

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2701

that money in the budget to cover expansion of programs. There was discussion. Representative Duncan moved the total figure for data processing be \$5.9 million, and that the other agency budgets be reduced to correspond with that figure. There being no objection, it was so ordered.

Data Processing, Consultant Services: Chairman Meekins moved to accept the legislative recommendation figures. There being no objection, it was so ordered.

Labor Services, Labor Relations Agency: Representative McKinnon moved to accept the governor's figures. There being no objection, it was so ordered.

Department of Law:

Legal Services: Ms. Farnan advised that all seven positions approved by the Governor and added by revised program are filled. Representative Rogers moved to add to the figure accepted earlier for Legal Services the other 4 positions that were added by revised program. He commented these are federal funds. He further moved the travel and other associated costs for these positions be added to the figure. There being no objection it was so ordered.

Department of Transportation:

Procurement Policy: Ms. Farnan said she spoke with Mr. Holden as the Committee had requested, and he said the figure adopted by the Committee for personal services was adequate. He requested the Governor's figure for travel and contractual. Ms. Farnan advised the difference would be \$130.0 in general funds. Representative Duncan moved to increase the figure they had accepted earlier by \$130.0. There being no objection, it was so ordered.

State Equipment Fleet: Ms. Farnan advised their operating budget takes receipts from the prior year and adds in an inflation number. She advised she checked the figures. Representative Duncan asked if the agency budgets came out \$2 million higher than the amount that is actually there for the highway working capital fund. Ms. Farnan said this was correct. There was discussion. Representative Duncan asked if they could go back and reduce the general funds in the budgets, and appropriate that amount out of the highway working capital fund. There was discussion. Ms. Farnan will check into this and report back to the Committee.

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Division of Budget & Management: Representative McKinnon requested that legislative intent be added requesting that the Governor's budget books, as presented to the Legislature, give detail of what the Governor has taken out. Ms. Farnan will prepare the exact language. There being no objection, the legislative intent will be added.

With the exception of the Office of Telecommunications and State Equipment Fleet components, the General Government budget is closed.

The meeting adjourned at 4:40 p.m.

ADJOURN

Tape HFC 79-113 Side 1 #518 to end
Side 2 #001 to 672

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HOUSE FINANCE COMMITTEE
April 10, 1979
9:15 a.m.

All members of the Committee were present. Representatives Duncan and Schaeffer arrived later in the meeting. Also present were Bob Schroeder, Dave Scott, and John Lucas, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order. He briefly explained the Subcommittee's recommendation for closing out the JUSTICE category.

JUSTICE
CATEGORY
BUDGET
CLOSE-OUTS

Chairman Meekins advised they took the formula for every category, and then added back in the data processing charge back figures. They also made same minor additions and changes, i.e., they gave the Supreme Court their full travel budget.

Chairman Meekins advised that in Corrections the Subcommittee gave them their full amount for personal services. He said they didn't add any positions, but they didn't take a vacancy factor.

Representative Haugen asked what was done in Local Jail Support. Chairman Meekins advised they took last year's figure and added an amount for inflation. He advised there are no new contracts, so that amount should be sufficient. Representative Haugen advised two communities in his district are having problems at their local jails, and he is going to call them to obtain further information. He may want to come back and change this. Representative Freeman suggested that if he comes up with additional information, this could be changed in free conference. Chairman Meekins advised the total figure for jails is \$261,400. He advised they took 100% of the full year figure for contracts, and did not short fund them.

Representative Montgomery asked what was done with Out-of-State Contracts. Chairman Meekins advised they gave them money for 161 people, and included legislative intent that the number be brought down to 125 people.

Representative Montgomery asked what was done on Parole Boards. Chairman Meekins advised they added \$8.3 to miscellaneous for compensation of Board members, and then took the formula figures. There was brief discussion. Representative Montgomery moved to accept the Governor's figure in personal services, and the subcommittee recommendations for the other line items for Parole Boards. There being no objection, it was so ordered.

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Representative Haugen requested that Mr. Schroeder call the city managers in Petersburg and Wrangell and find out what the situation is in regard to their local jail contracts. Mr. Schroeder will do so.

Representative Meekins advised the Subcommittee's recommendation also includes "Freemanizing" the Justice budget, to give the Legislature an opportunity to look over the budget in detail during the interim. There was brief discussion on what percentage of the budget should be short funded. The Committee concurred the Justice Budget should be funded at 75%.

Representative Moss moved to accept the Subcommittee's recommendations on the Justice budget, with the changes made at today's meeting. There being no objection, it was so ordered.

The JUSTICE category is closed.

Representative Rogers requested that they reopen the WICHE component in the EDUCATION category. He moved to accept the Governor's figures and add \$60.0 for new students, and said that would take the place of the Committee's earlier action. Representative Rogers said he thinks that before the program is cut the Committee should look into it and see if they want to come up with a better program, or do something else. He recommended this be looked into in detail during the Interim. Representative Rogers clarified his motion. He said he is moving to accept the Governor's figure in grants/claims only. He said that would raise the \$646.9 figure which was accepted by the Committee earlier up to \$708.1. The question was called for. Six in favor. The motion carried.

EDUCATION
BUDGET
CLOSE-OUTS

There was brief discussion on Interim Committees.

The next component to be considered was the Alaska Public Broadcasting Commission in EDUCATION. There was discussion. Representative Freeman commented the Governor's figure is about 58% of the Commission's Basic Minimum Service (BMS) figure. He said there are inequities in the Governor's figures. Representative Haugen concurred with Freeman, and commented on the Petersburg public broadcasting station.

Chairman Meekins suggested the Committee assume the Commission is correct with the figures they have come up with under their BMS formula. He said they can't afford to give them the entire \$4 million, and he suggested funding 75% of BMS, and appropriating that amount to the Commission. He said he believed that would be equitable. There was further discussion. Representative Duncan suggested agreeing on a basic formula, and if a legislator feels a station in his area needs to be increased, he can request it while the Committee is considering its Capital budget. There was discussion.

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Representative Rogers moved to accept 75% of BMS on a station by station basis, and that the figures be set out by allocation. Mr. Scott asked if Capital 80, Alaska Review and Mini TV were included in the motion, and Representative Rogers suggested these be considered separately. Representative Rogers said if his motion was accepted, the figures would increase for everyone except KSKA-Anchorage, KAKM-Anchorage, and KSTA-Kodiak. There was discussion.

Representative Montgomery moved to amend the motion to accept the 75% figure, but no one shall receive less than they received in FY 79. Representative Freeman objected. There was discussion. Representative Freeman suggested taking the BMS figure as a base, and taking the Governor's figure and prorating it among the stations, and then if any member wants an increase, to take it up in the Capital budget consideration. Representative Rogers suggested taking 75% of the total funding.

A recess was called at 9:55 a.m. Chairman Meekins recalled the meeting to order at 10:35 a.m.

(Representative Schaeffer arrived at this time.)

There was further discussion on the motion. Representative Duncan said by not funding anyone less than FY 79 and then taking a percentage of the BMS figure, they are not being equitable. Representative Rogers withdrew his motion because by funding at the BMS level, the Committee would be funding three new radio stations.

Mr. Scott advised that if these three stations were taken out, the figure for BMS is \$3105.4. That figure was then applied against the Governor's figure.

Representative Duncan suggested funding Capital 80 for a 120 day session. That figure is \$121.4.

Representative Duncan suggested giving Alaska Review the same figure as last year plus an inflation increase of 6%. That figure is \$92.1.

Representative Duncan suggested funding Mini TV Dubbing at \$32.0.

Mr. Scott advised the base figure would then be \$2214.2, and to come up with a figure they should divide BMS by that figure.

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Chairman Meekins moved the total figure shall be the Governor's figure, and it will be pro rated based on the same formula that BMS gives stations. He said that increases to stations will be a subject for discussion during the Capital Budget. Representative Rogers said the motion would be the same as taking 71.3% of BMS. There was further discussion. The question was called for. Representatives Smith, Schaeffer and Montgomery opposed. All else in favor. The motion carried. The consensus of the Committee was that these funds should not be allocated, but shall show up as legislative intent.

Representative McKinnon moved that legislative intent be included stating that next year KUAC be funded through APBC rather than the University. Representative Rogers objected. There was discussion. Representative Rogers said he would want to know what effect this would have on broadcasting instructional programs at the University. He moved to amend the motion to request that APBC and KUAC be asked to report back to the Legislature on what the impact of such a move would be. There was discussion. Representative McKinnon said he would not object to that if the report is in detail, and doesn't just say "yes, it should be moved" or "no, it shouldn't". Representative Rogers requested the intent language specifically request an analysis of the impact on funding, programming, etc.

Representative Haugen said the confusion in APBC is not over yet, and he would like to hear from Commission members. Mr. Scott suggested the legislative intent request that the Commission present its report to the Finance Committee in person next January, and that they submit a written report in advance to Finance Division staff in November. There was discussion. The Committee accepted the legislative intent as suggested above. Mr. Scott will prepare the exact language.

The EDUCATION budget is closed.

Child Support Enforcement in the SOCIAL SERVICES category was left open. Representative Meekins explained what had occurred in the past with the program, and advised the Committee had tentatively zeroed this component out. There was brief discussion. Chairman Meekins moved to accept the legislative recommendation figures for this component, and that the same legislative intent that was included last year be included again this year. Mr. Lucas commented this motion would eliminate the positions added by revised program in January. He said the revised program request was all federal funds, but the positions are 71% federal/21% general funds. He advised the positions are filled. Representative Duncan

SOCIAL
SERVICE
BUDGET
CLOSE-OUT

4/10/79

asked what would happen if they accepted the positions, but did not include the general funds for those positions (\$68.5). Mr. Lucas said they could probably get the funds from travel and contractual. Representative Duncan moved to amend the motion to accept the positions but not the \$68.5 in general funds. There being no objection, it was so ordered.

The SOCIAL SERVICES budget is closed.

The meeting adjourned at 11:25 a.m.

ADJOURN

Tape HFC 79-113 Side 2 #672 to end
HFC 79-114 Side 1 #001 to end
Side 2 #001 to 642

HOUSE FINANCE COMMITTEE

April 10, 1979

1:50 p.m.

All members of the Committee were in attendance, with Representative McKinnon arriving later in the meeting. Also in attendance: Representatives Nels Anderson, Jack Fuller and Vern Hurlburt; Jay Hogan, Director, Legislative Finance, and Milt Barker, Alison Farnan, John Lucas, Bob Schroeder and Dave Scott, Budget Analysts, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order and advised the Committee would finish GENERAL GOVERNMENT budget closeouts.

GENERAL GOVT
BUDGET
CLOSEOUTS

DEPARTMENT OF TRANSPORTATION

State Equipment Fleet, pg 187-199: Alison Farnan explained the manager of the State Equipment Fleet had budgeted this incorrectly. In response to a question, she stated the highway working and capital fund is for equipment. Discussion followed. Responding to a question from Representative Duncan, Ms. Farnan suggested setting up a new negative component in General Government that would be assigned to Budget & Management. Representative Duncan asked if this would reduce the general fund appropriation, and Ms. Farnan indicated yes, by \$4 million.

[Representative McKinnon arrived at this time.]

Representative Duncan moved Ms. Farnan's suggestion to reduce this by \$4 million. There being no objection, it was so ordered.

Risk Management, Operations, pg 69: Ms. Farnan pointed out that if the four new positions requested here are disallowed, then the premiums should be increased by \$200.0. Brief discussion followed. Chairman Meekins moved to re-establish the new positions with Representative McKinnon's INTENT that they can come back with a supplemental. There being no objection, it was so ordered.

INTENT

Representative Rogers requested the UNIVERSITY budget be reopened. He moved to adopt the same INTENT that was adopted last year regarding federal receipts. He referred to AS 35.010 relating to Organized Research. Discussion followed, with Mr. Scott explaining the reason for this is the grants don't run on a fiscal year; this intent would do away with the RP process.

UA BUDGET
REOPENED

INTENT

Mr. Scott advised this is not new funds, but would continue the existing funds to finish out the project. He also suggested the Committee might want to wait until Free Conference Committee to see if the University shows a report.

Representative Rogers moved to amend his motion to add language that, "If the University establishes a reporting system that provides appropriation by the beginning of the fiscal year..." There being no objection, it was so ordered.

INTENT

[The Committee went into Executive Session at 2:15 p.m., and Chairman Meekins recalled the meeting to order at 2:30 p.m.]

EXECUTIVE
SESSION

Chairman Meekins advised the Committee would consider the CAPITAL BUDGET at this time. He noted the Governor's capital budget is \$23 million. There was discussion on whether to take up statewide or individual requests first.

CAPITAL
BUDGET

Chairman Meekins moved a statewide request for \$300.0 for a study by the University of Alaska on bowhead whales and walrus. There being no objection, it was so ordered.

STATEWIDE

During further discussion, Chairman Meekins stated he feels statewide projects should be the last things taken up and that individual priorities should be considered first.

Representative Freeman made his request (see attached) first, stating this also includes Representative Gardner. There being no objection, it was so ordered.

DISTRICT
REQUESTS

There was brief discussion on Public Broadcasting, with Dave Scott distributing a handout on this resulting from the formula discussed this morning.

Representative Duncan read his request (see attached), stating this also includes Representative Miller. There being no objection, it was so ordered.

Representatives Rogers and Smith read their requests (see attached), stating this also includes the input of the other members of the delegation. There being no objection, it was so ordered.

Representative Anderson made his request (see attached). There being no objection, it was so ordered.

