

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2702

positions would necessarily be terminated May 1, 1979 (20 x 2 months x \$2,044). The impact of a 20 employee lay-off would be devastating to the security and operation of all correctional facilities. Judge Singleton's order to maintain a 40 employee staff at the Anchorage Annex leaves the distribution of lay-off positions to the other eight facilities with the larger facilities of Juneau, Fairbanks, and Eagle River, possibly losing 4 or 5 each. Further adverse effect would be felt at Ketchikan where two 100% funded CETA personnel have been recently hired. Federal regulations and APEA bargaining agreements require the termination of temporary (CETA included) employees prior to permanent employees. The Department would be forced to transfer funds from other line items and "stack" bills until a supplemental could be requested for the overdue bills.

The Department of Health and Social Services requests that a section be added to SB 143 "An Act making supplemental appropriations to the Department of Health and Social Services, Administration of Justice; and providing for an effective date: to accomodate a recent arbitration ruling. The section should provide \$26,146 to pay back wages to six of none grievants involved in the Anchorage Annex Correctional Center "sick out" (details attached).

The subject six employees had been terminated and their PCN's filled by new personnel hires. The Division of Corrections is able to place five of the people dismissed and the sixth does not desire to be reemployed.

The personal services budget in the Adult Confinement BRU is not sufficient to absorb the \$26,146. Allocated the total to Anchorage Annex Correctional Center.

Section 3: Of this act appropriates \$100,000 from the general fund to the Department of Health and Social Service, Division of Social Services for program grants to adventure-based education programs. The appropriations are to be placed in the youth services component of the Division of Social Services' budget.

The Department supports the appropriation.

Other: The Senate Finance Committee deleted \$253,300 from SB 143 with a letter of intent stating that the unpaid bills should be paid from existing FY79 funds. There are not sufficient funds available in the FY79 budget to accommodate such payments even if it was legally allowable to pay these bills in this manner.

The Department of Health and Social Services, Division of Corrections has updated the supplemental request in detail and hereby submits appropriate changes and supporting schedules totalling \$234,992 to cover the payment of goods and services provided by the Division during FY78. Invoices could not be paid because there were insufficient authorization balances in applicable budget components. An exhaustive effort was made to effect reallocations of available funds within the Division

of Corrections budget, however, a legal determination was made that unpaid amounts were to await legislative approval of a supplemental in 1979. The Division lapsed funds in excess of the unpaid invoices.

Detailed schedules of the unpaid invoices are available on request.

The invoices are summarized by BRU and relative lapsed funds are shown as follows: (Reference account inquiry system budget status 4/13/79).

<u>BRU/Component</u>	<u>Unpaid Invoices</u>	<u>Lapsed Funds Other</u>	<u>Pay</u>	<u>Total</u>
<u>Adult Confinement</u>				
102 - SOC/Palmer	\$ 9824	\$ 63	\$	\$ 63
104 - SCC/Anchorage State	94	9771	35608	45379
108 - SCC/Juneau	2573	6316	24002	30318
110 - SCC/Fairbanks	67546	475	60	535
112 - SCC/Ketchikan	18378	90	69	159
113 - SCC/Anchorage Annex	73531	33	1	34
115 - SCC/Eagle River	3703	293	-	293
117 - SCC/Ridgeview	2827	2248	84564	86812
119 - SCC/Nome	223	154	2824	2978
120 - Local Facilities	-	59008	4522	63530
140 - Out of State Contractual	-	2661	0	2661
	<u>\$178699</u>	<u>\$ 81112</u>	<u>\$151650</u>	<u>\$232762</u>
<u>Juvenile Confinement</u>				
202 - McLaughlin Youth Center	\$ 2456	\$ 8800	\$ 17	\$ 8817
220 - Institutional Care	53245	(1672)	-	(1672)
290 - Foster Care	-	1050	-	1050
	<u>\$ 55701</u>	<u>\$ 8178</u>	<u>\$ 17</u>	<u>\$ 8195</u>
<u>Probation & Parole</u>				
410 - 1st Judicial District	\$ 592	\$ 25112	\$ 1498	\$ 26610
425 - 2nd Judicial District	-	24940	28697	53637
435 - 3rd Judicial District	-	3993	-	3993
455 - 4th Judicial District	-	25643	-	25643
	<u>\$ 592</u>	<u>\$ 79688</u>	<u>\$ 30195</u>	<u>\$109883</u>
<u>Administration & Support</u>				
	\$ -	\$ 1318	\$ 20574	\$ 21892
 TOTAL DIVISION	 <u>\$234992</u>	 <u>\$170296</u>	 <u>\$202436</u>	 <u>\$372732</u>

