effectiveness of environmental regulations during the construction of the trans-Alaska oil pipeline (ISER)
- Analysis of in-state use of Alaska's Royalty Oil (ISER)
- Economic analysis of the development of the National Petroleum Reserve (ISER)
- Analysis of the politics and regulations affecting oil-based petrochemicals in Alaska (ISER)
- Inventory of environmental reports on alternative gas line routes (AEIDC)

TABLE 25
RESEARCH RELATED TO
OTHER ENERGY RESOURCES

- Assessment of the wind power potential in Alaska (GI)
- Inventory of Alaska's geothermal resources (GI)
- Studies of the effects of thermal discharges from power plants into northern streams (IWR)
- Assessment of solar energy potential for hot water and passive space heating (IWR)
- Analysis of the Alaskan market for solar energy (IWR)
- Analysis of the political and policy issues surrounding hydroelectric power development (IWR)
- Studies on energy-intensive industrial development in Alaska (ISER)

TABLE 26
RESEARCH RELATED TO
CLIMATE

- Influence of solar activity on the earth's weather (GI)
 - Relationships of oceanic conditions to national weather conditions (IMS, GI)
-
- Influence of heat generated by human settlements on local pollution levels (GI)
 - Studies of the effects of air pollution on human blood conditions and lung functioning (WAMI)
 - Statewide inventory of climatic conditions for agricultural crops (AES)
 - Production of climatological atlases on the Gulf of Alaska and the Bering and Beaufort Seas (AEIDC)

TABLE 27

RESEARCH THAT CAN BE APPLIED ACROSS MANY RESOURCE AREAS

- Studies of marine mammal biology (IMS,IAB)
- Studies of ocean currents, the mixing of ocean waters and other basic physical characteristics (IMS)
- Study of the Prince Williams Sound (IMS)
- Classification of Alaskan plants and identification of areas of particular interest on the North Slope and northern Gulf of Alaska coastlands (IAB)
- Studies of taiga ecosystems (IAB,BIOME)
- Studies of arctic insect food consumption (IAB)
- Studies of soil invertebrates in arctic environments (IAB)
- Studies of the metabolism of small arctic mammals (IAB,NARL)
- Studies of the effects of pesticides and other chemical residues on birds partly with a concern that humans consuming migrant waterfowl may also be effected (IAB)
- Studies of tundra and arctic lake ecosystems (BIOME,IMS,IAB)
- Studies of revegetation following disturbance caused by construction activities (AES)
- Studies on Alaskan birds (MUS)
- Studies of animal population movements based on fossil remains (MUS)
- Studies on the human ecology of arctic communities (AB)
- Archeological and paleoecological studies (AB)
- Social and economic history of the Pribilofs (ISER)
- Analysis of the national school lunch program (ISER)
- Studies related to Alaska's Permanent Fund (ISER)
- Analysis of the southcentral regional economy (ISER)
- Statewide economic analyses (MGT,ISER)
- Studies of the aurora (GI)
- Detection of frozen ground and massive ground ice through remote sensing (GI)
- Studies of streams subject to aufeis formation (massive ice buildup) (GI)
- Studies of glacier flows and interactions between glaciers and volcanoes (GI)
- Studies of long-term changes in the earth's magnetic field (GI)
- Evaluation of volcanic hazards in Alaska (GI)

TABLE 28
RESEARCH UNIT NAMES AND ABBREVIATIONS

ACPSU	-	Alaska Cooperative Park Studies Unit
ACWRU	-	Alaska Cooperative Wildlife Research Unit
AEIDC	-	Arctic Environmental Information and Data Center
AES	-	Agricultural Experiment Station
ASG	-	Alaska Sea Grant Program
BIOME	-	BIOME Center
CXCS	-	Center for Cross-Cultural Studies
CWRU	-	Cooperative Wildlife Research Unit
ED	-	School of Education
GI	-	Geophysical Institute
IAB	-	Institute of Arctic Biology
IMS	-	Institute of Marine Science
ISER	-	Institute of Social and Economic Research
IWR	-	Institute of Water Resources
LIB	-	Library
MGT	-	School of Management
MIRL	-	Mineral Industry Research Laboratory
MUS	-	Museum
WAMI	-	WAMI Medical Program

HOUSE FINANCE COMMITTEE

April 3, 1979

9:10 a.m.

All Members of the Committee were present. Representatives Meekins, Guy, Duncan and Schaeffer arrived later in the meeting. Present to provide testimony were: Frank Peratrovich, Klawock; Bill Suss, Superintendent, Klawock School District; President Diebold, University of Alaska; Chancellor Cutler, U. of A. - Fairbanks; Chancellor Pat O'Rourke, Community Colleges, Extension, and Rural Education. Also present was Dave Scott, Legislative Finance Division.

PRESENT

Vice-Chairman Freeman called the meeting to order, and stated the Committee would receive testimony on the proposed Klawock High School.

TAPE #

DESCRIPTION

HFC 79-101 Side 1

460

Mr. Frank Peratrovich advised that Klawock is trying to get help from legislators in establishing a high school at Klawock. At present students have to go to high school in Craig, which is seven miles away. He commented on the problems they have in getting to Craig in the winter. Mr. Bill Suss, Superintendent Klawock School District, advised that both Craig and Klawock are first class cities. He said Klawock is the only first class city in the state that doesn't have a high school. Klawock sends 39 students to Craig and pays \$22,000 in tuition. Craig has 40 high school students. Mr. Suss advised that Klawock has no representation on the Craig school board. He advised they have already completed a planning study, and are proposing a basic program to make them accredited. Rep. Moss asked if Klawock received any state funds, and Mr. Suss said they received approximately \$100,000 three years ago to build a gym (which cost approximately \$200,000). They believe it will cost \$1.5 million maximum for construction of the school. Mr. Suss advised that students are presently transported to Craig by bus, and over the past two years their school had higher than 23% absenteeism -- if a student missed the bus he didn't go to school.

PROPOSAL FOR
HIGH SCHOOL
AT KLAUOCK

(Reps. Guy, Duncan and Schaeffer arrived at this time.)

Rep. Freeman presented background information on the building of schools at Craig and Klawock. There was brief discussion on high schools in other small southeast communities.

4/3/79

(Rep. Meekins arrived at this time.)

University of Alaska budget testimony.

TESTIMONY
ON U. OF A.
BUDGET

666 Fairbanks Campus: Chancellor Cutler advised they will be having the second highest enrollment in the history of the University this spring. They are up 25% from 1976-1977.

Fairbanks
Campus

705 Cutler briefly reviewed their objectives in past years, and explained what their priorities are this year.

HFC 79-101 Side 2

001 Cutler advised their first priority is maintenance. They do not have a maintenance budget. He is having to cut programs to meet the salary savings requirement.

045 Cutler commented on reasons for high enrollment.

083 Cutler advised a budget priority is for faculty development. He commented on Northwest Accreditation's comments five years ago that the University faculty needs to keep up to date on developments outside of Alaska. He said the situation is worse now.

120 Cutler said one of their main priorities is new positions to handle the opening of the new museum.

130 Diebold commented briefly on the history of the problem of professional development and sabbatical leave.

168 Scott asked for comments on the X-CED program and the current process by which the budget is divided. Cutler said this was his highest priority last year. Financially, they have cooperated with the Department of Education, and they are willing to continue with the same cooperation. He said he was more interested in keeping the program than in who controls the funds.

207 Concerning Sabattical leave, Rep. Montgomery asked if the had used exchange of faculty. Cutler said yes, and explained one program where they exchanged with a faculty member from Chico State University in California, which resulted in no cost to the state. He said they also have exchanges with Japan, and they expect that program to increase.

4/3/79

- 234 Rep. Montgomery asked if NWAA had any other concerns. Cutler said faculty development and improvement were the main things they pointed out.
- 254 Rep. Montgomery asked if the average ratio is 28 students per class. Diebold said that is for the University of Alaska-Anchorage. He further explained. Rep. Montgomery asked what the teaching load is and Diebold said this would have to be computed on an individual basis. He will provide this information to the Committee.
- 302 Rep. Montgomery asked how much faculty housing was available. Diebold advised there are 90 units on the Fairbanks campus, and rents are approximately \$250 to \$550 per month. Brief discussion on housing.
- 352 Rep. Montgomery asked if the tuition rate assessed by the Regents was competitive to the nation as a whole. Diebold said the tuition is low compared to other Universities. He advised he had recommended a 20% increase; the Regents accepted a 7% increase. The 7% increase nets approximately \$300,000 to the University.
- 384 Rep. Montgomery questioned the student housing. Cutler advised they have student housing for 1300; presently 1050 are housed. In answer to a question from Montgomery, Cutler advised the food service is self sustaining. There was brief discussion on student activities.
- 416 Rep. Montgomery asked if the present reimbursement rate to the professional staff is adequate. Cutler said no. He stated they have fallen below the middle of salary levels nationwide. Diebold commented this applies only to faculty. Salaries for administrators are flawed -- some are too high, some too low. He will provide information to Montgomery on COLA.
- 461 Rep. Rogers questioned student activity fees. Diebold advised Anchorage is not paying a student activity fee. Fairbanks voted on a \$15 fee some time ago. There was discussion.
- 509 Rep. Rogers asked what the basic on-going operating need on the Fairbanks campus was for library books. Cutler said their request is for \$240.0. There was brief discussion.