Representative Hurlbert read his request (see attached). There being no objection, it was so ordered.

Representative Guy made his request (see attached). It was noted his total was more than the \$750.0 allowed. The list was tentatively approved, with the provision Representative Guy will cut and finalize it at tomorrow's meeting.

Representative Fuller read his request (see attached). There being no objection, it was so ordered.

Representative Moss made his request (see attached). There being no objection, it was so ordered.

Representative Schaeffer read his request (see attached). It was noted he was approximately \$20.0 under the allowable \$750.0. There being no objection, it was so ordered.

GENERAL GOVERNMENT, Executive Operations, Telecommunications:

Representative McKinnon moved to zero out the \$60.7 in DPDP, and retain the four positions in Juneau, essentially eliminating the Anchorage office. He moved the following figures: Personal Services - \$168.5; Travel - \$30.0; Contractual - \$175.3; Commodities - \$3.0; Total Expenditure - \$376.8. There being no objection, it was so ordered.

GENERAL GOVT
BUDGET
CLOSEOUT

The meeting adjourned at 4:00 p.m.

ADJOURN

Tape HFC 79-114 Side 2 #642 - End
 79-115 Side 1 #001 - End
 Side 2 #001 - End
 79-116 Side 1 #001 - #013

FREEMAN:

(Freeman & Gardiner)

500.0 Aerial photography & right-of-way survey for
Schoenbar Bypass (DOT - Transportation)

150.0 Klawock High School design & study (Education/
Transportation)

85.0 Kasaan boat harbor float (DOT, Waters & Harbors
- Development)

50.0 Craig equipment--crawler, tractor (DOT, Highways
- Transportation)

50.0 City of Craig - grant to build a youth center
(H&SS - Social Services)

50.6 Klawock - grant for fire truck (C&RA - Development)

42.7 APBC grants-Ketchikan (Public Broadcasting -
Education) *Transfer to Operating Budget*

Total \$877.0

MOSS:

750.0 Addition to Delta school for classrooms (Education)

DUNCAN:

(Duncan & Miller)

87.2	Sheldon Museum renovation-Haines (Museums & State Library - <u>Education</u>)
250.0	Haines Elementary School repairs (<u>Education</u>)
125.0	Skagway port realignment (DOT, Waters & Harbors - <u>Transportation</u>)
564.9	Skagway Carcross Highway - just equipment (DOT, Highways - <u>Transportation</u>)
50.0	North Panhandle Marine Park facility (DNR, Parks - <u>Natural Resources</u>)
60.0	Lynn Canal Public Broadcasting (<u>Education</u>) Transfer to OPERATING
61.0	Haines Public Broadcasting (<u>Education</u>) - CAPITAL
87.958	KTOO-Radio (Public Broadcasting - <u>Education</u>)
110.8	KTOO-TV (Public Broadcasting - <u>Education</u>)
100.0	Juneau Centennial Committee - grant (C&RA - <u>Development</u>)

Total: \$1,497.0

ROGERS:

- 5.0 UA-Fairbanks - grant for symphony orchestra to record symphony Ursa Major (University)
- 10.0 UA Library for rare Alaskan books & maps (University)
- 12.0 Dept Military Services for emergency medical services radios to connect up with helicopter (DMA - Public Protection)
- 25.0 Dept of Labor Research & Analysis - North Star Borough community information office (Public Protection)
- 78.0 North Pole sidewalks & lights (DOT, Highways - Transportation)
- 90.0 DOT - Yukon River ferry economic analysis (Planning - Transportation)
- 125.0 Tanana Valley fair for utilities (Natural Resources)
- 125.0 Chena Gold Stream Fire Department - grant for hall (C&RA - Development)
- 200.0 UA-Fairbanks for equipment (University)
- 200.0 Senior Citizens Nutrition Center (Health)
- 100.0 City of Fairbanks - Dredging of North Noyes slough (DOT/Dev, Waters & Harbors - Transportation)

SMITH:

- 300.0 Tanana Valley Assn - Exhibit hall (C&RA - Development)
- 400.0 DNR, Div of Parks - Upgrading Chena wayside (Natural Resources)
- 100.0 Fairbanks North Star Borough - Grant for design study for parking garage & pedestrian walkway downtown Fairbanks (DOT - Transportation)
- 45.0 City of Fairbanks - Chena River clean-up (C&RA - Development)

Total: \$1,500.0

ANDERSON:

110.9	Kipnuk village - Grant to build a clinic (<u>Health</u>)
250.0	Dillingham - Relocation of city dump (C&RA - <u>Development</u>)
60.0	Naknek Beach access road (DOT - <u>Transportation</u>)
150.0	Naknek River crossing study (DOT - <u>Transportation</u>)
20.0	Port Heiden - Grant for electrification extension (C&RA - <u>Development</u>)
12.5	Port Heiden - TV transmitter & installation (Public Broadcasting - <u>Education</u>)
82.5	Bristol Bay Retional Advisory Council (Commerce & Economic Dev - <u>Development</u>)
54.6	APBC - KDLG-Radio (Public Broadcasting - <u>Education</u>) <i>Transfer to OPERATING</i>
10.0	City of Dillingham, Div of Communications - Travel, translator repair & spare parts (C&RA - <u>Development</u>)

Total: \$749.6

HURLBERT:

100.0	-	12.5 ea	Anvik	)	
			Hughes	)	
			Huslia	)	Transmitter & Cable
			Kaltag	)	
			Koyukuk	)	(Public Broadcasting
			Telida	)	- <u>Education</u>)
			Mt Village	)	
			Stony River	)	
62.5	-		Takotna - Transportation & installation of earth station & transmitter (Public Broadcasting - <u>Education</u>)		
62.5			Nikolai - Transportation & installation of earth station & transmitter (Public Broadcasting - <u>Education</u>)		
25.0			Lime Village - KYUK installation of translator (Public Broadcasting - <u>Education</u>)		
15.0			Sheldon Point - KYUK installation of translator (Public Broadcasting - <u>Education</u>)		
20.0			Hooper Bay boardwalk (DOT - <u>Transportation</u>)		
25.0			McGrath - Comp planning grant (C&RA - <u>Development</u>)		
250.0			Hooper Bay road construction (DOT - <u>Transportation</u>)		
47.0			Hughes electrification project wrap-up (C&RA - <u>Development</u>)		
32.0			Shageluk - Additional roads improvements (DOT - <u>Transportation</u>)		
86.0			Takotna - Finish electrification project (C&RA - <u>Development</u>)		
25.0			Nikolai - Finish electrification project (C&RA - <u>Development</u>)		

Total: \$750.0

Guy:

10.0	Aniak - school fire code upgrade
10.0	school upgrade
6.0	St Mary
5.0	Lower Kalskag - ^{new entry for fire code} furnace upgrade for fire code
4.0	Lower Kalskag -
20.0	Upper Kalskag - drill well
110.0	AEIDC for Yukon-Kuskokwim region biotic resource study
20.0	Toksook Bay - permanent school fuel line
70.0	Bethel High School for ^{balancing + modifying} heating system
150.0	Bethel Kilbuk School to upgrade kitchen
250.0	Bethel - cleanup Napakiak Road
164.120	Upper Kalskag - extension by 500 ft airport runway

Total: \$819.120

FULLER:

189.768 Obligation to Kawerak, Inc., for Nome public
schools utilities (Education)

347.994 Nome - Utilities--flood damage (DMA - Public
Protection)

18.0 Norton Sound Health Corp - Indirect cost owed
by State (Health)

4.232 Nome Police Dept - Visual aid grant to upgrade
criminal investigation--lab, camera, training
(Public Safety - Public Protection)

10.0 Seward Peninsula - Fish hatchery study
(DNR, Fish & Game, FRED - Natural Resources)

180.0 City of Gambell - Grant for freezer--pilot
program re: walrus resource (C&RA - Development)

Total: \$750.0

SCHAEFFER:

345.0 Office of Energy & Power Development - Demonstration Project, single wire ground return Shungnak to Kobuk (C&RA - Development)

75.0 City of Kivalina - Direct grant for construction and purchase of small boat harbor finger floats (DOT, Waters & Harbors - Transportation)

75.0 City of Point Hope - Direct grant for construction and purchase of small boat harbor finger floats (DOT, Waters & Harbors - Transportation)

100.0 City of Kotzebue - Direct grant for bridge at Sadie Creek (DOT, Waters & Harbors - Transportation)

50.0 Div of Harbor Design & Construction for launch ramp at Barrow (DOT, Waters & Harbors - Transportation)

10.0 City of Kotzebue - Direct grant for dust control (DOT, Waters & Highways - Transportation)

15.0 Nana Search & Rescue - Direct grant (Public Safety - Public Protection)

34.559 DOT - purchase backup generator for Kotzebue Senior Citizens Center (DOT - Transportation)

25.0 Northwest Native Trade Fair-Kotzebue - Direct grant for operation of fair (Commerce & Economic Dev - Development)

Total: \$730.559

HOUSE FINANCE COMMITTEE
April 11, 1979
2:10 p.m.

All members of the Committee were present. Also present was Representative Branson.

PRESENT

Chairman Meekins called the meeting to order and said the Committee would continue their consideration of the CAPITAL budget.

CAPITAL
BUDGET

Representative Haugen presented a proposed list of additions to the Capital Budget (See attachment). He also presented two recommended legislative intent items for the Transportation category. There was no objection to placing these items in the Transportation operating budget. There was no objection to adding Haugen's capital projects to the capital budget.

Representative Duncan advised that a \$60.0 capital item for Lynn Canal Public Broadcasting was not included in the list prepared by the Finance Division. That amount was added to his list.

A recess was called at 2:25 p.m.

RECESS

Tape HFC 79-116 Side 1 #013 to 249

4/11/79

Angoon 4/11

120.0 - Sewer line - ~~P.S.B.~~ P.S.B. Senior Citizens Complex
40.0 - P.S.B. Youth Center -
100.0 - Health Center Tenetke
20.0 - Kake High School Aquaculture Project.
25.0 - Crawler Tractor - City of Hoonah
30.0 - Kitchen repairs Sitka Pioneer Home
100.0 - ~~the~~ Floats for Handtrucks at Angoon
50.0 - Thomas Bay Power Authority
150.0 - Shortfall - Wrangell school project
335.0
100.0 - Fire Hall Snow Bay Subdivision Snow Bay -

① Leg Intent -

① D.O.T. report to Finance by January of costs to enlarge Kake Ferry terminal to accomodate mainline ferry vessels

② D.O.T. - report to the House & Senate Finance Committee cost of building a road from Sitka to Rodman Bay. The report shall also include comments relative to improvement of Ferry service in South East by the construction of this road.

HOUSE FINANCE COMMITTEE
April 12, 1979
9:00 a.m.

All members of the Committee were in attendance, with Representatives Smith, Freeman, Schaeffer and Duncan arriving later in the meeting. Also in attendance: Representatives Nels Anderson and Fred Zharoff; John Crandall, Administrative Assistant to Chairman Meekins; Jay Hogan, Director, Legislative Finance, and Milt Barker, Bob Grogan, Alison Farnan, John Lucas, Bob Schroeder and Dave Scott, Budget Analysts, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order and advised the Committee would continue consideration of the CAPITAL BUDGET.

CAPITAL BUDGET

Representative Rogers moved to include a breakdown on the \$200.0 for the University noted in his previous request. There being no objection, it was so ordered.

[Representatives Smith, Freeman and Schaeffer arrived at this time.]

Representative Rogers then moved additional capital projects, noting this also includes the requests of Representatives Smith, Brown and Parr (see attached). There being no objection, it was so ordered.

Representative Moss then withdrew his previous request and moved to replace it with the attached list. There being no objection, it was so ordered.

Representative Zharoff presented testimony on the Pillar Mountain project and stated his reasons for believing this to be a statewide project instead of a district project. After brief discussion, Chairman Meekins advised it is his determination that it is a district priority. Representative Zharoff then made his request (see attached). There being no objection, it was so ordered.

Chairman Meekins then noted the requests of Representatives Osterback, Miles and Munson. There being no objection to these requests, it was so ordered.

[The meeting recessed at 9:35 a.m. until after the House floor session.]

RECESS

Chairman Meekins recalled the meeting to order at 11:30 a.m. so that Representative Montgomery might present his request (see attached). There being no objection, it was so ordered.

The meeting adjourned at 11:45 a.m.