78

The Department of Health and Social Services requests that the following delete and add adjustments also be added to SB 143 to cover Probation and Parole personal services shortfalls:

allocation
First Judicial District - \$10,100
Third Judicial District - \$96,000
Fourth Judicial District - \$9,500
allocation
— Medicaid Health Service - (\$115,600)
app

Separate App.

The FY79 vacancy assessment does not fit the actual experience. There is little, if any, Probation Officer turnover as the average length of service for this job class is 5.51 years. A lay-off to offset the shortfall would not effect savings since most Probation and Parole Officers have significant annual leave accumulated.

At the implementation of Title XIX in September 1972, several options offered by the federal government were examined and discarded for use by this state given the conditions prevalent in 1972 or 1973.

One such option (Supplementary Medical Income) (SMI) that was rejected was the state payment of monthly Medicare (Title XVII) premiums for those persons who were eligible for Medicare Part B coverage, but who had not chosen to enroll. Subsequent to this decision, in 1974 the federal government ruled that medicaid services shall be provided, without federal financial participation, to those who are eligible for Medicare coverage, Part B, but have chosen not to enroll in that program.

The FY79 Budget requested included @50.0 of state funds to be used as payment for Medicaid services for the 200 identified persons in this category.

These funds are not necessary for this purpose during FY79 because expenditures for persons who fall under this category are paid either from 100% Federal Indian Health Services funds or from General Relief Medical funds.

Recommended By:

Art Holmberg
Art Holmberg, Director
Division of Social Services

Date

4/18/79

Recommended By:

Charles F. Campbell
Charles F. Campbell, Director
Division of Corrections

Date

4/18/79

Approved By:

Helen D. Beirne
Helen D. Beirne, Commissioner
Department of Health and Social
Services

Date

4/18/79

POSITION PAPER HB 188

"An Act making a supplemental appropriation to the Department of Health and Social Services, Office of Alcoholism and Drug Abuse."

The State Office of Alcoholism and Drug Abuse is strongly in favor of this supplemental appropriation.

Our support is based on the following:

1. This need was created by a situation beyond the control of the Office. This request stems from the inadvertent failure of the fiscal system to pay grants of \$343,000 to the Municipality of Anchorage and \$7,759 to the City of Dillingham from FY 78 funds. FY 79 funds were used instead, and the error will result in a \$350,759 shortfall in the FY 79 grants budget.

The error was caused by a loophole in the system which allowed a delay in computer processing of the payments labeled "Current Year" (meaning FY 78) to be processed during the next fiscal year (FY 79). Due to the press of business, the erroneous payments were not discovered in time to correct before closing out the FY 78 books and these FY 78 funds lapsed to the State Treasury.

A project ledger payment and accounting system is now in the planning stage which will eliminate this sort of problem.

Granting of this Supplemental Request will have the effect of replacing the FY 79 funds which were improperly used to pay for FY 78 alcoholism grants.

2. Failure to approve this Supplemental Request would have disastrous results in that alcohol treatment programs would have to be drastically cut back during the last few months of the fiscal year due to lack of funds.