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560 Discussion on the Petroleum Engineering program. Cutler said they feel the need is for petroleum education, not engineers. He advised their program does not duplicate the programs in Kenai or Anchorage. They coordinate their programs so there is no duplication.

635 Rep. Rogers asked what their priorities were for positions for the new museum. Cutler provided the following priority listing:

1. Custodian -- \$43.5 in physical plant component.
2. General Museum Technician -- \$21.0 in Administration and Support Component.
3. Museum Attendant -- \$9.0, position #17 in Administration and Support component.
4. Services, phone and graphics -- \$9.5 in commodities in Administration and Support component.
5. Student Pool -- position #18 in Administration and Support component.

There was further discussion on museum costs.

687 Rep. Haugen commented on the Petroleum Engineering program. He said the state is short of people for management in the petroleum industry. He commented that it bothers him that there is not an up-front program for this. He mentioned that he has the same problem in the fisheries area. He commented that he doesn't see students from the petroleum engineering program getting hired in the State.

751 Chairman Meekins asked how many full time equivalent students there are. Cutler advised there were 2600 FTE's last Fall.

HFC 79-102 Side 1

001 Further discussion on FTE's on various campuses and how the numbers are calculated.

068 There was further discussion on the increased tuition fee. Diebold advised the budget was put together under the prevailing tuition rate. Discussion on the reason the Regent's accepted the 7% increase. In answer to a question from Meekins, Diebold stated he believes the Regents were aware that in accepting the 7% increase, approximately \$600,000 would have to be recovered from another source.

4/3/79

- 312 Rep. Schaeffer referred to a newspaper article concerning a report on bush schools, and asked if the University cared to respond. Diebold said his understanding of that report is that the newspaper article is not exactly correct. He said the program has never been stronger on the Fairbanks campus. Cutler commented the newspaper article picked up only the negative aspects of the report. There was brief discussion. Diebold will provide a summary of their reaction to the report.
- 480 Community Colleges, Statewide Administration: Community Colleges
Chancellor Pat O'Rourke stated this areas contains 15 separate components. He explained the areas involved and their functions. He commented on differences between community colleges and universities. The component includes eleven community colleges; the cooperative extention services component; rural education; and two administrative BRU's.
- 575 O'Rourke advised community colleges account for 60% of the state's higher education enrollment. Their budget is a 12.9% increase over the FY 80 continuation level. The overall general fund increase is approximately \$3,050,000.
- 590 O'Rourke advised each community college has begun a self accreditation study. Six of the eleven colleges will be undergoing accreditation evaluations either this Spring or Fall. Three colleges are in candidate status. The two new units this year are not yet candidates for accreditation.
- 615 O'Rourke commented the colleges do not have the resources to develop necessary programs. He commented on areas of difficulty in the community college budgets: salary savings -- have had to take most of the salary savings from new positions, and not fill the positions; mandatory salary increases -- the Governor's recommendation is a reduction, and this will short fund their salary increases.
- 666 The meeting adjourned at 11:00 a.m., so Committee members could attend a joint session. ADJOURN

Tape HFC 79-101 Side 1 #460 to end
 Side 2 #001 to end
HFC 79-102 Side 1 #001 to 666

4/3/79

HOUSE FINANCE COMMITTEE

April 3, 1979

1:38 p.m.

All members of the Committee were in attendance, with Representatives Duncan Freeman and Moss arriving later in the meeting. Also in attendance from the University of Alaska: Foster Diebold, President; Dr. Sherman Carter, Vice President for Finance & Comptroller; Ashok Dhingra, Director, Budget Development & Institutional Studies; Dr. Russell Jones, Acting Chancellor, UAJ; Dr. Michael Paradise; Dr. Patrick O'Rourke, Chancellor, Community Colleges, Extension & Rural Education; Dr. Frank Harrison, Chancellor, UAA; Dr. Howard Cutler, Chancellor, UAF. Also present: Bill Thompson, Department of Education; Rob Mourant, Alaska Student Lobby; Dave Scott, Budget Analyst, Legislative Finance Division.

PRESENT

Tape #

Description

HFC 79-102 Side 1

- | | | |
|-----|---|---|
| 665 | Chairman Meekins called the meeting to order and stated the Committee would continue hearings on the <u>UNIVERSITY OF ALASKA</u> budget. | <u>UNIVERSITY
BUDGET
HEARINGS</u> |
| 677 | <u>CC-Statewide Administration</u> , pg 87: Dr. O'Rourke discussed points of difficulty in the statewide staffing structure. He referred to Table II of the shortform and discussed tuition and fees.

[Duncan arrived at this time.]

He stated the Board took a 7% increase while the Governor took a 20% decrease, which has impacted the instructional area. He asked that the Committee look favorably to restoring the differential in these budgets. | |
| 700 | O'Rourke, using Kotzebue as an example, stated with regard to staffing, they are requesting increments this year to bring those units up to par--Prince William Sound and Kotzebue. | |
| 713 | Advised the major priority is the increase for base in the staff and support areas for Kotzebue and Valdez. Stated have signed agreement for Valdez; Kotzebue is forthcoming. | |

<u>Tape #</u>	<u>Description</u>
729	O'Rourke advised 2nd priority is in the rural education area. Stated currently clerical service is provided by CETA.
745	3rd priority, O'Rourke advised, is Tanana Valley CC. Discussed reasons why.
<u>HFC 79-102 Side 2</u>	
001	O'Rourke discussed arrangements being made with Hutchinson Career Center. Stated discussions are underway for this being turned over to TVCC.
030	O'Rourke stated 4th priority is Anchorage CC. Stated they plan expansion of Alaska native language program, specialized service to women and expansion at Eagle River.
065	5th priority, O'Rourke advised is Kenai CC. Stated request is for \$105.0 in overall general fund.
075	Duncan requested priority listing by each unit. <u>REQUEST</u> O'Rourke will provide. [Freeman arrived at this time.]
097	O'Rourke noted these are only the priorities of the division, that probably the campus presidents have their own priorities. Stated the requests here provide only basic minimum needs and do not even come up to standard.
119	Discussion on budget request within the CC in general and rural education. [Moss arrived at this time.]
152	O'Rourke discussed cooperative use of facilities in Delta area. Stated this won't come on line until FY 81.
168	Rogers asked what was being done in Nome. O'Rourke advised they do have basic facilities of 3,000 sq ft and are presently looking at new facilities adjacent to the one they have. Discussed estimate on reconstruction. Stated this would essentially make the CC primarily a night-time situation. Meekins brought up question of ownership. Dave Scott and Bill Thompson advised this is currently in State ownership. Discussion on dorms, with O'Rourke stating there are very few housing units left. Schaeffer noted State Board of Education made recommendations to turn this over to the local schools.

<u>Tape #</u>	<u>Description</u>	
281	Moss asked about the situation at Ft Yukon. O'Rourke advised of the Delta cooperative program. Moss brought up \$750.0 in bond money, and O'Rourke stated this was with the approval of the Governor's Office and Budget & Audit Committee. Discussion on moving bond money that was for a specific project. Meekins assigned Scott to obtain information on Moss's request.	
340	Rogers further discussed the Hutchinson Center. O'Rourke stated the Hutchinson Career Center is currently being negotiated as a cooperative venture with TVCC taking over. Stated they were looking at the BLM building last year, but that fell through. Advised he hopes to have something firm regarding this matter to take to the Board meeting in Juneau.	
385	Haugen requested a list of all bond issues that have and have not taken place. Scott advised he has that information and will give to Haugen.	<u>REQUEST</u>
405	Further discussion on TVCC and Hutchinson negotiations. O'Rourke stated one of the difficulties is the recommendations of the planning and construction people.	
430	Meekins asked about the contract; stated he heard the deadline has been passed. O'Rourke advised the UA contract is due to expire in June; stated he could tell the Committee on Thursday. Diebold stated they will reopen the contract and renegotiate.	
453	<u>Anchorage CC-Academic, Instruction, pg 95:</u> O'Rourke listed the priority positions: Positions #1 (3), #5 (2) & #12 (which is an increase in part-time instruction at Eagle River. Rogers asked if Eagle River were a separate CC, and O'Rourke stated it is an extension center of ACC; was under Mat-Su CC last year. Discussion on what the Governor allowed. Scott stated the Governor approved the total—the question is the funding source, which means an increase in general fund or decrease of expenditures.	
542	<u>Public Service, pg 97:</u> O'Rourke advised Position #1 for the women's program and \$22.3 for support of the arts fair are the priorities. Discussion on the arts fair. Scott advised this would be part of the base budget. Responding to a question on whether this was for expansion, O'Rourke stated yes, that it is in trouble this year and this would allow expansion in this area.	