ADJOURN

Tape HFC 70-116 Side 1 #251 - End
Side 2 #001 - #135

BROWN - PARR - ROGERS - SMITH

4/9 5.0 ✓ Grant for University-Fairbanks Symphony Orchestra to record
"Symphony in Ursa Major" (University)
10.0 ✓ UA (Fairbanks) Library - Rare Alaskan books and maps (University)
12.0 ✓ Emergency Medical Services for radios to communicate with
MAST military helicopter (Health)
25.0 ✓ Dept of Labor, Research and Analysis for grant to Fairbanks North
Star Borough for community information activities (Public Prot.)
78.0 ✓ City of North Pole for sidewalks and lights (Transportation)
90.0 ✓ DOT - Upper Yukon Ferry economic analysis (Planning - Transportation)
125.0 ✓ Tanana Valley Fair Association - utilities upgrade (Natural Resources) DEV
125.0 ✓ Chena-Goldstream Volunteer Fire Department - firehalls (C&RA-Development)
200.0 ✓ Senior Citizen's Nutrition Center addition (Health)
100.0 ✓ City of Fairbanks - Dredging and Shore Restoration - Noyes Slough
(DOT/Dev, Waters & Harbors - Transportation)
300.0 ✓ Tanana Valley Fair Association - Exhibit Hall (C&RA - Development)
400.0 ✓ DNR, Div. of Parks - Upgrading Chena Campground (Natural Resources)
100.0 ✓ Fairbanks North Star Borough - Grant for design study for parking
garage & pedestrian walkway, downtown Fairbanks (DOT-Transportation)
45.0 ✓ City of Fairbanks - Chena River cleanup (C&RA - Development)
200.0 ✓ University of Alaska capital projects:
1815.0 Security-Ambulance replacement 31.3
Fire Station - pumper 3.9
Security - intercom system 1.5
Lab ventilation 6.0
Animal Waste Disposal System 120.0
Housing-Smoke Detection System 3.6
Upgrade Ski Trails 12.0
Wood Center - Furniture replacemt 21.7
200.0

4/12 250.0 University of Alaska capital projects:
Museum equipment - new building 50.2
KUAC - equipment replacement 5.7
School of Mineral Industry equip 24.6
Feed Mill-livestock research 80.0
Graphics-Offset Press replacement 40.0
Constitution Hall renovation 49.5
250.0

500.0 Fairbanks North Star Borough - grant for local service roads
and trails. Individual roads to be chosen by FNSB Assembly.
(DOT - Transportation)
135.0 DOT/PF - Landscaping and Gardening, State Office Building, State
Court Building, State Parking Garage, Pioneers Home in Fairbanks.
It is the intent of the legislature that these projects are to
provide seasonal employment for out-of-work people in Fairbanks.
It is the intent of the legislature that as far as possible,
planting and gardening at the Fairbanks Pioneers Home be effected
by residents of the Home. (DOT - Transportation)
100.0 DOT/PF - Bridle Paths in the Fairbanks North Star Borough Area
(DOT - Transportation)
985.0

2800.0

CAPITAL PROJECTS

Moss

	<i>Dev, NR</i>	
120,000	Tanana Chiefs Conferences - for agricultural equipment and materials	
10,000	City of Nenana - for tourist center renovation	<i>C+ED, Dev</i>
50,000	City of Allakaket - for villiage electrifications	<i>C+RA, Dev</i>
3,000	<i>Ed</i> Copper River School District - for <i>Nabesha</i> ~~Nenana~~ School - to correct fire inpection and construction discrepancies <i>Ed</i>	
3,500	" Copper River School District, for Chistochina School - to correct fire inspection and construction discrepancies <i>Ed</i>	
75,000	<i>CP</i> Governor's Office of Telecommunication - for translators for Chistochina, Willow Mountain, and Gakona <i>GG</i>	
50,000	Governor's Office of Telecommunication for installation of TV translator at Cantwell <i>GG</i>	
<i>250,000</i> 25,000	DOT - for city of Delta Junction for Community Recreation Center <i>Health</i> <i>Dev, C+RA</i>	<i>grant</i>
35,000	City of Delta Junction - for purchase of ambulance and associated EMS equipment <i>Health</i>	
100,000	<i>Trans</i> DOT - for City of Delta Junction for road upgrading <i>grant</i>	
696,500		

Rep Fred Zharoff

Option 1

HB 299	Spec. Approp./Dept. Nat. Res. for study of landslides and tsunamis <u>Nat Res</u>	\$431,400.00
HB 197	Spec. Approp./D.O.T. to repay Kodiak for rebuilding Monashka Bay Dam <u>Water - Dev</u>	\$200,000.00
HB 200	Spec. Approp./D.O.T. for Ahkiok and Ouzinkie Schools: <u>Ed.</u> Funding for Ouzinkie portion only	\$100,000.00 \$730,000.00

Option 2

HB 197	Spec. Approp./D.O.T. to repay Kodiak for rebuilding Monashka Bay Dam	\$200,000.00
HB 235	Spec. Approp./D.O.T. for surfacing roads: Funding for Spruce Cape/Mission Rd only	\$335,000.00
HB 200	Spec. Approp./D.O.T. fro Ahkiok and Ouzinkie Schools: Funding for Ouzinkie portion only	\$100,000.00 \$735,000.00

Homemaker program for Senior Citizens		\$32,000.00
Supervisor-Director (LPN)	\$11,690	
Part-time workers	\$10,900	
Fringe benefits	\$ 4,070	
Supplies	\$ 1,000	
Administrative costs (9% budget)	\$ 2,700	
Consultant Services	\$ 1,600	

Leisure Center for Alcoholics

ire

Pouch V
State Capitol
Juneau, Alaska 99811

school Ed
road Trans
harbor Dev Water
port Trans
im Dev Water
port - Trans

1000

4-12-79

4-12-79

CORRECTION

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

Rep. Fred Zharoff

Option 1

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Leisure Center for Alcoholics



Official Business

Alaska State Legislature

House of Representatives

Committee on Resources

Pouch V
State Capitol
Juneau, Alaska 99811

House Finance CS for HB 276

OSTERBACK - REQUESTS - Capital Budget

Chignik Lake	\$100,000
Chignik	50,000
Old Harbor	85,000
Perryville	50,000
Sand Point Dam	200,000
Sand Point Road	100,000
False Pass	165,000

\$750,000

- Completion of school Ed
- Completion of road Trans
- Repair to Boat Harbor Dev Walter
- Repair to airport Trans
- Reconstruct Dam Dev Walter
- Repairs = Trans
- Repairs to airport - Trans

Language attached.

In CS HB 276

4/12/79

MILES:

725.0 Library Books, University of Alaska - Anchorage
(University)

25.0 KAKM (Public Broadcasting - Education) MOVE TO
OPERATING

750.0 TOTAL



Alaska State Legislature

REPRESENTATIVE
JOYCE MUNSON

LEGISLATIVE ADDRESS
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3877
(907) 465-3724
HOME ADDRESS
935 EAST 79TH
ANCHORAGE, ALASKA 99502
(907) 334-2013

April 11, 1979

Rep. Russ Meekins, Chairman
House Finance Committee
Alaska State Legislature
Juneau, Alaska

Rep. Joyce Munson's requests for road and highway improvements
within District 11, Anchorage, Alaska.

All transportation

1) DeArmoun Road

At approximately the 2.5 mile mark on DeArmoun Road
there exists two knolls which are creating and presentin
hazardous safety conditions.

Cost of removing or flattening two knolls \$400,000

2) Girdwood

There is a new school being built in Gridwood with an
approximate .5 mile access road .

Paving and illumination of access road \$200,000

3) Rabbit Creek Road

The paving of Rabbit Creek Road is contracted for
the summer of 1979, utilizing rapid-cure oil and
gravel chips - this is an intermediate paving process
with short-term longevity.

Upgrading to hot-pavement surfacing to insure
longevity and prevention of cracking \$150,000

GRAND TOTAL

\$750,000

gm

4-12-79
Montgomery

CAPITAL IMPROVEMENT PROGRAM/FY 80

<u>AGENCY</u>	<u>PROJECT DESCRIPTION</u>	<u>AMOUNT</u>
DOT/P.F.	Traffic signals at (Dimond/Victor) and (Dimond/Arleen)	\$ 150,000
City of Anchorage	Dev. Westchester Lagoon picnic area	100,000
City of Anchorage	Provide summer jobs for teenagers - clean-up campaign Fish Creek and Campbell Creek area	100,000
City of Anchorage	Treeplanting project on city property (youth employees)	50,000
City of Anchorage	Purchase heavy duty rescue vehicle	75,000
Anchorage School District	Refurbish East High School auditorium	150,000
Cook Inlet Aqua- culture Assoc.	6 Mile Creek sport fish enhancement Study	50,000
Dept. of Education	Public Broadcast Anchorage TV and radio	25,000
City of Anchorage	Restroom facilities, dressing room at Mulcahy Park	315,000
City of Anchorage	DeLong Lake Park site acquisition - Sand Lake area East of Jewell Lake	200,000
City of Anchorage	Park-site acquisition - Sand Lake area East of Jewell Lake Road	100,000
City of Cordova	To fund the completion of the Cordova City Hall. Shortfall occurred when state required a more elaborate jail than was budgeted	100,000
Governor's office of Telecom.	Copper Valley Translators To improve TV reception in the region	150,000
Univ. of Alaska	Fairbanks Hockey Rink - seats, etc.	30,000
Fairbanks North Star Borough	Noyes Slough	50,000
Fairbanks North Star Borough	Purchase of Recreation sites	220,000

HOUSE FINANCE COMMITTEE

April 12, 1979

1:45 p.m.

All members of the Committee were in attendance, with Representatives Guy and Smith arriving later in the meeting. Also in attendance: Representatives Sam Cotten and Pat Carney; Ken Vassar, Legislative Affairs Agency; John Crandall, Administrative Assistant to Chairman Meekins; Jay Hogan, Director, Legislative Finance, and Milt Barker, Alison Farnan, Bob Grogan, John Lucas, Bob Schroeder and Dave Scott, Budget Analysts, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order and advised the Committee would continue consideration of the CAPITAL BUDGET.

CAPITAL BUDGET

Representative Cotten presented his first request for "\$100.0 appropriated to the Capital Site Planning Commission for the purpose of preparing an alternative, lower cost plan for the relocation of the capital and reviewing and giving consideration to the proposal by the Mat-Su Borough and reporting to the Legislature by January 15, 1980." Representatives Duncan and Rogers objected.

[Representative Guy arrived at this time.]

Discussion followed, with Chairman Meekins indicating he feels this request is within the guidelines the Committee has been working with. Representative Duncan disagreed, stating this should be included in the operating budget as it is not a capital budget item. He also stated the Capital Site Planning Commission (CSPC) functions are done. Representative Cotten stated he feels the functions are not done.

[Representative Smith arrived at this time.]

During further discussion, Representative Duncan stated he feels this is not a district item but one of statewide interest. Representative Rogers stated he feels it should be an operating budget item; and if considered in the capital budget, he feels it is not a district but a statewide request. Representative Montgomery stated he does not feel Representative Cotten's proposal is out of line here and cited the University requests as an example. Representative Rogers requested an opinion from an attorney regarding the question of whether any further planning would be violating the FRANK initiative. Representative Cotten asked this question of Ken Vassar who indicated he feels it would not be in violation.

[At 2:10 p.m., Representative Smith requested a brief at ease. Chairman Meekins recalled the meeting to order at 2:20 p.m.]

AT EASE

Representative Smith stated for the record that she would not be able to support Representative Cotten's request, as she feels this is not the time or place. Representative Freeman then presented a statement of his views on the capital move argument.

The question was called for, and the motion failed (five in favor--Montgomery, Guy, Moss, McKinnon & Meekins; six opposed--Duncan, Smith, Rogers, Schaeffer, Haugen & Freeman).

Representative Cotten then presented his second request (see attached). There being no objection, it was so ordered.

Representative Carney presented his request (see attached), stating he would like to reserve \$100.0 from his "unit pavement project" to be used for the Capital Site Planning Commission (Cotten's request). He stated he "wants the privilege of having the Finance Committee vote down his request". Representatives Freeman and Duncan requested the question be postponed until Representative Haugen, who had left to attend another meeting, could be recalled to the Finance meeting. A call was sent out for Representative Haugen.

Chairman Meekins noted Representative Carney's request for "disaster relief" might be double funding, since the Governor's disaster relief fund can be used for this. He stated this question could be addressed in Free Conference Committee. After brief discussion, Chairman Meekins moved the figure \$575.0, which does not include the \$100.0 for the CSPC request and the \$75.0 for disaster relief. There being no objection, it was so ordered.

Representative Duncan moved Representative Parker's request (see attached). There being no objection, it was so ordered.

Representative McKinnon presented his request and that of Representative Buchholdt (see attached). There being no objection, it was so ordered.

The meeting recessed at 2:45 p.m. to await the arrival of Representative Haugen at 3:00 p.m.

RECESS

Rep. Sen. Carter

1. The sum of \$50,000 is appropriated to the Department of Transportation for an engineering study of Arctic Valley Road.
2. The sum of ^{\$850,000}~~\$900,000~~ is appropriated to the Municipality of Anchorage to be used as grant funds for road improvement in the Eagle River, Muldoon, and Mt. View areas. The Community Councils in the affected areas shall direct the expenditures. The Community Councils are: Chugiak, Eagle River, Eagle River Valley, and Birchwood. Disbursement shall be made as requested by each Community Council.

Pat Carney

FY Matanuska-Susitna Borough

DISASTER RELIEF: Local Municipalities, cost \$75,000.

By request of the
Governor's Disaster
Fund Office

~~City of Palmer: \$35,000~~
~~City of Wasilla: \$30,000~~
~~City of Houston: \$10,000~~

UNIT PAVEMENT PROJECT: School Access and Roads,
cost ~~\$1,000,000.~~ 340,000

\$100.0 (A8000)
#71 CSPE
of Center

~~Schrock Road, 7 miles~~

Lucas Road, 1.5 miles: Is Access to Post Office

~~Willow Lake & Willow Community Facility Access~~

Iditarod Elementary School Access & Parking Lot

Willow Elementary School Access & Parking Lot

Talkeetna Elementary School Access & Parking Lot

STATE-WIDE BENEFIT FACILITIES: Museum and State Fair,
cost \$105,000.

Alaska State Fair: \$55,000

Transportation Museum of Alaska: \$50,000

ROAD UP-GRADE & FACILITIES: Lighting & Gravel Upgrade,
cost \$230,000.