The State Office of Alcoholism and Drug Abuse also supports the inclusion in this bill of the other supplemental requests as requested on March 2, 1979, by Ronald B. Lind, Director, Division of Budget and Management.

They are:

- a. \$8,900 to fund travel costs of the Alcoholism and Drug Abuse Advisory Boards to attend scheduled meetings.
- b. \$2,859 to pay the Unalaska Alcoholism Program for bill owed them in fiscal years 1976 and 1977, that was recently discovered through an internal audit.

-2-

Recommended by:

Robert L. Cole 3/14/79
Robert L. Cole, Coordinator Date
Office of Alcoholism and Drug Abuse

Approved by:

Catherine M. Lloyd 3/26/79
Helen D. Beirne, Commissioner Date
Department of Health and Social Services

1056

Attachment 2

4-21-79

March 2, 1979

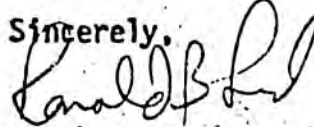
Honorable Russ Meekins
Chairman, House Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Meekins:

Please amend House Bill No. 188; entitled, "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", which was introduced by the Rules Committee by request of the Governor to include an additional \$11,759 of General Funds to be distributed as follows:

\$8,900 for the purpose of funding travel costs for the Alcohol and Drug Abuse Advisory Committee meetings, and;
\$2,859 for the purpose of paying the Unalaska Alcoholism Program for bills owed them in fiscal year 1976 and 1977, that was recently discovered through an internal audit.

Sincerely,



Ronald B. Lind
Director

cc: Senator Sackett, Chairman
Senate Finance Committee

1057

CS FOR HOUSE BILL 210

"An Act making a supplemental appropriation to the Department of Health and Social Services and amending certain appropriations made to the Department of Health and Social Services for the fiscal year ending June 30, 1979; and providing for an effective date."

The Division of Public Health requests an appropriation of \$117,000 to the Handicapped Children's Program to permit payment of FY 1978 obligations.

During FY 1978 a large number of FY 1977 and FY 1976 medical bills for Handicapped Children were paid against FY 1978 appropriation rather than against the existing encumbrances, as a result, a large number of FY 1978 bills could not be paid due to a lack of appropriated funds. This also created an artificially large lapse for FY 1977 and FY 1976.

The Division has received \$21,844.19 in reimbursements from hospitals and insurance companies which could not be credited against FY 1978 payments since they were received after the close of the FY 1978 accounts. These funds can be applied to this supplemental request.

Please note: The Handicapped Children's Program is in the Division of Public Health. Line 11, "Division of Social Services" should be changed to read, "Division of Public Health."

Section 2 of this bill is a request for 31.1 additional funds for the component Mental Health Administration and is to provide for the adjustment of expenditures for Fiscal Year 1978. During the spring of 1978, the Department's Administrative Services gave salary increase funds only to budget components which actually projected a deficit. Certain components received none at all. After this distribution was effected, it was determined that the lapsing balance in Mental Health Administration was Federal grant funds (HIP grant) which could not be used in lieu of SGF to cover the component's increased salary costs. The Federal funds were restored to their respective grant program and a shortfall of 31.1 resulted, this being the amount which was to have been originally covered by the distribution made by the Division of Administrative Services.

Section 3 through 10 of this bill provides for two separate processes to take place; one which deletes funds from five separate BRU's and adds these funds to the BRU "Alaska Psychiatric Institute personnel services" in the amount of 200.0.

The second process is to adjust the funding source for the total operating budget for Alaska Psychiatric Institute. There is 262.8 increase in GF and a like decrease in "Other fund". 235.0 decrease is due to the lack of Medicaid eligible patients. The volume of eligible patients who receive treatment at the Alaska Psychiatric Institute has decreased primarily as a result of regulation changes regarding Medicaid eligibility. 27.8 of the funding change is because the Anchorage Pioneer's Home is using a laundry facility other than the Alaska Psychiatric Institute.