<u>Tape #</u>	<u>Description</u>
595	Duncan asked about the \$69.5 for the senior citizens program, and O'Rourke stated this essentially tries to concentrate on senior citizen needs, such as homes.
600	Discussion on priorities. O'Rourke stated they were asked to back down to a 95% level and go from there. Scott stated the UA base figure is FY 79 + inflation. Diebold advised "decrement" is the word applied to that 5%.
647	<u>Student Services</u> , pg 103: O'Rourke noted tuition increase. Noted only source of income is that accrued from testing. Pointed out breakout of admin office from UAA & ACC; no increase in cost; breakout shows up on pg 105. Scott discussed UAA-ACC admin split and stated concerned with the cost of this. Diebold stated they are very mindful of not increasing costs. Rogers asked how this split affects students. O'Rourke advised one of the concerns was ACC began their spring vacation earlier than UAA; another problem, UAA will be beginning fall registration before UCC. Discussion on attrition.
709	<u>Kenai Penin CC-Instruction</u> , pg 109: O'Rourke stated he is requesting Positions #1 & #2. Rogers noted 36% increase over last year. O'Rourke said most of this is income sources that they have this year; before, was handled thru RP's. Discussed growth rate. O'Rourke stated enrollment has doubled over 5 years.

HFC 79-103 Side 1

017	[Meeting recessed at 2:35 p.m. and reconvened at 3:00 p.m.]	<u>RECESS</u>
018	O'Rourke reminded he has given overview in terms of division priorities.	
028	<u>Student Services</u> , pg 115: O'Rourke advised of 2 priorities: \$11.0 accreditation expenses--one-time only cost--are in Governor's budget in travel; and to upgrade their facilities--one-time only cost.	
077	<u>Kodiak CC-Academic</u> , pg 133: O'Rourke advised no new positions or increases are being recommended here this year.	

<u>Tape #</u>	<u>Description</u>
085	<u>Kotzebue CC-Academic</u> , pg 145: O'Rourke advised Kotzebue and Prince William Sound are the highest priorities.
103	<u>Kuskokwim CC-Academic</u> , pg 155: O'Rourke discussed new positions. Scott advised of trade-offs for the 5% decrement to create these positions.
139	<u>Admin & Plant</u> , pg 165: O'Rourke pointed out accreditation cost under contractual.
160	<u>Mat-Su CC-Academic</u> , pg 169: O'Rourke stated Position #1 is actually 2 positions--2 half-time to full-time. Also noted increase in <u>Admin & Plant</u> , pg 179.
183	<u>Northwest CC-Academic</u> , pg 183: O'Rourke noted the request was to hold this at continuation level. Advised of problems with fluctuation of enrollment. Scott discussed rationale of direct and indirect costs. Stated increase is primarily coming in federal receipts and no increase in the budget to go with this. O'Rourke stated there should be some indirect costs budgeted in here and indicated they are going to have to put some substantial increases in here as it is growing.
232	<u>Prince William Sound CC-Academic</u> , pg 195: O'Rourke briefly discussed \$200.0 grant for operation from City of Valdez.
262	<u>Sitka CC-Academic</u> , pg 207: O'Rourke explained Position #1; stated this would be on an on-going rotating basis annually.
286	<u>Sheldon Jackson Cons</u> , pg 211: O'Rourke discussed agreement with Sheldon Jackson regarding cross-registration. Meekins questioned having one policy for one private university and a different policy with another. O'Rourke stated in Sitka they actually purchased certain instructional units. Scott advised this was in the FY 77 & FY 78 budgets.
366	<u>Tanana Valley CC-Academic</u> , pg 221: O'Rourke discussed positions #1, #2, #5, #6 & #7.
383	<u>Admin & Plant</u> , pg 229: O'Rourke stated the \$97.5 was for the BLM building. Suggested the Committee consider deleting this as this has fallen through.

Tape #Description

- 426 Academic Support, pg 223: Rogers brought up the subject of short-courses and asked how these are funded. O'Rourke stated \$110.0 of general fund money funds the non-credit short-courses at TVCC. Further discussion. Rogers asked the average cost of short-courses now. O'Rourke advised TVCC objected to his proposal of 50% coming from student fees. He cited examples of what happens in Sitka, Anchorage and Juneau. Haugen asked if the revenues relate to the total cost of the program. O'Rourke advised all the instructional costs-- 67-70% at TVCC--come from the participant or student fees.
- 558 Rural Education-Academic, pg 233: O'Rourke discussed positions requested here.
- 569 Research & Prof Centers, pg 237: O'Rourke stated this is the Alaska Native Language Center and the Alaska Bilingual Center.
- 575 Coop Extension Service, pg 241: O'Rourke noted decrease in the restricted fund and restricted grants.
- 580 Responding to a question from Rogers, O'Rourke advised correspondent study would be on pg 233; 1/2-time coordinator and 1/2-time secretary, and the same for the art program. Stated they would like to combine some of this in the Anchorage office.
- 630 Rogers asked if the lower 48 states pay for the cost of this program, and O'Rourke advised 25%, according to the correspondent study report, is for outside students. Stated the overall program is approximately \$81.0; about \$30.0 is general fund. Stated this is not part of the Fairbanks campus per se.
- [Meekins left, and the meeting was conducted by Freeman.]
- 683 Rogers asked where the administration for correspondent study is located, and O'Rourke advised the majority of the faculty are on the Fairbanks campus at the present time.
- 702 Ketchikan CC-Academic, pg 121: Freeman asked about the marine program and if they were downgrading this, and O'Rourke indicated no.

<u>Tape #</u>	<u>Description</u>	<u>REQUEST</u>
727	Rogers requested a campus-by-campus list of basic on-going need for library books for all CC's and what it would take to bring them up to ALA standards.	
738	Using Ketchikan as an example, O'Rourke advised it is the second oldest campus in the system--25th year.	
751	Discussion on figures for CC library book needs.	

HFC 79-103 Side 2

001	Scott advised UA-Juneau is the last budget to be reviewed.
020	<u>Univ Center-Juneau Academic</u> , pg 69: Dr. Jones advised of 3 main priorities--#1 is accreditation. UAJ has received its accreditation and has 5 years to meet those accreditation standards.
088	Jones stated #2 priority is to continue the ground fisheries--flagship--program. Advised UAJ has been designated ideal location for this project because of all the inlets.
116	Jones advised #3 priority is to firm up some of the VocEd and Tech programs.
126	Pg 69, Jones advised, #5 CIS position is critical need for #1 priority. Stated #4 position is also related to this and directly related to the #2 priority. Stated no one in the current fisheries has the expertise now.
178	<u>JDCC Instruction</u> , pg 71: Jones stated the #1 priority position #4 is directly related to this. Added Positions #6 & #7 support priority #2. Indicated correction of #6 position to Tech II.
	[Meekins returned to the meeting.]
232	Jones discussed the ground fisheries program regarding harvesting. Discussed outside fisheries.
259	Jones stated Position #5 speaks specifically to priority #3. Stated have part-time instructor but not good full-time instructor. Advised first 3 positions are CETA and federally funded.

<u>Tape #</u>	<u>Description</u>	
282	Rogers asked if the 18% growth rate was correct, and Jones indicated yes. O'Rourke explained his formula.	
300	Duncan asked for explanation of why it is important to stay on accreditation schedule. Dr. Paradise provided explanation. Stated #1 reason is accreditation gives a stamp of quality and also students can transfer much more freely between accredited institutions. Stressed extreme importance of accreditation requirements be met within the time limit set by Northwest Accreditation; otherwise, would have to go back to ground zero.	
348	Duncan asked if there is separate accreditation for Juneau, Fairbanks & Anchorage. Jones indicated yes, that 2 years ago, Northwest advised they would no longer give blanket accreditation.	
373	Scott requested classification of 18% growth rate. Jones advised this is full-time equivalent (FTE).	
397	Meekins complimented Dieboldt and staff on presentation.	
405	Meekins advised DOT budget closeouts tonight at 7:00 p.m.	
410	Meeting adjourned at 4:10 p.m.	<u>ADJOURN</u>

Tape HFC 79-102 Side 1 #665 - End
Side 2 #001 - End
79-103 Side 1 #001 - End
Side 2 #001 - #410

HOUSE FINANCE COMMITTEE

April 3, 1979

7:12 p.m.

All members of the Committee were present. Also present was J. H. Hogan, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order. The purpose of the meeting was to close-out the TRANSPORTATION budget. The meeting was turned over to Subcommittee Chairman Freeman.