Parks Hwy. & Wasilla Street Main Intersections
Streetlights, installation cost for six
lights (City of Wasilla to pay maintenance
and utility costs): \$30,000

Meadow Lakes Collector Gravel Upgrade: \$50,000

Montana Creek Road Annex & Gravel Upgrade with
Caswell Lakes System: \$20,000 (LSR & T Suppl.)

Access Montana Road System to Parks Hwy:

\$30,000 (LSR & T SUPPLEMENT)

Oilwell Road Upgrade: \$80,000 (LSR & T Suppl.)

\$750.0
-75.0
\$675.0



Official Business

PARKER
Alaska State Legislature
House of Representatives

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

April 12, 1979

Parker

1. Grants to the Municipality of Anchorage, Department of Transportation:
 - A. \$40,000 - To construct two transit bus turnouts along C Street near Loussac Manor.
 - B. \$150,000 - For providing traffic signals at the intersection of 4th and D Streets.
2. Grants to the Municipality of Anchorage, Department of Cultural and Recreational Services:
 - A. \$150,000 - To upgrade the Pioneer Schoolhouse (to include painting the exterior) and Crawford, Alderwood and Coffey Parks.
 - B. \$60,000 - To upgrade the Fairview Center grounds at 10th and LaTouche.
 - C. \$20,000 - To upgrade Valley of the Moon Park.
 - D. \$25,000 - To upgrade Frontierland Park at 10th and E.
 - E. \$70,000 - For the treeplanting program.
3. Grants to the Municipality of Anchorage, Department of Health and Environmental Protection:
 - A. \$20,000 - To develop a Storefront Social Center/Soup Kitchen in Bean's Cafe.
 - B. \$25,000 - As a grant to the Coalition for Economic Justice.

TOTAL 550.0

Appropriations to the Municipality of Anchorage

200.0	Street Repairs- Lois Drive
220.0	Bike Trails- Tudor Road from Minnesota Drive to Northwood Street and South
75.0	Spenard Traffic Improvement- Signals and channelization-Spenard Road-Benson to Northern Lights.
50.0	Fish Creek Linear Park Improvements
100.0	Woodland Park Neighborhood Library
200.0	Street Repairs and Upgrading- District 9. Expenditures made from this appropriation shall be at the direction of the Spenard Community Council.
500.0	Grant to the Spenard Community Council- Recreational Facilities Acquisition/Development
50.0	KAKM- T.V.
50.0 optional	Division of Banking ~~and~~ Securities and Corporations- Corporations BRU, Contractual- Data processing, upgrading and cross-referencing
40.0	Dept. of Community and Regional Affairs BRU-? Grants and Claims Anchorage Community Development Corporation
15.0	Grants to The Lodge, Inc. for facility upgrading

HOUSE FINANCE COMMITTEE

April 12, 1979

3:05 p.m.

All members of the Committee were present. Representatives McKinnon and Smith arrived later in the meeting.

PRESENT

Chairman Meekins recalled the meeting to order. The question was called for on Representative Carney's request that \$100,000 go to the Capital Site Planning Commission for the purpose of preparing an alternative, lower cost plan for the relocation of the capital and reviewing and giving consideration to the proposal by the Mat-Su borough and reporting to the legislature by January 15, 1980. Representatives Montgomery, Guy and Meekins in favor. Representatives Freeman, Haugen, Scaheffer, Rogers, Duncan and Moss opposed. The motion failed. Carney's \$750,000 capital budget request was approved with \$340,000 for school access and roads. (Carney's request was discussed at the earlier meeting today.)

CAPITAL
BUDGET

(Representative McKinnon arrived at this time.)

Statewide Capital Budget requests were considered. Representative Duncan moved to add \$2,615.0 as an allocation to the Alaska Power Authority for reconnaissance and feasibility studies on hydroelectric projects (see attached list). Representative Duncan explained the projects were recommended by the Alaska Power Authority, and he reviewed those projects and brought the list down to this amount. There was discussion.

(Representative Smith arrived at this time.)

Representative Rogers moved to amend the motion to add \$1385 million to the Division of Energy and Power Development to be allocated as follows: \$540.0 for single wire ground return transmitter system for Akiachuk, Napakiak, Napaskiak, and Oscarville; \$345.0 for single wire ground return transmitter system from Shugnak to Kobuk; and \$500.0 for alternative Energy Demonstration Projects, Statewide. There was discussion.

The question on the amendment was called for. The motion carried with Representative Montgomery abstaining. The question on the main motion as amended was called for. The motion carried, with Representative Montgomery abstaining.

Representative Schaeffer commented that \$345.0 of the statewide capital budget was approved earlier as one of his district priorities. He moved to add the following to his district's capital request: \$50,000 for DOT to conduct a

4/12/79

feasibility study for a road between Nome and Kotzebue; \$102,702.70 as a direct grant to the Mauneluk Association for NANA region emergency medical service; \$88,000 as a direct grant to the Mauneluk Association for the Inuunakiqu Youth Project. There being no objection, it was so ordered.

Representative Malone presented a proposed capital request, which lists his priorities for his district. He stated his number one request is for funding to get the Kenai Community College up to a reasonable level of funding. His second priority is first year grant funding for operating of a public radio station in Homer. His third priority is for an appropriation for development of a transportation plan. He advised the total amount for this project is \$280,000 and \$125,000 of that would be federal funds, which they are now applying for; his fourth priority would be for an appropriation to prevent the English Bay airstrip from eroding. There was discussion on Representative Malone's request. Representative Rogers commented Malone's first priority is an operating expense, not a capital request. Chairman Meekins moved to accept Representative Malone's second, third and fourth priority requests as capital budget items. He suggested Malone's community college could be addressed through the operating budget, or through HB 121. There being no objection, the motion was accepted.

Chairman Meekins moved to add \$400,000 to the Statewide Capital Budget request for runway lights and an extension at the Valdez airport. There was brief discussion. Chairman Meekins amended his motion to also accept the federal funds available for this project. There being no objection, the motion as amended was accepted.

Representative Schaeffer moved to add \$460,000 to the Statewide Capital Budget for funding to improve 23 airports (listed in HB 264). There being no objection, it was so ordered.

The meeting adjourned at 4:05 p.m.

ADJOURN

Tape HFC 79-117 Side 1 #161 to end
Side 2 #001 to 381

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STATEWIDE:

2615.0 Allocation to Alaska Power Authority for reconnaissance and feasibility studies on the following projects (Development):

Cordova Hydroelectric Project	(Cordova)	500.0
Bradley Lake	" (Homer)	80.0
Salmon Creek	" (Juneau)	200.0
Anchorage Energy Pooling	(Anchorage)	120.0
Mannonite Cr.	" (Port Lions)	90.0
Gartina Cr.	" (Hoonah)	400.0
Gunnola Cr.	" (Kake)	195.0
Thayer Cr.	" (Angoon)	220.0
Black Bear Lk.	" (Klawock)	440.0
Larson Bay	" (Larson Bay)	80.0
Old Harbor	" (Old Harbor)	
Lake Elva	" (Dillingham)	80.0
Chilkat	" (Haines)	50.0
Kisaralik	" (Bethel)	80.0
Assess Kotzebue	" (Kotzebue)	80.0
Assess Nome	" (Nome)	

540.0 Division of Energy Power Development - for single wire ground return transmitter system for Akiachuk, Napakiak, Napaskiak and Oscarville (Development)

345.0 Division of Energy Power Development - for single wire ground return transmitter system from Shugnak to Kobuk (Development)

500.0 Division of Energy Power Development - Alternative Energy Demonstration Projects - Statewide (Development)

300.0 Study on Bowhead Whales and Walrus (University)

2900.0 DOT - fix runway lights and extension at Valdez.
400.0 general funds/2500.0 federal funds (Transportation)

460.0 DOT for installation of lighting and navigational aids at airports in the following communities:
Aliakchak, Elim, Emmonak, Fort Yukon, Grayling, Haines, Kalskag, Kipnuk, New Stuyahok, Nightmute, Noatak, Norrvik, Ruby, St. Paul, Sand Point, Skagwa, Sleetmute, Shishmaref, Shungnak, Stebbins, Tanana, Togiak, and Unalaska. (Transportation)

HOUSE FINANCE COMMITTEE

April 18, 1979

9:05 a.m.

All members of the Committee were present. Also present were Legislative Finance Division fiscal analysts.

PRESENT

Chairman Meekins called the meeting to order. The Committee considered proposed changes to the budget.

BUDGET
CHANGES

CAPITAL BUDGET:

Chairman Meekins advised that Anderson had requested that the figure for the relocation of the Dillingham Dump, under the DEVELOPMENT category, be reduced from \$250,000 to \$225,000. There being no objection, it was so ordered.

Develop-
ment

Chairman Meekins advised that Osterback had requested that the amount for the False Pass Airport in the TRANSPORTATION category be reduced to \$155,000, and that the \$10,000 reduction be added for a TV transmitter for Sand Point, in the EDUCATION category. There being no objection, it was so ordered.

Transpor-
tation/
Education

OPERATING BUDGET:

Chairman Meekins advised they had been asked to look at their proposal under the GENERAL GOVERNMENT category, for Department of Revenue, Petroleum Revenue and Enforcement. Ms. Farnan advised that under Petroleum Revenue the Committee had applied the computer formula to the FY 79 authorized column, which did not reflect the additional costs as a result of HB 322. She recommended applying the computer assumptions to the continuation level column, which would add \$59.2 to contractual. Chairman Meekins so moved. There being no objection, it was so ordered. Under Enforcement, Ms. Farnan advised the computer assumption took out the costs for the two new positions in the amount of \$43.2. Chairman Meekins moved to add that amount back in. There being no objection, it was so ordered. Under Treasury Management, Ms. Farnan advised the agency has indicated the Committee recommendation takes too much out in T.R.S. and P.E.R.S., and they have requested that amount be taken out of general funds instead. Chairman Meekins moved to add \$42.6 in general funds, and reduce T.R.S. and P.E.R.S. There being no objection, it was so ordered.

General
Government

There was discussion on Southcentral and Northcentral, District Operations in the NATURAL RESOURCES category. Chairman Meekins asked what would happen if the Committee

Natural
Resources

4/18/79

added the amount for the new positions under contractual. Mr. Grogan commented there might be a problem with federal funds. There was brief discussion on whether or not all the positions were needed. Chairman Meekins moved to put the money for the new positions (approximately \$900,000) under the contractual line item, and he requested that Mr. Grogan find out if there will be a problem with federal funds if this is done. There being no objection, it was so ordered.

Changes under the SOCIAL SERVICES category were discussed. Chairman Meekins moved to increase the money for the Head-start Program to \$600,000. There being no objection, it was so ordered.

Social
Services

The changes requested under Emergency Medical Services were considered. Mr. Lucas advised the request was for an addition of \$20.5 general funds in administration, for the newsletter; \$199.0 general funds for grants; and \$14.5 to the Council to fully fund them. Representative Duncan moved to add in these three changes. There being no objection, it was so ordered. Representative Rogers requested the legislative intent concerning using legislative teleconferencing remain in. There was no objection.

Chairman Meekins asked what had been done under the Department of Health & Social Services. Mr. Lucas advised the Committee had accepted the Department's recommendation for decreases, which cut from three planning agencies. He said the result of that would be to decrease 20 full time positions statewide, because it affects three general/federal fund matches. He said to correct this they would have to add \$153.3 in general funds to grants. Representative Freeman moved to make this addition. There being no objection, it was so ordered.

Health

OSHA under the PUBLIC PROTECTION category was discussed. Chairman Meekins moved to accept the Governor's figure, which includes the hygienist the Department has indicated they need to meet federal requirements, and then appropriate 75% of that amount ("Freemanize" the budget). Representatives Smith, Rogers and Moss objected. Representative Smith stated she had made the original motion to zero this component out, and she has not received any information that has convinced her to change her mind. Representative Rogers said he did not agree with funding OSHA at the 100% level, which they haven't done for other agencies they have "Freemanized". There was discussion. Representative Rogers advised there is a bill on the Floor of the House today concerning which agencies will be up for "Sunset" review next year, and he suggested adding OSHA to that list. Chairman Meekins stated he would prepare an amendment to do this in the event the Rules Committee does not present one. Chairman Meekins

Public
Protection

4/18/79

moved to apply the formula assumptions to the Governor's figure for OSHA, and then "Freemanize" that amount. Representatives Duncan, McKinnin and Meekins in favor. Five opposed. The motion failed. OSHA funding remains at zero.

The Ombudsman's Office under the GENERAL GOVERNMENT category was briefly discussed. Representative Duncan moved to reaffirm their earlier action on the Ombudsman's budget. There was no objection.

General
Government

Chairman Meekins moved to include legislative intent under the Motor Vehicles section of the PUBLIC PROTECTION category to state the appropriation is to allow sufficient funds to maintain the office in Eagle River. Representatives Duncan, Schaeffer and Freeman objected. The motion carried.

Public
Protection

Representative McKinnon stated the Committee's action on the budget of the Public Utilities Commission under PUBLIC PROTECTION creates a hardship for the agency. He said they are overwhelmed with the workload they have now, and he moved to restore the 5% vacancy assessment the Committee took (\$61.0 in personal services) and to restore \$10.0 to their travel amount. There being no objection, it was so ordered.

Representative McKinnon stated his earlier recommendation for Workmen's Compensation under PUBLIC PROTECTION was not correct, and he moved to add \$59.2 and put in the two positions allowed by the Governor. There being no objection, it was so ordered.