The 200.0 addition to the component Alaska Psychiatric Institute personnel services is to provide that component a funding level to support a minimal staff. Original funding to this component was 436.2 less than necessary to hire authorized positions. This has resulted in many positions being frozen for the entire year and, more recently, in the actual layoff of staff. However, a major deficit is projected and further staff reduction will jeopardize the life safety care to patients currently in the hospital.

Recommended by:

Robert I. Fraser 10 Apr. 79
Robert I. Fraser, M.D., Director Date
Division of Public Health

T. R. Branton 4/10/79
T. R. Branton, Assistant Director Date
Division of Mental Health and
Developmental Disabilities

Approved by:

Helen D. Beirne 4/10/79
Helen D. Beirne, Commissioner Date
Department of Health and Social Services

ADDENDUM TO POSITION PAPER
ON CS FOR HOUSE BILL 210

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

An amendment to House Bill 210 is requested to add \$87,800 in general funds to Section 1, line 10 and line 13.

"Section 1. The sum of \$204,800 is appropriated to the Department of Health and Social Services, Division of Public Health, for FY 1978 bills incurred by the Handicapped Children's Program, from the following sources:

General Fund \$182,956

Program Receipts \$ 21,844"

The Division of Public Health now has on hand in bills \$163,816.54 in adjudicated bills, \$30,950.22 in unadjudicated bills for a total of \$194,766.76 in prior year bills on hand. In addition several thousand dollars in bills have been returned to vendors for correction. The added \$10,000 will permit the payment of these, plus any outstanding awaiting insurance settlements.

Recommended by:

Robert I. Fraser

Robert I. Fraser, M.D., Director
Division of Public Health

4/13/79
Date

Approved by:

Catherine M. Lloyd

Helen D. Beirne, Commissioner
Department of Health & Social Services

4/20/79
Date

April 19, 1979

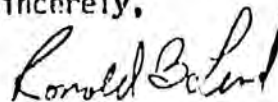
The Honorable Russ Meekins
Chairman, House Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Meekins:

Please amend House Bill 210, "An act making supplemental appropriations to the Department of Health and Social Services, Medical Services; and providing for an effective date," to increase the appropriation to the Handicapped Children's program by \$87,800 in General Funds for FY 78. This would change the \$117,000 on line 10 to read \$204,800, and line 13 General Fund request from \$95,156 to read \$182,956.

Since the time the initial supplemental request was prepared an additional \$87,800 in 1978 physician and hospital bills have been received by the Department of Health and Social Services. Medical providers must bill other third party payers prior to billing the Handicapped Children's program, thus billings are frequently quite late in being received by the Agency.

Sincerely,



Ronald B. Lind
Director

cc: Senator John Sackett
Chairman, Senate Finance
Committee

1061

Attachment 3

4-21-79

POSITION PAPER ON HOUSE BILL NO. 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."

The Division of Public Health, Public Health Administration and Support requires a supplemental appropriation of \$1,500 to pay 1978 obligations. The overexpenditure is a result of several factors. First, approximately \$1,340 in unobligated FY 1977 bills were paid against FY 1978 funds. Secondly, a restriction of \$534 was placed on ASHA rents over and above the \$2,066 ASHA rent payment. In spite of the fact that the section was no longer in the ASHA building and had rent to pay for other space this restriction was not released.

The Division of Public Assistance, Public Assistance Administration and Support requires a supplemental appropriation of \$1,900 to pay 1978 obligations. The division lapsed funds in the Eligibility Determination BRU in FY 78, however, the lapsed funds were in another appropriation area and could not be transferred.

We recommend this legislation be acted upon favorably.