TRANSPORTATION
CATEGORY
BUDGET
CLOSE-OUTS

Representative Freeman presented the assumptions and guidelines the Subcommittee came up with for use in the Transportation category (see attachment #1). He also presented the subcommittee's recommendations (see attachment #2).

Representative Freeman advised there were only two additions in legislative intent. One was for Thorne Bay Road. He said he asked Marine Transportation about using the money to run the "Chilkat" to Hollis. Marine Transportation has advised it probably could be done. Representative Freeman advised he wants to write in intent language that the funds are to be contracted or put into Marine Transportation.

Representative Freeman commented that one problem in going through the budget is that Marine Transportation seems to change their method for determining how many people are on board every year. He said it appears they have a reduction of 483 people. Actually what they are doing is using full time equivalencies. He explained they may have as many as six people working one position, but only one person will be working at one time.

Concerning CIP positions, Representative Freeman advised they were not able to break them all out and locate them in the manner they would like to. He said they have a list of positions in DOT/PF, but they are not programmed out at this time. There are presently about 740 CIP positions on board with a cost of \$19,153,786. He said the total number of CIP positions is 1,367. Mr. Hogan explained they determined the best way to handle the CIP positions would be to work with DOT/PF during the Interim in developing the budget. Representative Freeman stated in those areas where CIP positions were put in the budget, he pulled them out. There was discussion on CIP positions.

In answer to a question from Representative Haugen, Mr. Hogan said CIP positions can be permanent employees and get the same benefits as a regular permanent employee. Representative Duncan commented the list indicates the Director of Water and Harbors is a CIP position.

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Representative Rogers wondered if costs associated to the positions (travel, contractual) were also being charged to the bond programs. Mr. Hogan commented costs could be charged up in those areas, but they do not know about them. Representative Rogers commented the problems with the University of Alaska's finances were not brought to light until a bond issue failed, and he suggested the same situation could occur here. There was further discussion. Representative Rogers requested that during the Interim staff also determine costs associated with CIP positions. Mr. Hogan said they will do so.

Representative Freeman advised DOT/PF has said they will show CIP positions in next years' budget, and to assure that they do this, the Subcommittee is recommending that the budget be funded at 85%. There was further discussion on the CIP positions. Mr. Hogan commented that about 20% to 25% of bond issues goes to funding positions.

Mr. Hogan said the positions are being hired through the state personnel rules. Chairman Meekins said they are assuming that there is no wrong doing.

Representative Freeman commented that overall DOT/PF came up with a "pretty tight" budget to start with. He said that overall the Department only had a 2.8% increase in their budget. His recommendation decreases their request by 4.0%. There was brief discussion.

Representative Duncan asked if anything was included for maintenance of the Skagway/Carcross road. Mr. Hogan said they included maintenance for the summer months.

Representative Schaeffer asked how the North Slope Haul Road was handled. Representative Freeman said they did not make a recommendation. There was discussion on the Haul Road costs. Representative Rogers commented that if a toll were charged the State would owe the federal government \$28.8 million.

Representative Moss moved to accept the legislative recommendation figure as shown in the computer print out for the North Slope Haul Road. Representative Haugen objected. Representative Duncan asked if there was anyway to tell what they have spent of last year's appropriation. Mr. Hogan said no, all the funds come out of one account. There was discussion on 85% funding.

Representative Duncan moved to amend the motion to fund this section at 60%, with legislative intent telling the Department to keep good records of what they have actually

4/3/79

spent, and the Legislature will entertain a supplemental next year when they know what the costs actually are. Representative Rogers objected to the motion. He said that 60% funding would only take them to February 6, and it doesn't give much time to get a supplemental through the Legislature. There was brief discussion.

Representative Duncan withdrew his amendment. Representative Rogers moved to amend the motion to fund the North Slope Haul Road at 66 and 2/3%, for a figure of \$2.8 million. There was brief discussion on how the figure should be broken out. Representative Duncan suggested authorizing the total number of positions and the figure, and let the Department determine the break out. There was no objection to that approach. There was no objection to the main motion as amended. The figure for the North Slope Haul Road is \$2.8 million.

There was brief discussion on other Subcommittee Recommendations. Representative Freeman moved that the Transportation Subcommittee's recommendations be accepted, and the Transportation category be closed, with the only other change being the North Slope Haul Road. There being no objection, it was so ordered.

TRANSPOR-
TATION
SUBCOMMITTEE
RECOMMEN-
DATION
ACCEPTED

The DOT/PF portion of the GENERAL GOVERNMENT category was briefly discussed. Representative Freeman explained that instead of following the guidelines as indicated in the letter showing what was done in the transportation budget, they followed the guidelines that had been set up for the General Government category. The consensus of the Committee was to close out the individual BRU's in General Government the following morning.

GENERAL
GOVERNMENT
DOT/PF

The meeting adjourned at 8:35 p.m.

ADJOURN

Tape HFC 79-103 Side 2 #401 to end
HFC 79-104 Side 1 #001 to end
HFC 79-104 Side 2 #001 to 208

4/3/79



JUNEAU ALASKA

Alaska State Legislature House

M E M O R A N D U M

TO: Chairman and Members
House Finance Committee

FROM: Oral Freeman, Chairman
Transportation Subcommittee *[Signature]*

SUBJECT: Transportation Budget Assumptions and Guidelines

The proposed House Finance version of the Transportation budget has been prepared based on the following assumptions:

GENERAL ASSUMPTIONS - GOVERNOR'S REQUEST

- A. No new positions
- B. Remove the Governor's 1% veto where reinstated.
- C. Establish vacancy and turnover of 6% (Where the vacancy factor is less than 6% take out an additional amount to make it 6%; where the vacancy factor is more than 6% make no change.)
- D. Reduce travel by the amount of out-of-state travel requested or 25%, whichever is greater.
- E. Contractual & Commodities: Hold at maintenance level or in those cases where current expenditures are running well below budget figures, allow the current-year authorized again to reflect the lesser rate of expenditure.
- F. Equipment at "0" with the exception of a very limited amount of equipment central to the operating program.

SPECIAL ASSUMPTIONS

- A. New Positions. Virtually all of the new positions requested are positions currently filled and funded under the Capital Improvement Program (CIP). It was the

Governor's decision this year to move a select number of CIP positions (mainly those for administrative purposes) from the project budgets into the general fund budgets of the Transportation category. The idea has a great deal of merit in that it would bring CIP positions into the budget making them subject to legislative scrutiny and appropriation which in turn would allow the Legislature to examine and set project overhead costs. Unfortunately, only a select few of these positions were shown in the budget this year, leaving the vast majority still funded directly from the individual projects. It is the subcommittee's recommendation that during the interim the entire CIP concept be examined by Budget & Management and Legislative Finance and that next year the Governor's budget include funding and position data for all CIP positions in the Transportation category.

- B. Airport Screening. In those budget units in which funding for increased levels of airport screening were requested, the subcommittee recommends that the "increased security" be denied. During the review of Aviation budgets, it was apparent that the Division of Aviation does not feel the increased screening requirements of the FAA are reasonable for Alaska's widely scattered, small state-owned and operated airports. If the increased funds are budgeted, the Department will have little incentive to argue this issue forcibly with the FAA. If the Legislature deletes, as the subcommittee has recommended, funds for additional screening and states the need for "special consideration" as a reason, the agency will perhaps be able to argue more successfully for the application of special airport screening standards for Alaska.
- C. Marine Transportation Vessel Operations. Both Southeast and Southwest Vessel Operations contain new subprograms for vessel overhaul. In both cases amounts from the former Operations budgets have been shifted to the Overhaul programs to provide funds for winter maintenance in Alaska. Since the overhaul functions are newly budgeted this year, it was the feeling of the subcommittee that they should be held at the maintenance level with authorization included to allow transfer of funds between the respective vessel operations and overhaul program accounts.
- D. "Reflect Current Use". Throughout its review the subcommittee made extensive use of the Departmental Expenditure Analysis report. In many cases, the February 28, 1979 issue of that run showed that programs are not spending at the level of their current-year budgets,

let alone the FY 80 budget. In cases where this occurred the subcommittee's normal practice was to allow the current year figure again. A classic example of this situation can be seen in the Highway Design and Construction Program, Director's Office budget. As of 2/28/79 \$500 had been spent from a \$10,000 travel budget; \$200 had been spent from a \$5,100 contractual services budget; nothing had been spent from a \$1,700 commodities budget; and nothing had been spent from a \$1,900 equipment budget. Looking at it another way, two months beyond the midyear point, the Director's office had 94.6% of its travel, 95.3% of its contractual and 100% of its commodities and equipment line items remaining to be spent. Admittedly, this was an extreme, but there were several other programs that showed substantial under-expenditure of their budgets. Thus it did not seem unreasonable to hold them for a second year at the current year level.