Representative McKinnon said in the HEALTH budget they zeroed out all funds for new equipment, and he would like to add funds to allow them to purchase medical equipment. He moved to fund Public Health Administration equipment at \$45.0, which is 85% of their request for medical equipment, and to include legislative intent that this provides only for medical equipment, and they are to provide the Legislative Finance Division with a list of all equipment purchased. There being no objection, it was so ordered.

Health

Chairman Meekins moved to put \$250,000 in the budget for the Alaska Plan under SOCIAL SERVICES. There being no objection, it was so ordered.

Social
Services

Representative Guy moved to add legislative intent under the EDUCATION category, that the appropriation includes \$57.5 for KYAK transmitter maintenance. There being no objection, it was so ordered.

Education

4/18/79

There was brief discussion on OSHA (PUBLIC PROTECTION). Representative Rogers commented their action has the effect of "Sunsetting" OSHA without a review of what the alternatives are. Representative Freeman moved that they rescind their action to zero this budget out. Representative Smith, Guy and Schaeffer objected. The motion carried. (OSHA's budget is the assumptions applied against the Governor's figure, and then "Freemanizing" that amount at 75%.)

PUBLIC
PROTECTION
(OSHA)

The meeting recessed at 10:00 a.m.

RECESS

Tape HFC 79-117 Side 2 #381 to end
HFC 79-118 Side 1 #001 to end

4/18/79

HOUSE FINANCE COMMITTEE

April 18, 1979

11:30 a.m.

All members of the Committee were present except Representative Duncan. Representatives Meekins and Guy arrived later in the meeting. Also present were Legislative Finance Division Fiscal Analysts.

PRESENT

Vice-Chairman Freeman called the meeting to order. Mr. Grogan presented changes to the NATURAL RESOURCES category. See attached list for changes made.

NATURAL
RESOURCES

There was discussion on which portions of the Natural Resources category would be short funded. Vice-Chairman Freeman requested that a decision on this be held until the Chairman was present.

Mr. Barker advised there was an error in the Governor's figure in Contractual for Economic Enterprise in the DEVELOPMENT category. He advised the House Finance Committee had accepted that figure because it was lower than the computer generated figure for contractual. He advised the error is in the amount of \$65.2, and contractual can be reduced by that amount. Vice-Chairman Freeman so moved. There being no objection, it was so ordered.

DEVELOPME

(Representatives Meekins and Guy arrived.)

There was further discussion on "Freemanizing" the NATURAL RESOURCES category. Chairman Meekins suggested the entire Department of Natural Resources budget be short funded. There being no objection, it was so ordered. There was further discussion.

NATURAL
RESOURCES

Representative Rogers moved that legislative intent be included under Department of Natural Resources, Commissioners Office, that "Any reorganization plan adopted by the Department shall provide for local field office control in the decision making process". There was discussion. Representatives Meekins, Montgomery, Freeman and Haugen indicated they would be opposed to this intent, as it could take the final control of projects out of the hands of the top administrator. Representative Rogers moved to amend the intent to change "control" to "involvement". There being no objection, the intent as amended was accepted.

There was further discussion on percentage funding. The Department of Natural Resources will be funded at 75% of their budget. Representative Freeman moved to fund the Department of Environmental Conservation at 75%. There being no objection, it was so ordered. Representative Rogers moved to fully fund the Department of Fish and Game. There was brief discussion. There being no objection, it was so ordered.

4/18/79

Representative Freeman presented a list of items he and Speaker Gardiner are proposing as additions to the Capital Budget. See attachment #2. He moved to include these items in the Capital Budget. There being no objection, it was so ordered.

CAPITAL
BUDGET
CHANGES

Chairman Meekins said they had talked about the \$52.0 for the Night Intake Program (under social services) at an earlier meeting. He advised that Speaker Gardiner suggested that legislative intent be included in the budget saying this is a one time grant. There being no objection, the amount and intent were accepted.

SOCIAL
SERVICES

A recess was called at 12:07 p.m.

RECESS

Tape HFC 79-118 Side 1 #447 to end
Side 2 #001 to 320

4/18/79

NATURAL RESOURCES (Changes 4/18/79)

Operating Budget:

Department of Natural Resources:

District Operations - Southcentral: \$550.0 general funds added to contractual services to provide for hiring of seasonal forest technicians.

District Operations - Northcentral: \$545.0 general funds added to contractual services to provide for hiring of seasonal forest technicians.

Commissioner's Office - legislative intent added "Any reorganization plan adopted by the Department shall provide for local field office involvement in the decision-making process."

Department of Fish & Game:

Division of Commercial Fish - Management: Legislative Intent added "This appropriation and its expenditure are contingent upon the relocation of a full-time biologist to Dillingham."

Division of Game - Investigations & Research: Legislative Intent added "This appropriation and its expenditure are contingent upon the relocation of a full-time biologist to Dillingham."

Capital Budget:

Projects added:

Lake Fertilization Project:

FRED \$83.0

Southern Southeast Region Aquaculture Association \$49.0

Totem Bight Pamphlet \$5.0

Corrections made: (These changes do not effect the previous total.)

Erroneous Tree Planting Project Deleted (\$50.0)

Delong Lake Park acquisition (Name changed to Sand Lake Area Acquisition) \$100.0

Restroom Facilities - Mulcahy Park -- changed from \$315.0 to \$390.0.

Six Mile Creek Study changed from FRED Division to Cook Inlet Regional Aquaculture Grant.

FREEMAN/GARDINER LIST:

- ✓ Appropriation for Lake Fertilization Project
 - Fish & Game \$83,000
 - Southeast Region Aquaculture Assn. 49,000
- Fish Quality Study (to Legislative Research Division) \$75,000
- Grant to Art on the Move (Department of Education) \$17,000
- Geoduck feasibility study (Dept. of Commerce & Economic Development) \$15,000
- Aquarium feasibility study (City of Ketchikan) \$10,000
- ✓ Totem Bight pamphlet (Division of Parks) \$5,000
- Grant to City of Hydaburg for completion of fire hall and truck, \$40,000
- Grant to City of Hydaburg for Senior Citizen Center, \$10,000
- Repair dock and replace deck at Hydaburg (Div. Water/Harbours) \$30,000
- One time grant (operating funds) to Night Intake Program \$52,000

HOUSE FINANCE COMMITTEE

April 18, 1979

1:40 p.m.

All members of the Committee were present except Representative Meekins. Representative Schaeffer arrived later in the meeting. Also present were Legislative Finance Division Fiscal Analysts.

PRESENT

Vice-Chairman Freeman called the meeting to order and stated Representative Anderson has had a request included in the budget for the past two years requesting a fisheries biologist be located at Dillingham, and the Governor has vetoed that request each time. Mr. Grogan advised the Chairman had suggested the appropriation be made contingent on that position being located at Dillingham. There was no objection to to having legislative intent added for this purpose. The intent will appear under Commercial Fish-Management and Game-Research in the NATURAL RESOURCES category.

NATURAL
RESOURCES

Vice-Chairman Freeman advised that Rep. Osterback had requested the Committee to consider a request for \$200,000 for a ferry study to the Aleutian Chain. There was brief discussion. This request was held until the Committee obtained further information.

CAPITAL
BUDGET
CHANGES

Vice-Chairman Freeman stated Rep. Malone has requested an addition to the operating budget of the Kenai Peninsula Community College. There was brief discussion on this request.

UNIVERSITY

(Representative Schaeffer arrived at this time.)

Representative Malone arrived and explained that his request is for an addition of \$353,000 for the Kenai Peninsula Community College. He said this is to be above the figure the Committee has already set. He explained the \$353,000 is identified in HB 121, and the items are mostly in the instructional area. There was further discussion on the Kenai Peninsula Community College and Representative Malone's request. Representative Rogers advised the \$353,000 requested by Malone would be equal to 8 full time and 24 part time positions. Representative Duncan moved to accept Representative Malone's request to add \$353,800 over the House figure. Representatives Smith and Montgomery opposed the motion. Five in favor. The motion carried.

Vice-Chairman Freeman referred to Osterback's request for \$200,000 for a study, and said Mr. Hogan has presented several studies on this same area. No motion was made to add the \$200.0 to the budget.

CAPITAL
BUDGET

4/18/79

Representative Moss requested the capital budget include an additional \$50.0 to Tetlin for an electrification project. He explained this brings him to the limit for his capital budget requests. There being no objection, the \$50.0 was added.

CAPITAL
BUDGET
CHANGES

Representative Schaeffer moved that the Statewide Capital Projects list include \$423,100 for a Civil Air Patrol Hanger in Kotzebue. He said he has made this request for two years, and the Governor has vetoed it each time. There was brief discussion. The question was called for: In favor: Schaeffer, Guy, Moss and Duncan; Opposed: Freeman, Montgomery, Haugen and McKinnon. The motion failed.

Representative Zharoff stated he would like to amend his original Capital budget request to include \$18.6 for repairs on the Chiniak School. There being no objection, it was so ordered.

Representative Guy advised the Bethel radio station has requested an additional amount of funding to obtain their rating. He said they received \$139.2 and would like \$165.0, so they can obtain additional federal grants. Vice-Chairman Freeman mentioned that he could revise his Capital Budget request in Free Conference if he wanted to do so. Representative Guy stated he would consider doing this.

Vice-Chairman Freeman stated all additions and changes to the budget had been made. Mr. Hogan asked what the appropriation/allocation level of the budget would be. Vice-Chairman Freeman stated the House would take the same line as the Senate, and appropriate everything. Vice-Chairman Freeman instructed the vehicle for passing the budget out would be the Senate budget bill (CSSB 53). The Committee report will be signed later.

BUDGET
READY
TO BE
REPORTED
OUT

The meeting recessed at 2:30 p.m.

RECESS

Tape HFC 79-118 Side 2 #320 to end
HFC 79-119 Side 1 #001 to 342

4/18/79

HOUSE FINANCE COMMITTEE

April 18, 1979

3:05 p.m.

All members of the Committee were in attendance, with Representatives McKinnon, Rogers, Schaeffer, Rogers and Meekins arriving later in the meeting. Also in attendance: Senator Bettye Farenkamp; Dick Holden, Deputy Commissioner, Facility Planning & Research, Department of Transportation & Public Facilities; Ted Lane, Fairbanks City Council; Cathy Lloyd, Deputy Commissioner for Administrative Management, Rod Betit, Acting Director, Division of Public Assistance, and John Field, Department of Health & Social Services; Richard Berrier, Manager, Fiscal Operations & Deputy Administrator, Alaska Court System; John Crandall, Administrative Assistant to Chairman Meekins; John Lucas and Bob Schroeder, Budget Analysts, Legislative Finance Division.

PRESENT

Vice Chairman called the meeting to order and advised the Committee would consider SB 202 and SB 203:

SB 202 - "An Act making a special appropriation from the International Airports Construction Fund to the Fairbanks International Airport; and providing for an effective date."

SB 202

SB 203 - "An Act authorizing the issuance and sale of an additional \$8,500,000 in revenue bonds for international airports and providing for an effective date."

SB 203

Senator Farenkamp, prime sponsor of the bills, testified briefly, stating this is a project that the community has been working on for about eight years. She stated it is truly a community project. She advised SB 202 and SB 203 are companion bills.

[Representative McKinnon arrived at this time.]

Dick Holden testified briefly on the reasons the Department was opposed to the original bill, one of which was a problem with land acquisition. He indicated they now have no problem with this.

[Representative Rogers arrived at this time.]

Ted Lane testified the North Pole Refinery work for the airport is vital and urged adoption of this legislation.

Responding to a question from Representative Montgomery, Senator Farekamp advised there is no extension on the runway. Representative Moss stated he feels this is a very good project for the Interior and he supports it.

Representative Haugen moved and asked unanimous consent that SB 202 and SB 203 be reported out. There being no objection, it was so ordered. SB 202 and SB 203 were reported out with a "do pass" recommendation.

SB 202 &
SB 203
REPORTED OUT

[Representatives Schaeffer and Rogers arrived at this time.]

Vice Chairman Freeman brought CSSB 142 up for discussion.

CSSB 142 - "An Act making a supplemental appropriation to the Department of Health & Social Services; and providing for an effective date."

CSSB 142

Representative Rogers noted HB 217 is a supplemental dealing with the same subject. He suggested the Committee might consider amending CSHB 142 by using HB 217.

HB 217 - "An Act making supplemental appropriations to the Department of Health & Social Services; and providing for an effective date."

HB 217

Cathy Lloyd distributed to Committee members a position paper on CSSB 142 (see attached), and explained the reasons for the necessity of the supplemental. She described the changes in Title IV-A funding. Responding to a question from Representative Montgomery, Ms. Lloyd indicated they were not out of funds yet, but were aware of an over-expenditure pattern. There was discussion on the Department's State and federal mandates. John Field testified they were aware of the shortfall as early as last May, that they had underestimated federal receipts. Ms. Lloyd explained these are "open-ended" programs. Representative Montgomery stated he has negative feelings on supplementals. Mr. Field stated the House budget this year has short-funded them by about \$1.2 million. There was discussion on foster care and private patients and full cost-of-care legislation.

Vice Chairman Freeman advised it is his intent to hear these bills today but not to take any action.

Rod Betit explained the need for supplemental funds relating to HB 217. He stated there are three programs involved; Aid to Families with Dependent Children (AFDC), Aid to the Permanently Disabled and Old Age Assistance. He discussed the qualifications for the programs.

CSSB 142 &
HB 217
HELD OVER

Mr. Betit advised the FY 79 budget was underestimated. There was brief discussion.

The next bill to come before the Committee was HB 218:

HB 218 - "An Act making a supplemental appropriation to the Alaska Court System; and providing for an effective date."

HB 218

Rick Berrier distributed a handout to the Committee on the Alaska Court System (see attached) from Arthur Snowden. He explained the supplemental is for payment of attorneys fees contracted by the court system. He pointed out this is the first time he has had to come before the Finance Committee asking for a supplemental. He commented the number and amount of the attorney bills has gone up substantially. In response to a question, he advised they pay a public defender \$40 an hour. He advised they are working on plans for next year to try to alleviate some of the problem by consolidating some of the work. He also mentioned they are trying to get the Governor's office to take this back; however, he added, they are stuck with this during FY 80.

[Chairman Meekins arrived at this time.]

Responding to questions, Mr. Barrier advised they will have approximately \$550.0 in bills by the end of the year and there are between 20-30 public defenders. There was discussion on conflicts of interest between the public defenders and cases. Mr. Barrier stated he has discussed this with Brian Shortell, and they are trying to work this out. Representative Rogers suggested setting up a separate entity in the Governor's office to handle conflict cases. Plea bargaining was discussed. Representative Montgomery asked if the guidelines in assigning a public defender were being adhered to, and Mr. Barrier replied he feels they are doing a good job in screening out those that are not eligible.

Representative Rogers noted the bill was not in on the 60-day deadline. There was discussion on sending the bill over to the Senate as is or "piggybacking" an appropriation bill. Representative Rogers recommended looking at all supplemental appropriations for any agency and placing these all in one supplemental. Chairman Meekins stated he liked the idea, but that it might be called a "Christmas tree".

HB 218
HELD OVER

At this time, Representative Freeman advised Chairman Meekins that the Committee did not take formal action on the budget bill, but were awaiting his return.

CSSB 53

Representative Schaeffer stated, before the bill is passed out, he wished to move the inclusion of a state-wide project--Civil Air Patrol hanger for Kotzebue. He stated the agency requested \$423.1, and he moved that figure. Representative Freeman advised Chairman Meekins the previous vote was four to four on this matter. Representative Schaeffer argued that this is very important for his area and explained this is a volunteer organization. He added this has been requested by the agency for the last two years, and the Governor has vetoed it. Representative Montgomery objected. There was brief discussion. The question was called for, and the motion failed (four in favor--Schaeffer, Guy, Moss and Rogers; six opposed).

SCHAEFFER
MOTION _____

FAILED

Representative Freeman moved and asked unanimous consent that House Committee Substitute for CSSB 53 be reported out. There being no objection, it was so ordered. HCS for CSSB 53 was reported out with a "do pass" recommendation.

HCS FOR
CSSB 53
REPORTED OUT

The meeting adjourned at 4:20 p.m.

ADJOURNED

Tape HFC 79-119 Side 1 #342 - End
Side 2 #001 - #620

POSITION PAPER

CS FOR SENATEBILL NO. 142

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

Office of Internal Review

Senate Bill No. 142, in regard to the Office of Internal Review, provides for replacing a shortfall of federal funds with state general funds. The AFDC eligibility for children in foster care and institutional care changed drastically since the preparation of the FY 1979 budget. Activities by the Administration and Audit Components of the Office of Internal Review relating to children in foster care and institutional care are no longer eligible for Title IV-A federal reimbursement. A significant amount of effort by this unit is made in auditing and rate setting of AS 47.40 related services.

If state general funds are not made available to replace the lost federal receipts, all Administrative and Audit staff will be subject to layoff by May 16.

Division of Social Services

Senate Bill No. 142 provides for supplemental funding of \$1228.7 to replace unclaimable federal Title IV-A funds and to meet the increased costs of the foster care and institutional care programs.

Under AS 47.10.230 and 47.40.040, the Division is required to provide 24-hour care and supportive costs for children in need of aid. Children placed in foster and institutional care are committed to the Division's custody, and the Division has no control over the number of children for who care must be provided or the rates paid (see attached audited rates).

Supportive costs, such as travel to and from placements, witnesses at court hearings, initial placement clothing purchases, medical care and psychiatric and psychological evaluations and treatment (the majority of which are court ordered for the child and parent(s)) must also be provided. The majority of the costs for evaluation, testing, examinations and other medically related care were borne by the Division of Public Assistance's Medicaid program in the past; however, such costs must now be assumed by the program. This policy change was enforced in FY 79 and therefore, the increases were not anticipated at the time the original budget request was prepared.

Replacement of \$837.6 federal Title IV-A funds with general funds is required. Federal representatives conducted a review of the cases for which Title IV-A funds were being claimed, resulting in a drastic reduction in revenues for FY 78. The number of children meeting the federal criteria for AFDC-FC eligibility (45 CFR 233.110(a)(1) and (a)(2)), has decreased drastically. Therefore, Title IV-A funds appropriated for FY 79 will far exceed actual revenues. Total replacement of these funds with general funds is requested, however, both the Divisions of Social Services and Public Assistance will continue determining eligibility and claiming all possible federal reimbursement.

If general funds are not appropriated to cover the above, we will be unable to meet foster care and institutional care costs beyond mid-May.

Supplemental needs for travel are based upon a one-month payment lag; professional costs upon actual contract limitations; clothing, provider payments and medical upon a two-month lag in Foster Care and a one-month lag, plus recent encumbrances, in Institutional Care. The total request is as follows:

	<u>200</u>	<u>300</u>	<u>400</u>	<u>700</u>	<u>Fed Shortfall</u>	<u>GF Total</u>
Foster Care	\$51.8	\$58.1	\$26.4	-0-	\$271.3	\$407.6
Institutional Care	<u>30.3</u>	<u>-</u>	<u>9.9</u>	<u>274.6</u>	<u>566.3</u>	<u>881.1</u>
	82.1	58.1	36.3	274.6	837.6	1,288.7

Enactment of Senate Bill No. 142 is recommended.

RECOMMENDED BY: Roger C. Lange DATE: _____
 Roger C. Lange, Administrator
 Office of Internal Review

RECOMMENDED BY: Art Holmberg DATE: 4/9/79
 Art Holmberg, Director
 Division of Social Services

APPROVED BY: Helen D. Beirne DATE: 4/10/79
 Helen D. Beirne, Commissioner
 Department of Health and Social Services

Attachments

FULL COST OF CARE
CHILD CARE, FISCAL YEAR 1979

Agency	Provisional Rates	Audited (Final) Rates
Alaska Children's Services:		
ES Aquarius	\$ 47.01	
ES Bunnell Receiving Home <i>ES contract provided</i>	~~53.24~~	
Colletti	38.98	
Jesse Lee	91.16	
North Star	40.56	
ES Youth Services Center	109.99	
Alaskan Youth Village	52.15	
ES North Slope Borough (Barrow) Receiving Home <i>Contract 064183 encumbrance</i>	110.19	
Bethel Group Home	46.96	
Booth Memorial Home	92.26	
Covenant High School	16.52	
Hilltop Home	51.00	
ES Juneau Receiving Home	66.03	
Juneau Teen Homes	46.12	
ES Kenai Peninsula Community Care Center	~~55.96~~	
Ketchikan Children's Home	60.52	
Kodiak Baptist Mission/Group Home	18.19	
ES <i>Kodiak</i> Nome Receiving Home	59.97	
North Star Children's Home	40.83	
Presbyterian Hospital House	61.86	
Turning Point Boys' Ranch	63.51	
ES Sitka Youth Advocates Receiving Home	57.32	
ES St. Jude's <i>Contract 064111 encumbrance</i>	~~66.11~~	1030

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Explanation

FY 79

FY 80

Institutional Care Daily Rates

Facility	FY 76 Audited Rate	FY 77 Audited Rate	Provisional FY 76 Rate	Est. FY 78 Revised Rate	Estimated FY 79 Rate	FY 78 Audited Rate	FY 79 Provisional Rate	FY 80 Est. Rate
Aska Children's Services Inc.								
Jesse Lee	42.83	61.55	75.43	83.73	88.75	81.59	Jesse Lee 91.1	96.42
North Star House	33.91	39.88	64.52	71.62	75.92	67.01	North Star 40.56	42.7
Aquarius	27.43	36.26	45.79	50.83	53.88	47.41	Aquarius 47.91	49.68
Colletti	27.16	36.94	48.70	54.26	57.30	59.42	Colletti 38.08	41.28
Youth Services Center	43.99	54.28	69.57	77.22	81.85	71.76	Youth Servs 100.59	116.79
askan Youth Village	31.17	37.19	44.06	48.91	51.84	-	Sunnet 33.24	36.49
Arrow Receiving Home			Rate not yet established			57.93	At Youth V. 52.13	54.72
1 Receiving	24.68	44.09	Closed in FY 77					
2 Memorial Home	30.36	60.55	75.63	82.95	88.22	110.19	Barrow Rec. 110.19	116.72
3 West High School		14.39	*	*	*	36.04	Bellevue Group 46.06	49.28
4 West Receiving Home	35.32	33.55	Rate not yet established			75.63	Booth Mem. 92.26	97.59
5 Home	35.47	42.43	46.30	51.39	54.4	18.42	Copeland 16.32	17.5
6 Center	40.51	35.01	*	*	*	46.20	Hillcrest 51.00	54.07
7 Cottage "A"	28.70	31.70	*	*	*		Hilltop	
8 Unit Volunteer Corps Group Home	29.53	26.21	36.04	40.80	42.40	62.04	Junction Rec. 66.03	69.2
9 West Receiving Home	26.76	47.81	Rate not yet established				Junction	
10 Teen Home						39.57	Boys 46.12	48.2
Boys	22.52	39.67	40.88	45.38	48.10	39.57	Girls 46.12	48.2
Girls	32.71	39.67	40.88	45.38	48.10	51.54	Kenai Care 55.09	58.2
11 Peninsula Community Care Center	36.58	48.06	51.54	57.21	60.64	48.50	Ketchikan Ch. 60.52	64.0
12 Children's Home						20.72	Kodiak 15.19	16.25
Receiving Home	39.21	43.30	48.50	53.84	57.07	42.25	Memphis 39.97	42.57
Teen Home	34.95	43.30	48.50	53.84	57.07	42.45	North Star 40.23	42.7
13 Baptist Mission & Group Home	14.89	20.56	20.72	23.00	24.33	35.32	Hope House 64.66	68.49
14 Receiving Home	42.87	43.67	Closed in FY 77			46.91	Livingston 63.51	67.4
15 North Star Home	13.04	22.92	Closed			42.26	St. John's 57.32	60.5
16 Lutheran Hospital City House	61.48	62.36	Rate not yet established			68.71	St. Jude's 68.71	72.1
17 Field House (Hope Center)*	22.91	22.46	*	*	*			
18 Mary's High School	7.71		*	*	*			
19 Point Boys Ranch	44.92	43.31	46.81	51.96	55.09			
20 Not under Institutional Care								

Program Services - Institutional Care

BRU CODE Health & Social Services

Institutional Care

DATE
REVISED

18

EXPLANATION

Page 4 of 4

000591

60

4/18

Arthur H. Snowden, II
Administrative Director

April 9, 1979

Richard P. Barrier
Deputy Administrative Director

Supplemental -
Attorney Bills

The Accounting Office has just completed a summarization of payments to date for attorneys conflict of interest cases and has compiled the total outstanding set of bills. Based on this information I have prepared the following analysis of our expected funding requirement for the supplemental.

Bills processed through 12/22/78	\$426,000
Bills processed through 3/22/79	522,000
Outstanding bills as of 4/09/79	136,000
Average bills per month Jan. and Feb.	48,000
Average bills per month Feb. 22 to April 9	90,000

Historically, April and May have been the heaviest expense months of the year for attorney bills. I therefore project that the following additional bills will be submitted to this office:

April (21 days)	\$ 60,000
May	90,000
June	70,000
July	70,000
August	70,000
September and on	60,000
Total	\$420,000

As you are aware, attorney bills always run a minimum of two months behind in submission from the date the work is performed, and many bills are submitted with work performed as much as a year or two earlier. Therefore, it is necessary to extend payment months beyond the June 30 fiscal year cutoff into July and August. The bills to be reported after August are projected to amount to slightly less than a month's worth of bills, or \$60,000. Totaling the current outstanding bills of \$136,000 and the projected bills to be

submitted during the remainder of this year of \$420,000, the total projected supplemental requirement for FY 79 is \$556,000.

We will prepare a final estimate for the supplemental prior to the end of the session.

CONFLICT-OF-INTEREST ATTORNEY APPOINTMENTS

	<u>Number of Cases</u>				
	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79 (5 months)</u>
First District	14	45	39	42	57
Second District	0	7	2	7	5
Third District	48	161	176	220	166
Fourth District	<u>32</u>	<u>79</u>	<u>140</u>	<u>125</u>	<u>80</u>
	94	282	357	394	(*) 308

(*) Represents bills processed through February 22, 1979. Due to two-month lag in submittal of bills, this is actually slightly less than six months of attorney bills.