- E. Administrative Functions. Throughout the Transportation category the various rules of reduction have been applied more harshly to administrative functions than to operating functions. In large part this is because many of the "reflect current use" items were found in administrative budgets. Apparently administrative functions have had more cushion in their budgets than have the operating units. Hopefully, the subcommittee has corrected this situation.

LEGISLATIVE ADDITIONS

The subcommittee recommended as additions to the budget the following:

- A. Southeast Region Highways. Continue current-year requirement that the District commit \$40.0 for winter maintenance of the road between Thorn Bay and Klawock. However, if ferry service to Thorn Bay is economically feasible, it may be substituted for winter road maintenance.
- B. Interior Region Airports. \$4.5 was included to be paid as a grant to air taxi operators to provide limited mail deliveries to the Cosna-Wien Lake area.

LEVEL OF FUNDING

Last year as a way of encouraging compliance with legislative intent the Legislature told the Department of Transportation to proceed as though it would be appropriated

a full year's budget at the Governor's requested level; but the Legislature actually appropriated only 3/4's of the year's required funding. Remarkably, agency compliance with legislative intent improved. Thus, withholding a quarter of FY 80 funds for "enforcement reasons" does not seem required.

However, the subcommittee discovered unused portions of the current-year budget, and it has requested interim study of full budgeting of CIP positions for FY 81. For these reasons it seems prudent to recommend that the committee approve the budget as attached but fund it at the 85% level. Why? The merger of the Departments of Public Works and Highways accomplished certain administrative economies, but perhaps these economies have not all shown up in the budget as budget reductions. If a full year's funding were to be appropriated the "economies" would be not as apt to show up. Adopting an 85% funding level and instructing the Transportation subcommittee and legislative staff to monitor Department expenditures throughout the first half + of the fiscal year would provide us with the opportunity to "fine tune" the Transportation budget to those amounts actually required for efficient operation.

MEMORANDUM

TO: [See Distribution

DATE: March 22, 1979

FILE NO:

TELEPHONE NO:

FROM: Sherman D. Burton *SDS*
Acting Director
Division of Marine Highway Systems
Department of Transportation and
Public Facilities

SUBJECT: Service Level FY80

The Governor's recommended budget for Marine Highways for FY80 would provide a level of service equal to FY79, with the exception of the M. V. CHILKAT service.

To maintain the same level of service for the M. V. CHILKAT, the \$117.1 previously cut would have to be returned to the budget.

DISTRIBUTION:

Commissioner R. W. Ward
Deputy Commissioner H. D. Scougal
✓ State Representative Oral Freeman

Attachment

ALASKA MARINE HIGHWAY
SERVICE LEVEL COMPARISON
FY 79 - FY 80 (Proposed)

MONTH & YEAR	SOUTHEAST MAINLINE VESSELS	SOUTHEAST SHUTTLE VES.	CHILKAT*	SOUTHWEST
JULY FY79	4 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	2 VES. on Line
JULY FY80	4 Trips/Week Rupert - Skagway 2 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	2 VES. on Line
AUG FY79	4 Trips/Week Rupert - Skagway 2 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	2 VES. on Line
AUG FY80	4 Trips/Week Rupert - Skagway 2 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	2 VES. on Line
SEP FY79	4 Trips/Week Rupert - Skagway 2 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	2 VES. on Line
SEP FY80	4 Trips/Week Rupert - Skagway 2 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	2 VES. on Line
OCT FY79	4 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	1 VES. on Line
OCT FY80	2 Trips/Week Rupert - Skagway 2 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	2 VES. on Line
NOV FY79	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	To MET & HOL	1 VES. on Line
NOV FY80	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	To MET & HOL*	1 VES. on Line
DEC FY79	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	To MET & HOL	2 VES. on Line
DEC FY80	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	To MET & HOL*	1 VES. on Line
JAN FY79	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	MAINTEN -ANCE	2 VES. on Line
JAN FY80	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	MAINTEN -ANCE	2 VES. on Line
FEB FY79	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	To MET & HOL	1 VES. on Line
FEB FY80	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	To MET & HOL*	1 VES. on Line
MAR FY79	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	To MET & HOL	1 VES. on Line
MAR FY80	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	To MET & HOL*	1 VES. on Line
APRIL FY79	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	To MET & HOL	2 VES. on Line
APRIL FY80	2 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	1 VES. on Line	To MET & HOL*	2 VES. on Line
MAY FY79	2 Trips/Week Rupert - Skagway 2 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	2 VES. on Line
MAY FY80	4 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	2 VES. on Line
JUNE FY79	4 Trips/Week Rupert - Skagway 2 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	2 VES. on Line
JUNE FY80	5 Trips/Week Rupert - Skagway 1 Trips/Week Seattle - Skagway	2 VES. on Line	To MET	2 VES. on Line

* The M. V. CHILKAT can provide service to both Ketchikan and Hollis during 5 months in Seattle, assuming \$117.1 is restored to budget.

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

13:51

3/29/79

***** TRANSPORTATION *****

SHORT
FORM
PAGE

BUDGET COMPONENT	EY78 ACT	EY79 ADJ	REQUEST	GOVERNOR	HOUSE	HOUSE - GOVERNOR COMPARISON
80 HIGHWAYS	1305.5	1440.5	1488.3	1466.3	1428.9	-37.4
82 ADMINISTRATION		332.1	350.5	350.5	292.8	-57.7
*** PROGRAM TOTAL ***	2722.3	2967.6	3298.7	3159.6	3042.2	-117.4
ANCHORAGE INT AIRPORT						
86 FIELD MAINTENANCE	1407.4	1795.6	1879.3	1877.1	1839.3	-37.8
88 BUILDING MAINTENANCE	977.9	1071.1	1223.4	1223.4	1080.6	-134.8
90 SECURITY	1593.8	1993.0	2134.1	1860.9	1782.7	-78.2
92 CUSTODIAL	777.4	1091.2	1138.9	1138.9	1113.3	-25.6
94 ADMINISTRATION	844.6	1064.5	1127.7	1301.3	1246.6	-54.7
96 EQUIPMENT	625.3	656.3	756.7	756.7	684.3	-72.4
*** PROGRAM TOTAL ***	6226.4	7671.7	8260.1	8158.3	7754.8	-403.5
FAIRBANKS INT AIRPORT						
100 FIELD MAINTENANCE	601.9	765.4	1005.2	964.2	879.0	-85.2
102 BUILDING MAINTENANCE	568.1	740.5	735.3	707.4	699.7	-7.7
104 SECURITY	1392.3	1623.0	1758.9	1592.6	1571.7	-20.9
106 CUSTODIAL	221.0	278.6	285.7	285.7	282.9	-2.8
108 ADMINISTRATION	347.5	402.8	427.8	514.1	467.0	-47.1
*** PROGRAM TOTAL ***	3130.8	3810.3	4212.9	4064.0	3900.3	-163.7
HIGHWAY DESIGN & CONSTRUCTION						
112 DIRECTOR	150.6	140.8	152.8	152.8	136.1	-16.7
114 ADMINISTRATION		125.1	131.9	131.9	124.3	-7.6
116 HIGHWAY DESIGN	489.8	552.5	569.2	569.2	531.3	-37.9
118 HIGHWAY CONSTRUCTION	701.6	690.9	693.7	567.8	540.2	-27.6
*** PROGRAM TOTAL ***	1342.0	1509.3	1487.6	1421.7	1331.9	-89.8
AVIATION DESIGN & CONSTRUCTION						
122 DIRECTOR	40.8	123.3	135.0	129.3	125.3	-4.0
124 AVIATION DESIGN	391.0	216.7	222.4	222.4	215.8	-6.6
126 AVIATION CONSTRUCTION	130.3	168.0	174.5	174.5	162.0	-12.5
*** PROGRAM TOTAL ***	562.1	508.0	531.9	526.2	503.1	-23.1
*** AGENCY TOTAL ***	99135.1	112698.8	129005.0	119201.6	113365.5	-5836.1
STATE BOND COMMITTEE						
DEBT SERVICE						
130 HIGHWAYS	9464.1	11177.6	14956.7	16061.6	16861.6	
132 MARINE TRANSPORTATION	3779.5	4211.7	4425.8	4137.8	4137.8	
134 AVIATION	7008.4	8004.9	8335.0	7917.4	7917.4	
*** PROGRAM TOTAL ***	20252.0	23394.2	27717.5	28916.8	28916.8	
***** TOTAL EXPENDITURES	120279.5	137041.5	158031.5	149191.3	143254.8	-5936.5
***** FUNDING						
FED. RECEIPT			200.0	200.0	200.0	
GENERAL FUND	105820.4	120706.3	139693.0	129683.4	126732.0	-2951.4
OTHER FUNDS	14459.1	16335.2	18138.5	19307.9	16322.0	-2985.1