	<u>Total Payments</u>				
	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79 (6 months)</u>
	\$133,800	\$280,700	\$399,800	\$514,100	\$522,000
Average Cost/Case	\$1,423	\$955	\$1,120	\$1,305	\$1,695

Historical Expenses Pattern - Attorney Payments
In Conflict-of-Interest Cases

<u>District or Service Area</u>	FY 76		FY 77		FY 78		FY 79	
	<u>12/31/75</u>	<u>Entire Year</u>	<u>12/31/76</u>	<u>Entire Year</u>	<u>12/31/77</u>	<u>Entire Year</u>	<u>12/31/78</u>	<u>Entire Yr. Pro- jected</u>
First	11.1	31.9	2.1	59.3	7.7	69.6	50.5	150.0
Second	.2	3.4	1.2	2.6	1.3	2.8	6.7	14.0
Third	53.5	178.7	63.0	188.5	58.6	279.8	274.4	650.0
Fourth	13.2	66.7	38.9	131.1	23.2	111.5	80.9	240.0
Bethel			6.9	18.3	13.1	44.8	13.1	45.0
Barrow					.5	5.6	.4	4.0
TOTAL	78.0	280.7	112.1	399.8	104.4	514.1	426.0	1103.0



Alaska Court System

State of Alaska

SUSAN BURKE
DEPUTY ADMINISTRATIVE DIRECTOR

OFFICE OF ADMINISTRATIVE DIRECTOR

303 K STREET
ANCHORAGE, ALASKA 99501

(907) 274-8611

February 1, 1979

Mike Harper
Office of the Governor
Pouch A
Juneau, Alaska 99811

Dear Mike:

This is a short summary of the history and current problems associated with the compensation of private counsel in Public Defender conflict cases. I have listed the questions we need to discuss on Monday at the end of this letter.

In 1974 the Legislature amended the Public Defender Act to transfer to the Court System the responsibility for appointment and compensation of private counsel appointed to represent indigent defendants whom the Public Defender cannot represent because of conflict of interest. Before this transfer, the Public Defender compensated substitute counsel at the rate of \$42.00 per hour which was then the minimum hourly fee set by the Bar Association. When the Court System took over the responsibility, the fee schedule was set at \$35.00 per hour. This remained the rate of compensation until July 1, 1978 when the rate was raised to \$40.00.

For Fiscal Year 1975, the Court System received the amount that had been requested by the Public Defender Agency for these expenses. The budget and expenditure history for Fiscal Year 1975 and subsequent years is as follows:

	<u>EXPENDITURE</u>
Fiscal Year 1975	133,800
Fiscal Year 1976	280,700
Fiscal Year 1977	399,800
Fiscal Year 1978	514,100

Letter to Mike Harper
Page 2
February 1, 1979

For the current fiscal year, the Court System received budget authorization for \$ 522,000. To date, actual expenditures have been \$ 426,000, and projected expenditures through June 30, 1979, are \$ 1,103,000.

It is difficult to determine precisely why this increase has occurred. To some extent it may be related to the increase in the number of criminal cases being tried following the implementation in late 1976 of the plea bargaining ban. Not only does this mean that more time must be spent by counsel at the trial level, but more cases have been and continue to go through the appellate process as well. Additionally, even in the cases where the defendant eventually pleads guilty, the plea typically is entered after more investigation and preliminary motions than before the ban. In short, the system has become more adversarial and less negotiation oriented and this translates into more attorney time.

The current \$40.00 per hour compensation authorized by the supreme court is less than half the hourly rate charged by most attorneys in the state for their services. Increasingly, attorneys experienced in criminal practice are reluctant to take appointments at this rate, particularly in cases that may require fairly substantial amounts of time. Some in fact have removed their names from the appointment list.

We believe that the state can no longer afford to provide defense services in conflict cases through the appointment of private counsel. Because of the constitutional requirement of effective assistance of counsel and because of ethical standards requiring "zealous representation," it is unlikely that the amount of time spent on the defense of these cases can be significantly reduced. Further, it is impossible for the court to monitor the activities of the attorneys appointed and such monitoring would be inappropriate on the part of the judiciary which may not interfere with the independent professional judgment of an attorney representing a litigant before the courts. Thus there is currently no effective control on costs so long as the services are being provided through individual appointments of private attorneys.

The history of the establishment and operation of the Public Defender Agency in Alaska demonstrates that defense services in criminal cases can be provided by salaried attorneys at a substantially lower cost than by individual private counsel appointments. We believe that this is equally true in the area of defense services in conflict cases.

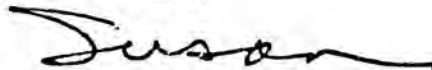
Letter to Mike Harper
Page 3
February 1, 1979

Because of ethical considerations, an office providing defense services in conflict cases must be separate from the Public Defender Agency. Some primary questions that must be resolved include:

- (1) What is the appropriate agency in which to locate the office: i.e., Governor's Office, Lieutenant Governor's Office etc.?
- (2) Should the administrative structure mirror that of the Public Defender Agency or would a different creature such as an independent corporation or board be preferable and cost effective?
- (3) Is legislation required or can the office be established by Executive Order?
- (4) What should be the scope of responsibilities for the office? Should the office also handle guardian ad litem work, function as state guardian, etc.?
- (5) What are the personnel, space and equipment needs for the office?

I hope this is sufficient background for our meeting on Monday.

Sincerely,



Susan Burke
Deputy Administrative Director

SB/pmr

January 29, 1979

Ron Lind, Director
Division of Budget & Management
Office of the Governor
Pouch AM
Juneau, AK 99811

Dear Ron:

As I have mentioned to you in previous discussions and by letter in December, The Alaska Court System must request introduction of a supplemental budget appropriation for contractual payment of attorneys in criminal conflict of interest indigency cases. The projected year-end deficit based on expenses through December and the amount we request be included in the supplemental is \$581,000.

We have met with the Governor and his staff concerning this supplemental request and to discuss possible alternatives for future years to avoid similar fiscal problems. We are now cooperating with the Governor's Office in planning for an independent legal office to handle these conflicts of interest cases and possibly other types of appointments including guardians ad litem. We are currently preparing an analysis of the numbers of cases and cost per case in various types of conflict of interest cases to assist in determining the proper size and funding of an independent agency for that function.

The requested \$581,000 supplemental is a result of projected expenditures of \$1,103,000 against an appropriation of \$522,000 for attorney appointments in criminal cases. Attached to this letter is a brief recap of the historical expenses incurred by the Court System in this budget category during years FY 76 through the current date. You will note that these costs have been rising rapidly each year but that the current year projection is approximately 100 percent

higher than the expenditures for FY 78. We have found that the expenditures through December 31, 1978 represent at most one-third of the total expenses for the year. This is a result of a lapse of approximately two months in submission of bills by attorneys following most of the work done in their cases. In each of the previous years the first six months expenses have represented approximate a quarter or less of the total expenses for the year. Were this trend to continue in FY 79, the amount requested for supplemental would need to be increased greatly. However, since the first six months of FY 79 did include several expensive cases, and since it is assumed that the second half of the year will not have as many extraordinarily large cases, the projection is reduced somewhat over the historical past.

The Alaska Court System has very little control over the amounts billed by attorneys in these appointments. These appointments originate with the filing of a request by the Public Defender to be removed from a case due to a conflict within his office concerning the representation of an indigent defendant. This results primarily from situations where there are multiple defendants in a case or a witness in one case might be a defendant in another case in which the defendant is represented by the Public Defender. Since the Canons of Ethics do not allow a law firm to represent more than one side of any case, it is often necessary for private counsel to be appointed. When an attorney finishes his case, bills are submitted to the judge for review and approval and payment by the court at \$40 per hour.

If you have any questions concerning this request for a supplemental, please let me know as soon as possible. Thank you for your assistance.

Sincerely,

Richard P. Barrier
Deputy Administrative Director

Attachments

HOUSE FINANCE COMMITTEE

April 19, 1979

9:15 a.m.

All members of the Committee were in attendance, except Representative Guy. Representatives Smith and McKinnon arrived later in the meeting. Also in attendance: Ron Lind and Robert Shelley, Division of Budget & Management, Office of the Governor; Charles Campbell and Lee Dolby, Division of Corrections, Department of Health & Social Services; John Crandall, Administrative Assistant to Chairman Meekins; Alison Farnan, Budget Analyst, Division of Legislative Finance.

PRESENT

Chairman Meekins called the meeting to order and advised the Committee would take up all supplementals and incorporate them into one supplemental budget bill as suggested by Representative Rogers. He advised the first bill to be considered is CSSB 81am:

CSSB 81am - "An Act making a supplemental appropriation to the Office of the Governor, division of budget and management; and providing for an effective date."

CSSB 81am

Ron Lind testified this is a result of the RCA rate (87%) increase. He stated they are requesting \$1 million more than CSSB 81. He advised a large part of these costs are fixed, in terms of terminal charges. He explained the problems they will have with \$1 million less.

[Representative Smith arrived at this time.]

Chairman Meekins asked if he had any problem with using a lapse with this, and Mr. Lind indicated no. Mr. Lind explained the different funding sources. He stated they went through each agency, each item. According to his information, Mr. Lind stated 46% of the supplemental goes for leased lines and terminals.

[Representative McKinnon arrived at this time.]

Mr. Lind discussed the RCA wide-band system--Anchorage-Juneau, Juneau-Anchorage--and stated the resulting cost benefit would be \$27.5. He requested this \$27.5, which they have to pay for this service, be put in the supplemental.

Robert Shelley explained the lease-purchase type of option they are interested in. He estimated this could be as much as \$600.0 savings per year.

Responding to a question from Chairman Meekins, Mr. Lind advised the \$1 million includes the 87%. He stated just fixed costs where there are terminals and lease lines would there be a higher percentage of the budget tied up in this; this mostly affects Communications and Public Safety. There was discussion on the Senate rationale. Mr. Lind stated the Senate basically cut \$1 million of the \$1.7 million request. He stated the \$27.5 is the initial deposit with RCA for the wide-band link system.

Chairman Meekins stated it was his intent to give them the \$27.5, with appropriate terminology, so they can do this before July 1. Alison Farnan noted this would be in the General Government budget category, under Department of Transportation and Public Facilities, Division of Communications. There being no objection, it was so ordered.

Chairman Meekins then moved to add \$500.0, instead of the \$1 million, which would be prorated. There being no objection, it was so ordered.

CSSB 81am
HELD OVER

Chairman Meekins brought CSSB 143 up for consideration:

CSSB 143 - "An Act making appropriations to the Department of Health & Social Services; and providing for an effective date."

CSSB 143

Lee Dalby described the population crunch in Corrections which resulted in their assigning 160 prisoners--6 of whom are women--to the Federal Bureau Prison. He stated Section 1 is a supplemental request for \$232.4 for this increased assignment to FBP. He advised they have very little room left; approximately 30-40 bed spaces left throughout the State, which is mostly consolidated at Eagle River and Palmer.

Chairman Meekins explained his intent of last year which was to stop this trend of sending prisoners outside. He stated last year they were given money for 160, but with instructions to get this down to 125. He asked what their policy will be for this year. He stated he feels this is a bad idea; Alaska has a higher percentage than another state. In response, Charles Campbell concurred with Chairman Meekins remarks and agreed this is a problem. He discussed the matter of classification section contained in the master plan and talked about liberal and conservative classifications. He stated he feels they are probably making over-cautious decisions regarding classification, but this will take time to remedy. He stated he hopes for a good, solid maintenance level of

staff so that he can work with this over the next year. Chairman Meekins noted that Mr. Campbell is new and commented this explanation satisfied him and that he would keep this in mind in Free Conference Committee.

CSSB 143
HELD OVER

The meeting adjourned at 10:00 a.m.

ADJOURN

Tape HFC 79-119 Side 2 #620 - End
79-120 Side 1 #001 - #536

HOUSE FINANCE COMMITTEE

April 19, 1979

12:05 p.m.

All members of the Committee were present. Also present were Representatives Phillips, Eliason, Parr, Parker, Brown, Miller and Hurlbert; and staff of the Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order, and stated he called for a meeting at the request of several members of the Committee.

Representative Freeman advised he had requested the meeting be called because of the changes being made in the make-up of the Free Conference Committee on the Budget by the Minority. He said the action he has taken throughout the budget was based on the commitments that were made on who would be on the Free Conference Committee. He stated he strongly objects to there being a change in the plan of having Representative Haugen, who has probably served more years on the Finance Committee than any other member, serve on the Free Conference Committee. He said if the rules, and those who are going to be members of the Committee, are going to be changed, he would like to have another look at how the budget is put together.

FURTHER
REVIEW OF
BUDGET
BILL
REQUESTED

Representative Moss stated he concurred with Representative Freeman's comments.

Representative McKinnon asked what he meant by "taking another look at the budget". Representative Freeman said he thought when the decision was made on the capital budget whereby Minority members were treated better than they ever had been before, he thought it was done because of their consideration and respect for Representative Haugen, and he was willing to go along with it. He stated he doesn't think the Minority's decision to replace Representative Haugen is fair treatment, and if they are going to go that way, he is not willing to be fair with the Minority.

Representative McKinnon stated he didn't think the decision to treat the minority the way they did with regard to the capital budget was done because of who was to have been the Free Conference Committee member. He said he thought it was done because the Minority was working along with the Majority, and he would be reluctant to go back and punish the Minority.

Representative Smith commented that if Representative Haugen is replaced at this point, there will be two people from the same community on the Free Conference Committee.

4/19/79

Representative Rogers commented there will not be an Interior member on the Free Conference Committee. He said that one of the things he thought made up for that was that they would have an experienced bargainer on the House side through Representative Haugen. He said if he is not on the Committee that does affect his feeling about how the budget is put together. He said the Committee might want to look into the operating budget as well as the capital budget.

Representative Freeman moved that the Finance Committee Chairman be directed to request that the budget (HCS CSSB 53) be returned to the Finance Committee for further review. The question was called for: Representatives Duncan, Smith, Rogers, Moss, Guy, Schaeffer and Freeman in favor. Representatives Montgomery, Haugen and McKinnon opposed. The motion carried.

MOTION TO
RETURN
HCS
CSSB 53
TO
COMMITTEE

The meeting recessed at 12:16 p.m.

ADJOURN

Tape HFC 79-120 Side 1 #537 to 634

4/19/79

HOUSE FINANCE COMMITTEE

April 21, 1979

10:05 a.m.

All members of the Committee were in attendance, except those members of Free Conference Committee (Meekins, Haugen and Duncan). Representatives Rogers and Guy arrived later in the meeting. Also in attendance from the Department of Health & Social Services: Commissioner Helen Beirne, Cathy Lloyd, Lee Dalby, Michael Orlove, Arthur Holmberg, Mr. Branten, Ms. Crawford and Dr. Stillner. Also present: John Lucas and Bob Schroeder, Legislative Finance Division.

PRESENT

Vice Chairman Freeman called the meeting to order and remarked he would be conducting bill sessions while Chairman Meekins was in Free Conference Committee. He commented on the question that was raised on combining all supplementals into one bill. He stated he has discussed this with Chairman Meekins who indicated he had no preference. Therefore, Vice Chairman Freeman advised, he has made the decision that this will not be done. He stated he feels each bill should be decided on its own merits.

[Representative Rogers arrived at this time.]

CSSB 143 - "An Act making appropriations to the Department of Health & Social Services; and providing for an effective date."

CSSB 143

Michael Orlove distributed a position paper on the bill (see Attachment 1). It was noted testimony on Section 1 has previously been heard.

Lee Dalby presented testimony on Section 2. He discussed the reasons for the \$336.0 shortfall in Adult Confinement personal services. He stated they are asking the Committee to approve a \$282.0 supplemental for the Division in this section. He advised some of the problems arose because of the annex. He mentioned they have looked into limiting corrections officers overtime. He stated this is related to the Governor's 1% veto which did affect them directly. May 1, he stated, this would result in a layoff of the equivalent of 20 corrections officers.

Representative Rogers asked which was their higher priority --Section 2 or 3, and Mr. Dalby indicated Section 2. He advised Section 3 was not a Department request, but was a section added in by Senate Finance in their committee substitute. Vice Chairman Freeman stated he objects to new programs being added on to supplementals.

Art Holmberg briefly explained Section 3 dealing with a \$100.0 request for adventure-based education programs. He stated this was introduced by Senator Hohman. Representative Moss commented he does not feel any money should go into a new program.

[Representative Guy arrived at this time.]

Mr. Dalby advised they are adjusting their FY 80 staffing so that they don't expect the shortfall next year. He also stated they are requesting \$26.0, in addition to the \$282.0, which is needed because of the arbitration regarding the "sick out" at the Anchorage Annex. It was noted this has been taken care of in HB 91.

Mr. Dalby pointed out they did lapse \$373.0 in their budget. He stated they are requesting an additional Section 4 be added to the bill for \$234,992 for unpaid FY 78 bills. During discussion, Bob Schroeder pointed out that that amount was in the original SB 143 but was dropped out. He stated the problem is now there is no RP process; there is no other vehicle for the Department to take care of this. He stated, as allocations last year, they could not be transferred. Referring to the probation situation, Mr. Dalby stated there is a shortfall in this area of \$115.6. He added that the vacancy factor is almost nil this year. John Lucas stated this is an add/delete portion. He suggested the Committee might want to put this in an add/delete section of another bill, instead of on a supplemental.

Representative Montgomery moved to accept Section 1 for \$232,400; to increase Section 2 to \$282,000; and to DELETE Section 3, dealing with adventurebased education, and REPLACE with Probation and Parole unpaid bill section. There being no objection, it was so ordered.

ADD/DELETE
ACCEPTED

Representative Rogers moved to delete Section 5, which relates to the adventure-based education section. There being no objection, it was so ordered.

DELETE

Representative McKinnon requested CSSB 143 be held over until this afternoon so that something could be added.

CSSB 143
HELD OVER

The next bill to be discussed was HB 188:

HB 188 - "An Act making a supplemental appropriation to the Department of Health and Social Services, office of alcoholism and drug abuse; and providing for an effective date."

HB 188

Ms. Lloyd addressed her remarks to the HESS CSHB 188, stating the \$350,759 for grants for the alcohol treatment programs was caused by a technical problem in the accounting system. She referred to the position paper (see Attachment 2) and explained. It was noted the \$8,900 for travel costs for the Alcoholism Advisory Board is no longer needed, and the \$2,859 is for an unpaid bill that showed up on an audit.

Representative Rogers moved to accept this bill with the deletion of the \$8.9 for travel. There being no objection, it was so ordered.

ACCEPT
HB 188
HELD OVER

Vice Chairman Freeman brought up HB 210 for discussion:

HB 210 - "An Act making supplemental appropriation to the Department of Health and Social Services, medical services; and providing for an effective date."

HB 210

Ms. Lloyd advised they have \$199,766.76 in prior year bills on hand (see Attachment 3--Addendum to position paper). She stated this is an open-ended type program. Mr. Orlove explained the original bill contained a supplemental for medicaid which was later incorporated in another bill.

Ms. Lloyd stated they would like to include the HESS CS Section 2 for \$31.1. There was brief discussion on the lapse date. Mr. Lucas explained technically this can be looked at an expenditure of federal funds that were not received. Ms. Crawford stated they have put a freeze on any cases that can be held until next year. Representative Rogers asked if they have an estimate of how much they will go over this year's budget, and Ms. Crawford indicated not at this time.

Discussing the adjustment in the funding source for Alaska Psychiatric Institute, Mr. Branton stated, at the present time, there is no decision to contracting out the laundry services there. He explained the existing problems there. Commissioner Beirne commented there would be no opportunity to address this (moving money) in FY 80.

There was further discussion on funding API personal services in FY 80. Mr. Orlove commented that question has been taken care of in the Governor's amended budget. Mr. Lucas advised, at this time, there is no Governor's amended budget.

Representative Rogers commented Sections 3-10 of the HESS CS would be more appropriate in a transfer between appropriation items bill. Representative Montgomery asked what their budget had in the first half of FY 80, and Mr. Branton indicated there is \$850.0 worth of shortfunding to fill all the positions that are authorized. He stated the amended budget fills \$650.0 of the \$850.0, which leaves the shortfunding at \$200.0.

Responding to a question from Representative Guy, Mr. Orlove explained there is an option of where the person can enroll in medicare; if it is not paid through Indian Health Service, then it will be paid through General Relief Medical.

Mr. Lucas pointed out line 13 of the HESS CS should read "Division of Public Health".

Representative Rogers moved to accept \$200.0 for bills for the handicapped children's program, changing the date from "1979" to "1978" on page 3, line 20, and to amend the title of the bill. There being no objection, it was so ordered. Vice Chairman Freeman asked if the Department could "live with this", and they indicated yes. Representative Rogers then requested the bill be held over until the end of the meeting. ACCEPTED
HELD OVER

The next bill to come before the Committee was HB 216:

HB 216 - "An Act making a supplemental appropriation to the Department of Health and Social Services, public health and public assistance; and providing for an effective date." HB 216

Ms. Lloyd explained this is for miscellaneous 1978 bills (see attached). Representative Rogers noted this is for travel and asked how they decide on this. Ms. Lloyd replied they do have very strict codes on travel for outside, and the in-state travel is programatic.

Representative Rogers moved to combine this with HB 210 and hold until the end of the meeting. There being no objection, it was so ordered. HB 216
HELD OVER

HB 430 was brought up for consideration:

HB 430 - "An Act making supplemental appropriations to the Department of Health and Social Services, Division of Public Health -- reductions equal to increases; and providing effective date." HB 430

Ms. Lloyd stated this, again, is an add/delete supplemental. Ms. Crawford advised the main problem was in the personal services line and vacancy turnover; they couldn't cover this. (See Attachment 5)

During discussion, Mr. Lucas suggested this be changed to be consistent with the general appropriations act.

Representative Rogers moved to accept the bill. There being no objection, it was so ordered. There was discussion on whether to report out a House or Senate bill.

[The meeting recessed at 11:40 a.m., and reconvened at 12:00 noon.]

RECESS

Vice Chairman Freeman brought up SB 142 and HB 217, stating the Committee has already heard testimony on these bills.

SB 142 - "An Act making a supplemental appropriation to the Department of Health & Social Services; and providing for an effective date."

SB 142

HB 217 - "An Act making supplemental appropriations to the Department of Health and Social Services; and providing for an effective date."

HB 217

Representative Rogers moved to report out a Finance House Committee Substitute for CSSB 142, consisting of those changes and amendments adopted by the Committee on CSHB 188, CSHB 210, HB 216, CSHB 217, HB 430, CSSB 142 and CSSB 143, with a new title change and a lapse clause for the FY 78 and FY 79 supplemental appropriations and an immediate effective date clause. (See Attachment 6 - Explanation) There being no objection, it was so ordered.

FINANCE HCS
FOR CSSB 142
COMMITTEE
REPORT TO BE
SIGNED 4/23

Vice Chairman Freeman advised the Committee Report for Finance HCS for CSSB 142 would be signed on Monday.

The meeting adjourned at 12:10 p.m.

ADJOURN

Tape HFC 79-120 Side 1 #634 - End
 Side 2 #001 - End
 79-121 Side 1 #001 - End
 Side 2 #001 - #111

POSITION PAPER
CS for Senate Bill No. 143 (Finance)

"An Act making supplemental appropriations to the Department of Health and Social Services, Administration of Justice; and providing for an effective date".

The Department of Health and Social Services supports the intent of Senate Bill No. 143

Section 1: The FY79 Out-of-State Contractual budget of \$1109.0 allowed for approximately 122 prisoners. The out-of-state prisoner count rose to 157 by January 3, 1979 due to the reduction of available in-state bedspace. Judge Singleton's order to reduce the population level at the Annex Correctional Center and the impact of the 3 day sentence provision for OMVI convictions triggered an increase of out-of-state placements. Twenty prisoners with seven or more years sentences were transferred to federal facilities during November and December 1978. This represented 10 more placements than originally projected within the \$182.4 supplemental request.

By maintaining the 157 level until June 30, 1979 a maximum of 28574 additional mandays will be consumed (182 days x 157 prisoners) at a cost of \$762.00 (28574 x \$26.68). The federal billings from July 1, 1978 to December 31, 1978 totalled \$578,139 for 21,662 mandays of confinement or an average of \$26.68 per manday. A slightly higher rate is anticipated for the last half of FY79.

Total costs for FY79 is estimated to be \$1,342.4 (\$580.4 + \$762.0). The supplemental request of \$232.4 will cover the anticipated shortfall. (\$1342.4 less budget \$1,109.0 = \$232.4) relocations to lower cost facilities and the non-charge for days prisoners are in transit between federal facilities may reduce costs slightly. There are no prisoners housed in federal facilities eligible for parole before June 30, 1979.

Section 2: The FY79 personal services underfunding budgeted for Adult Confinement is \$335,800. Although the appropriated personnel budget report of 12/28/78 shows year to date vacancy savings of \$255,222, a shortfall is projected for the year because of the expenditures for temporaries which do not offset the vacancy savings figure in the report. In addition, projections from the same appropriated personnel budget report show that overtime expenditures may run \$50,000 over budgeted amounts.

Institutional staffing consists of a number of posts for supervisory and guard duty, most of which must be manned on a 24 hour a day basis to maintain order among the inmates. A post that is not staffed for long periods of time could signal

the inmates that they are not under close observation due to staff shortages. This could lead to prisoners fights, sexual assaults, strong arming, property destruction, and escape attempts. The continuous presence of a Correctional Officer in an area reduces the risk of these incidents occurring. Temporary employees also fill posts vacated during correctional officer training at the Sitka Academy. The near 20% correctional officer turnover rate and high usage of sick leave also impacted personal services costs.

The projected shortfall is now \$382,000. Overtime is being restricted as much as possible; and a correctional officer training class has been cancelled which will save overtime and temporary employee funds that would have been spent on fill-ins during trainee absences. The agency also has an excess of \$100,000 in the local facilities allocation which can be transferred to correction center allocations, thus reducing the supplemental request to \$282,000.

Ten of the 14 new positions authorized in FY79 for Adult Confinement were put in the Anchorage Annex Correction Center. Some of these positions could have been transferred to other correction centers to help alleviate the shortfall, except that the State has filed a proposed plan to comply with Judge Singleton's recent orders on Annex which prevents this. This agreement between the State and Judge Singleton specifies that there will be 40 positions staffing the Annex, even with the reduced population.

Institutional program and administrative type positions in other correctional centers could be laid off, but this was considered unwise in light of expanding prison populations and understaffing that already exists in most insititutions. (see attached detail)

Other alternatives to limit correctional officer overtime were considered unworkable because of probable successful labor union grievances.

The alternative of closing the Ridgeview Women's Facility would be a step backward and cause pressures on other insitutions.

The FY78 delete and add supplemental which transferred \$400,000 out of the Juvenile Confinement BRU to offset Adult Confinement personal services shortfalls is probably not feasible this year because the FY79 budget for Juvenile Confinement was adjusted to eliminate the prior year amounts overbudgeted.

The problem is further compounded this year because of the Governor's 1% personal services veto which took \$83,700 out of Adult Confinement.

The Senate Finance Committee reduced the supplemental appropriation for personal services by \$81,500.

The need for the \$81,500 is critical and the shortfall is not correctable. The equivalent of 20 Correctional Officer II.