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

13:51

3/25/79

* * * * * TRANSPORTATION * * * * *

SHORT FORM PAGE	BUDGET COMPONENT	FY70 ACT	FY79 ADJ	REQUEST	GOVERNOR	HOUSE	HOUSE - GOVERNOR COMPARISON
2	DEPARTMENT OF PUBLIC SAFETY VEHICLE WEIGHT ENFORCEMENT	892.4	948.5	1309.0	1072.9	972.5	-100.4 -9.3%
	DEPARTMENT OF TRANSPORTATION ADMINISTRATION						
6	COMMISSIONER'S OFFICE	654.2	408.9	957.2	907.2	394.9	-512.3 -56.5%
8	TRANSPORTATION PLANNING	128.3	537.1	843.8	593.6	550.6	-43.0 -7.1%
10	INTERNAL REVIEW	355.0	428.9	465.1	455.8	434.0	-21.8 -4.7%
12	ADMINISTRATIVE SERVICES	4323.8	5059.3	5764.2	5499.3	5074.2	-425.1 -7.6%
14	FINANCIAL MANAGEMENT	1969.0	1698.6	3362.2	3239.4	1972.6	-1266.8 -39.0%
16	RIGHT OF WAY LANDS AND LEASING	781.2	938.0	1124.8	1009.2	990.6	-118.6 -11.7%
	*** PROGRAM TOTAL ***	8211.5	9070.8	12517.3	11704.5	9416.9	-2287.6 -19.5%
20	MAINTENANCE & OPERATIONS						
22	ADMINISTRATION	105.5	398.9	463.2	396.0	354.1	-41.9 -10.5%
	SAFETY & SECURITY	514.7	721.3	822.0	822.0	500.3	-321.7 -39.0%
	*** PROGRAM TOTAL ***	700.2	1120.2	1285.2	1218.0	854.4	-363.6 -29.8%
26	MARINE TRANSPORTATION						
28	SOUTHEAST VESSEL OPERATIONS	26039.5	28359.9	28644.3	25539.7	25539.7	
	SOUTHEAST VESSEL OVERHAUL			4194.3	4194.3	3707.3	-487.0 -11.5%
30	SOUTHEAST SHORE FACILITIES	1547.1	1849.9	1957.1	1934.2	1376.3	-557.9 -28.7%
32	SOUTHWEST VESSEL OPERATIONS	5026.6	5459.1	6198.6	5304.0	5346.3	-37.7 -0.6%
34	SOUTHWEST VESSEL OVERHAUL			615.1	595.1	497.1	-98.0 -16.5%
36	SOUTHWEST SHORE FACILITIES	364.3	480.7	533.5	532.6	508.5	-24.1 -4.5%
38	ADMINISTRATION	1431.9	1482.9	1783.7	1783.7	1492.5	-291.2 -16.2%
	*** PROGRAM TOTAL ***	34409.4	37632.5	43926.6	39963.6	38467.7	-1495.9 -3.6%
42	SOUTHEAST REGION O & M						
44	AIRPORTS	772.3	295.6	318.8	322.4	312.7	-9.7 -3.0%
46	HIGHWAYS	4860.2	5106.7	5643.1	5326.3	5326.3	
	ADMINISTRATION		343.2	343.1	333.8	310.4	-23.4 -7.0%
	*** PROGRAM TOTAL ***	5632.5	5825.5	6305.0	5982.5	5949.4	-33.1 -0.5%
50	CENTRAL REGION O & M						
52	AIRPORTS	4170.7	3941.0	4111.5	4058.9	4051.4	-7.5 -0.1%
54	HIGHWAYS	14820.9	14272.8	15161.4	14713.7	14650.3	-63.4 -0.3%
56	ADMINISTRATION		1033.0	1033.2	987.8	895.3	-92.5 -9.3%
	OVERWEIGHT PROGRAM	380.9					
	*** PROGRAM TOTAL ***	19372.5	19246.8	20306.1	19760.4	19597.0	-163.4 -0.7%
60	SOUTHCENTRAL REGION O & M						
62	AIRPORTS	517.2	641.4	700.5	691.5	600.3	-91.2 -13.1%
64	HIGHWAYS	5853.4	5984.3	6377.4	6025.8	6003.1	-22.7 -0.3%
	ADMINISTRATION		362.2	441.6	424.0	371.4	-52.6 -12.3%
	*** PROGRAM TOTAL ***	6370.6	6987.9	7519.5	7141.3	6974.8	-166.5 -2.2%
68	INTERIOR REGION O & M						
70	AIRPORTS	1425.5	1612.2	1681.7	1644.0	1598.6	-45.4 -2.7%
72	HIGHWAYS	9029.3	8605.1	10021.2	9275.7	9128.0	-147.7 -1.5%
74	ADMINISTRATION		581.4	660.3	615.7	595.2	-20.5 -3.2%
	NORTH SLOPE HAUL ROAD		5549.5	6990.9	4566.1	4251.2	-314.9 -6.8%
	*** PROGRAM TOTAL ***	10454.8	16348.2	19354.1	16101.5	15573.0	-528.5 -3.2%
78	WESTERN REGION O & M						
	AIRPORTS	1416.8	1195.0	1459.9	1342.8	1320.5	-22.3 -1.6%

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4/3/79

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

04:55

4/03/79

* * * * * GENERAL GOVERNMENT * * * * *

SHORT FORM PAGE	BUDGET COMPONENT	FY78 ACT	FY79 ADJ	REQUEST	GOVERNOR	HOUSE	HOUSE - GOVERNOR COMPARISON
DEPARTMENT OF TRANSPORTATION							
PUBLIC FACILITIES							
150	CONSTRUCTION	186.2	221.6	152.1	152.1	142.6	-9.5
152	ADMINISTRATION	166.6	171.1	391.4	391.4	318.5	-72.9
154	DESIGN	227.4	325.7	230.3	230.3	214.6	-15.7
156	PROCUREMENT POLICY	750.7	1630.2	2745.4	1903.8	1544.5	-359.3
158	RESEARCH & DEVELOPMENT	59.2	118.1	964.2	530.5	120.8	-809.7
160	OFFICE OF DEPUTY COMMISSIONER		122.6	127.3	127.3	116.7	-10.6
	*** PROGRAM TOTAL ***	1390.1	2589.3	4610.7	3735.4	2457.7	-1277.7
PUBLIC FACILITIES							
164	MAINT. & OPERATIONS, SOUTHEAST	3515.9	3660.0	3873.9	3679.6	3485.2	-194.4
166	MAINT. & OPERATIONS, CENTRAL	2371.8	2282.8	2399.9	2273.2	2080.1	-193.1
168	MAINT. & OPERATIONS, INTERIOR	2559.2	2584.7	2965.0	2804.1	2538.7	-265.4
170	MAINT. & OPERATIONS, WESTERN	439.6	465.2	494.5	453.1	412.3	-40.8
172	MAINT. & OPERATIONS, SOUTHCENT	1180.6	1232.2	1375.1	1263.3	1139.5	-123.8
174	MAINT & OPERATIONS-HAUL ROAD		1196.2	1582.7	1482.7		-1482.7
	*** PROGRAM TOTAL ***	10067.1	11421.1	12691.1	11956.0	9655.8	-2300.2
COMMUNICATIONS							
176	SUPPORT TO STATE AGENCIES	1455.7	1493.6	2612.9	1808.8	1609.3	-199.5
178	REMOTE VILLAGE RADIO	210.0	211.8	245.5	225.5	192.2	-33.3
180	NORTH SLOPE HAUL ROAD		79.0	70.7	70.7		-70.7
182	TV DEMONSTRATION PROJECT		2270.0		2900.0	2900.0	
	*** PROGRAM TOTAL ***	1665.7	4054.4	2929.1	5005.0	4701.5	-303.5
STATE EQUIPMENT FLEET							
186	CENTRAL DISTRICT	3478.9	4160.3	4016.8	3991.8		-3991.8
188	INTERIOR DISTRICT	2725.4	3472.9	3173.5	3148.5		-3148.5
190	SOUTHEASTERN DISTRICT	1055.8	1285.9	1211.3	1191.3		-1191.3
192	WESTERN DISTRICT	580.8	589.5	624.9	609.9		-609.9
194	SOUTHCENTRAL	1679.5	1993.2	1906.5	1883.4		-1883.4
196	ADMINISTRATION & SUPPORT	245.3	270.4	546.9	546.9		-546.9
198	NORTH SLOPE HAUL ROAD		1084.2	1276.1	1276.1		-1276.1
	*** PROGRAM TOTAL ***	9765.7	12856.4	12756.0	12647.9		-12647.9
	*** AGENCY TOTAL ***	22888.6	30921.2	32986.9	33344.3	16815.0	-16529.3
	*** FUNDING IMBALANCE					-77.3	-49.5%
LEGISLATURE							
BUDGET & AUDIT COMMITTEE							
202	LEGISLATIVE AUDIT	1419.8	1583.6	1911.2	1911.2	1911.2	
204	LEGISLATIVE FINANCE	800.9	743.3	909.2	909.2	909.2	
206	COMMITTEE EXPENSES	145.3	182.5	200.0	200.0	200.0	
	*** PROGRAM TOTAL ***	2366.0	2509.4	3020.4	3020.4	3020.4	
LEGISLATIVE COUNCIL							
208	SALARIES & ALLOWANCES	1134.8	1169.7	9000.0	9000.0	9000.0	
210	LEADERSHIP	169.4	350.4				
212	LAA EXECUTIVE ADMINISTRATION	154.2	166.1				
214	LAA ADMINISTRATIVE SERVICES	953.7	1155.1				
216	LAA RESEARCH SERVICES	580.7	1120.6				
218	LAA LEGAL SERVICES	651.4	724.7				
220	SESSION EXPENSES	2433.8	1818.8				

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Attachment #3

HOUSE FINANCE COMMITTEE
April 4, 1979
9:15 a.m.

All Members of the Committee were present except Representative Schaeffer. Also present were Bob Grogan and Alison Farnan, Legislative Finance Division. PRESENT

Chairman Meekins called the meeting to order and stated the Committee would begin to close out those areas of the budget that had previously been left open.

NATURAL RESOURCES

NATURAL
RESOURCES
BUDGET
CLOSE-OUTS

There was brief discussion on the areas left open in this budget category.

Department of Fish & Game, Fish & Game Support Services, Subsistence Section: Mr. Grogan advised the Subsistence Committee came back with a recommendation of \$1,471,200 (see attachment #1). He said they are talking about adding 14 positions. There was discussion on the recommendation. Representative Smith suggested holding this section open until they see what happens with HB 193. Mr. Grogan commented that at the time they received the budget the Department had only filled one position. He thinks the Department is reluctant to do what the Legislature wants done with this section. Representative Duncan suggested giving them enough money to gear up. Representative Rogers suggested that once the funding level was decided on that the section be assessed a salary savings rate. There was further discussion. Chairman Meekins said he will work on this section and come back with a recommendation. Representative Smith indicated she would help. Representative Guy suggested their work be coordinated with the Subsistence Committee Chairman.

The categories still open in the Natural Resources category will be discussed at tomorrow's meeting.

GENERAL GOVERNMENT

GENERAL
GOVERNMENT
BUDGET
CLOSE-OUTS

Department of Transportation:

Public Facilities, Construction: Representative Rogers moved to accept the Governor's figure for personal services, and the House recommendation as shown on the computer print out for the other line items. There being no objection, it was so ordered.

4/4/79

Public Facilities, Administration: Ms. Farnan stated the House recommendation deletes the new position. She said the increase in positions is due to two positions that were transferred into this component from another component. Representative Freeman advised the Department had requested that one position be transferred from CIP funds to general funds, and the recommendation does not allow that position. He explained the position can still be funded from CIP funds. Chairman Meekins said a letter will be sent to the Department explaining the Committee's policy on CIP positions. Chairman Meekins moved to accept the House recommendation of \$318.5 total. There being no objection, it was so ordered.

Public Facilities, Design: Ms. Farnan advised the only difference in this component is that they applied more of a percentage decrease to travel because of the positions that were transferred out. Chairman Meekins moved to accept the House recommendation of \$214.6 total. There being no objection, it was so ordered.

Facilities Planning & Research, Procurement Policy: Representative Freeman briefly explained the Department's testimony. There was discussion on whether or not the new positions can be CIP positions. Representative Rogers said he thinks that because of the Legislation to set this program up, he thinks the positions should be added. Representative Duncan requested this component be held until this afternoon so he could get additional information. There was no objection.

Facilities Planning & Research, Research & Development: Ms. Farnan advised the House recommendation did not accept the Department's request for the CIP position. She advised the Governor's position is not correct, it should have been 18 PFT positions. Chairman Meekins moved to accept the House recommendation for a total of \$120.8. There being no objection, it was so ordered.

The meeting recessed at 9:55 a.m.

ADJOURN

Tape HFC 79-104 Side 2 #208 to end
HFC 79-105 Side 1 #001 to 134

4/4/79



Official Business

Alaska State Legislature

House of Representatives

Special Committee
on Subsistence

Pouch V
State Capitol
Juneau, Alaska 99811

February 29, 1979

The Honorable Russ Meekins
Finance Committee Chairman
House of Representatives
Alaska State Legislature
Juneau, Alaska 99811

Dear Chairman Meekins:

The Special Committee on Subsistence is forwarding its recommendations on the section of the NRMEC budget dealing with the Subsistence Section in the Department of Fish and Game. Our basic recommendation is that the eleven offices and the 24 permanent positions specified in the fiscal note which accompanied H.B. 960 last year be funded in FY 1980. The Fish and Game Department currently plans to establish only 7 offices with 15 permanent positions during the current fiscal year due to the Governor's veto of the H.B. 960 appropriation from \$919,400 to \$500,000.

We recommend that \$1,471,200 be appropriated for the operation of the 11 Subsistence Section offices. This figure is considerably larger than the original appropriation of \$919,400 which accompanied H.B. 960. However, both Fish and Game Department personnel and the Subsistence Committee agree that the original fiscal note provided very inadequate levels of funding for travel and operations of the eleven offices.

In developing the enclosed budget, the Committee relied primarily on the Department of Fish and Game's budget request for FY 1980. Their request for the Subsistence Section was \$1,420,100. Our committee recommends a Subsistence Section budget of \$1,471,200. The Fish and Game Department's budget request was developed by the Department's Subsistence Task Force, composed of senior department staff who have had extensive experience in rural Alaska. The Committee respects the ability of this task force with regards to budget development for rural programs.

839

Attachment #1

4/4/79

There are three basic differences between the Department's request and the Subsistence Committee's recommendations.

- 1) The Committee does not recommend the temporary positions (mostly clerical) costing \$114,226 which the Department requested.
- 2) The Committee recommends an equipment expenditure of ~~\$247,700~~ rather than the ~~\$105,900~~ requested by the Department. Much of the essential basic equipment can be bought with FY 1979 funds.
- 3) The Committee recommends the funding of 11 offices during FY 1980 rather than the 9 offices requested by the Department.

The Subsistence Committee is especially concerned that the field personnel in the Subsistence Section have adequate money available for travel. Travel will be of vital importance during the early stages of the Section's operations. The goals and objectives of the Subsistence Section must be explained to subsistence users throughout rural Alaska. The travel budget of \$235,600 and the \$98,000 allocated for air charter time under the Contractual line are of vital importance.

The Subsistence Committee staff talked at length with the newly hired Chief and Assistant chief of the Subsistence Section prior to the preparation of our recommended budget.

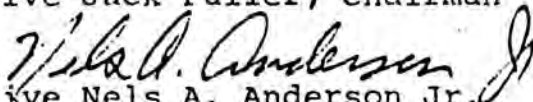
The Committee notes that the cut of the original Departmental request from \$1420,100 to \$845,900 by the Governor may be partially explained by the fact that no Subsistence Section staff had been hired at the time when the Budget and Management office was reviewing program requests.

The line item breakdown of our recommended appropriation is enclosed.

Sincerely yours,

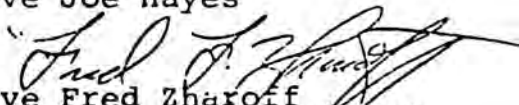


Representative Jack Fuller, Chairman

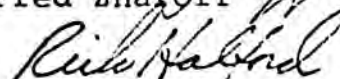


Representative Nels A. Anderson Jr.

Representative Joe Hayes



Representative Fred Zharoff



Representative Richard Halford

900

4/4/79



Official Business

Alaska State Legislature

House of Representatives

Special Committee
on Subsistence

Pouch V
State Capitol
Juneau, Alaska 99811

RECOMMENDED SUBSISTENCE SECTION BUDGET

100. PERSONAL SERVICES

800.4

This provides for a Resource Specialist II (Range 16) and a Fish and Game Technician III (Range 11) in eight field offices plus a Resource Specialist IV (Range 20) and A Clerk-Typist III (Range 8) in Fairbanks and Anchorage and a Chief, Assistant Chief, Rural Affairs Co-ordinator and Administrative Assistant in Juneau.

200. TRAVEL

235.6

This money would be used for travel to villages from regional centers and to staff meetings to co-ordinate efforts. There will likely be less money needed for travel in future years once the Section is well established.

300. CONTRACTUAL

322.1

This would be used primarily to pay for rent and basic utilities plus charter air time.

400. COMMODITIES

74.3

This provides for office supplies, fuel and oil for outboards and snow machines and camping equipment

500. EQUIPMENT

38.8

This provides snow machines, CB radios cameras etc.

TOTAL

901

1471.2

4/4/79

HOUSE FINANCE COMMITTEE

April 4, 1979

1:40 p.m. ..

All members of the Committee were present. Representative Duncan arrived later in the meeting. Also present were Alison Farnan and John Lucas, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order. The Committee continued closing out the GENERAL GOVERNMENT budget.

GENERAL
GOVERNMENT
CLOSE-OUTS

Department of Transportation:

Facilities Planning & Research, Office of Deputy Commissioner: Representative Rogers moved to accept the Governor's figure for personal services and the House recommendation figures for the other line items. There being no objection, it was so ordered.

Dept. of
Transportation

Public Facilities, Maintenance & Operations Southeast: Chairman Meekins moved to accept the House recommendation. There was discussion. A letter will be written for the Chairman's signature concerning the deplorable condition of the Capitol Building. There was no objection to the House recommendation.

Public Facilities, Maintenance & Operations Central: Representative Rogers moved to accept the House recommendation. There being no objection, it was so ordered.

Public Facilities, Maintenance & Operations Interior: Representative Rogers moved to accept the House recommendation. There being no objection, it was so ordered.

Public Facilities, Maintenance & Operations Western: Chairman Meekins moved to accept the House recommendation. There being no objection, it was so ordered.

Public Facilities, Maintenance & Operations Southeast: Representative Rogers moved to accept the House recommendation. There being no objection, it was so ordered.

Public Facilities, Maintenance & Operations Haul Road: Representative Rogers moved to accept 2/3's of the Legislative Recommendation. He further moved that the fixed costs be added back in under contractual. He stated the funding for this budget is to be treated in the same manner as the Haul Road under the Transportation category. There being no objection to the motion, it was so ordered.

(Representative Duncan arrived.)

4/4/79

Communications, Support to State Agencies: Representative Freeman advised this is an area where positions were transferred in from support services. The three positions were previously in the Governor's Office of Telecommunication. The Committee requested further information on the component. Mr. Dick Holden, Deputy Commissioner, Department of Transportation, briefly explained the reason for this function being transferred from the Office of the Governor to the Department of Transportation. He referred to the \$60.0 for the Wide Band Line Program and stated if the study is properly done it could save the state a substantial amount of money in telephone costs. He further explained. Representative Rogers asked if the intent was that this be general funds for only one year. Mr. Holden stated they have no intention of ever applying for general funds for this purpose again. He said in future years the accountant position (\$18.5) will be funded from program receipts. Representative Duncan asked what would happen to the three positions already on board in the Governor's office when these positions were transferred to this BRU. Mr. Holden said he didn't know as they are PX positions and are not on the State register. There was discussion on the positions.

There was discussion on telecommunications projects. Mr. Holden advised that budget is on page 183 of the computer print out. In answer to a question from Representative Duncan, Mr. Holden stated that \$300.0 of the \$2.9 million is to come from the Broadcasters Commission. There was discussion on the project. There was brief discussion on the APBC budget.

Representative Freeman moved to accept the Subcommittee's recommendation (House figure) for Support to State Agencies. Representative Rogers moved to amend the motion to include legislative intent stating that beginning in FY 81 the accountant position and costs for the Wide Band Link Program will be funded by program receipts. Representative Duncan objected to the motion, and stated he is concerned with the range of the transferred positions being lowered. There was brief discussion. Representatives Duncan, McKinnon and Schaeffer opposed the motion. The motion carried.

Communications, Remote Village Radio: Chairman Meekins moved to accept the House recommendation figure. There being no objection, it was so ordered.

Communications, North Slope Haul Road: Representative Rogers moved to accept 2/3's of the legislative recommendation plus the fixed costs; and that the funding be treated the same as the other Haul Road components. There being no objection, it was so ordered.

4/4/79

Telecommunications, TV Demonstration Project: Chairman Meekins moved to accept the House recommendation. Representative Rogers objected. The motion carried. Representative Moss stated he would like to have intent included that the Department shall maintain the transmitter at Tok. Representative Schaeffer objected, and said the effect of that intent would be a line item appropriation. Representative Moss will check into this with the analyst, and if he finds that intent is necessary, he will request that this category be reopened.

Facilities Planning & Research, Procurement Policy: Representative Duncan stated there seems to be good reason for funding the positions from general funds instead of CIP. Ms. Farnan explained they are allowing the three positions that show as new positions, and they are funding them from general funds. Chairman Meekins moved to accept the House recommendation of \$1544.5. Representatives Duncan, Smith and Montgomery objected. The motion carried.

A recess was called at 2:50 p.m. and the meeting was recalled to order at 3:20 p.m. The next budget category to be closed was HEALTH.

HEALTH
CLOSE-OUTS

Mr. Lucas presented a proposal from the Department of Health and Social Services for the Division of Public Assistance to start a Pilot Project Residential Care Program and a Pilot Home Care Alternatives Project (see attachment #1). He stated the end result of implementing this program would be a reduction in federal funds by \$186,000. There was discussion on the program. Chairman Meekins moved to accept the Department's recommendation which would include setting up a new BRU under General Relief Medical entitled Residential/Home Care. This will reduce Medicaid, Nursing Homes to \$15.8. There being no objection to the motion, it was so ordered.

Child & Family Health, Nutrition: Mr. Lucas explained why this component had been left open. He advised the Department can't give the WICK grants directly to communities. There was discussion on the administrative costs and grants. Representative Rogers moved to accept the legislative recommendation as shown in the computer print-out for all the line items except grants and claims, which shall be the Governor's figures. He further moved the funding sources be \$415.0 federal funds and \$55.5 general funds. There being no objection, it was so ordered.

EMS Council, EMS Advisory Council: Mr. Lucas advised that Representative Malone has requested the general funds be restored to the Council. Mr. Lucas stated he understands a budget amendment has been submitted which takes care of Malone's concerns for grants. There was brief discussion on the EMS Advisory Council. Representative Rogers moved to accept \$14.4 in travel and \$2.1 in contractual, with legislative intent that the Council use Legislative Teleconferencing when possible for the meetings. Representative Schaeffer objected. There was discussion. The motion carried.

Child & Family Health, Communicative Disorders: Representative Guy explained what had happened in past years concerning otitis media. He moved that legislative intent be included stating "included in this appropriation is \$100.0 for a grant to YKHC for the otitis media treatment program". There being no objection, it was so ordered.

Laboratories, Regional Lab: Representative Guy explained what had happened with the strep control program. He moved that legislative intent be included stating that \$55.0 is for the YKHC strep program, and that the total figure for this BRU be \$1299.0. There being no objection, it was so ordered.

Harborview: Mr. Lucas explained why this component was left open. He stated the funding sources should be: \$2,271.6 federal funds; \$2,271.6 general fund match; \$684.5 general funds; and \$83.0 program receipts. Chairman Meekins so moved. There being no objection, it was so ordered.

API: Mr. Lucas said there is a problem with the funding for API. He said they apparently will lose a substantial amount of federal funding. The federal people feel 75% of the funding will be disallowed, and it could amount to \$3 million which has already been spent. He presented information on the funding (see attachment #2). Chairman Meekins moved to accept the new funding figures (in attachment). He commented this will have to be resolved in Free Conference. There being no objection to the motion, it was so ordered.

The meeting adjourned at 4:20 p.m.

ADJOURN

Tape HFC 79-105 Side 1 #134 to end
 Side 2 #001 to end
HFC 79-106 Side 1 #001 to 595

4/4/79

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH # 01 - JUNEAU 99811

March 12, 1979

The Honorable Russ Meekins
Chairman, House Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Meekins:

As per your request we submit a proposal for the Division of Public Assistance to start a Pilot Project Residential Care Program for thirteen (13) nursing home patients in the Anchorage area, and a Pilot Home Care Alternatives Project to prevent other individuals at high risk from entering nursing homes. The idea of the Residential Care Pilot Program is to identify persons currently in nursing homes who might wish to live in boarding care in the community if given supportive services to do so, to provide an alternative program to accomplish this goal, and to evaluate costs and savings potential from such a program at the end of a one-year period. (See attached project narrative.) The idea of the Home Care Alternatives Project is to identify persons currently in their own homes who, without intervention and service support would be in immediate risk of institutionalization or nursing home placement. (See attached project narrative.)

This amendment would transfer funds between Budget Request Units within the Division.

A summary of this amendment is as follows:

	<u>TOTAL</u>	<u>FEDERAL</u>	<u>GENERAL FUNDS</u>
Medicaid-Nursing Homes	(373.4)	(186.7)	(186.7)
General Relief-Residential Care	81.6		81.6
General Relief-Home Care	84.8		84.8
Old Age Assistance	20.3		20.3
TOTAL SAVINGS	(186.7)	(186.7)	-0-

Thank you for your consideration of this request.

Sincerely,

Helen D. Beirne

Helen D. Beirne
Commissioner

Attachment #1

06-F38LH

Enclosures

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4/4/79