Recommended by:

Robert I. Fraser by F. Hink
Robert I. Fraser, Director
Division of Public Health

3/28/79
(DATE)

Roderick Betit by T. Haas
Roderick Betit, Director
Division of Public Assistance

3/28/79
(DATE)

Approved by:

Catherine M. Hoyt
Helen D. Beirne, Commissioner
Department of Health and Social Services

3/28/79
(DATE)

POSITION PAPER
ON
HOUSE BILL NO. 430

"An Act amending FY 79 appropriation items for Department of Health and Social Services, Division of Public Health -- reductions equal to increases; and providing for an effective date."

The FY 1979 authorization for the Division of Public Health consists of seven appropriations.

Currently, there are projected deficits in the personal services line of some of these appropriations due to large vacancy and turnover factors, while others have projected lapses due to difficulties in recruiting qualified personnel. Adequate funds are available within the Division's total personal services appropriations to cover the cost of current staff. However, if deficits are to be avoided, these funds need to be redistributed among the appropriations in the following manner:

	<u>Increase</u>	<u>Decrease</u>
Nursing	78,700	
Communicable Disease Control		35,700
Environmental Health	11,700	
Family Health		90,100
Laboratories	7,100	
Administration	28,300	
Emergency Medical Services	-0-	
	<u>\$125,800</u>	<u>\$125,800</u>

The Division of Public Health, Section of Nursing, appropriation for FY 1979 was underfunded in the personal services by \$264,623 (\$234,623 in vacancy and turnover plus \$30,500 Governor's veto). In spite of the savings realized on vacancies and line item adjustments where possible, the Section still has a projected deficit of \$78,700 in personal services. The Section of Nursing is responsible for carrying out the majority of the programs of the Division at the individual, family and community level, and it is important that these vitally needed services not be curtailed.

The Section of Environmental Health appropriation for FY 1979 included personal services underfunding of \$48,786 in vacancy and turnover. Some savings have been realized on vacancies, and line item adjustments have made up additional savings, however a projected personal services deficit of \$11,862 still remains. This Section conducts a statewide program of environmental sanitation including detection and improvement of sanitary conditions and public health hazards. This Section also helps with identification and suppression of localized disease outbreaks.

As in other sections, the service oriented Section of Laboratories is underfunded in personal services, caused by a vacancy and turnover factor in FY 79 of \$47,226. There have been few vacancies, and a projected deficit of \$41,000 has been reduced by line item adjustment to approximately \$7,100.

In the Section of Laboratories, three Regional Laboratories (Anchorage, Fairbanks and Juneau) furnish services to local, state and federal agencies, medical facilities, hospitals and clinics in support of public health programs on a statewide basis. Programs in the Section of Family Health among others, benefit from the syphilis serology proficiency testing, GC cultures, rubella serologies, and the many diagnostic cultures, blood tests and other services that are performed by the laboratory staff.

The Public Health Administration Section includes the Director's Office and the Health Education Component, and plans, directs, coordinates and evaluates the activities of the other six sections making up the division. The Director has also acted in the capacity of the Medical Specialist for the Communicable Disease Control Section until October, 1978, when a Medical Specialist for TB Control was recruited. For the period ending December 31, 1978, the Director spent approximately 80 days in various areas of the State, holding TB clinics, reading and evaluating x-rays and giving consultations. The Director's Office was also instrumental in the development of the various federal and state Family Health programs.

This rather small BRU (Public Health Administration) has a staff of eleven people and here a vacancy and turnover factor for FY 79 of \$21,975 exists, which the section has not been able to reduce, being fully staffed.

Difficulty in recruiting qualified personnel to fill three positions in Child Development and two positions in Maternal & Child Health has resulted in a surplus in the Family Health component. (One of the positions in Child Development was filled 1/15/79 and a candidate for the Mental Health Clinician will be available in June of 1979.) This has resulted in a surplus of \$90,100.

In the Communicable Disease Control Section, a surplus of \$35,700 exists due to several vacancies for part of the year including Medical Specialist positions in Tuberculosis Control and Epidemiology.

This Legislation will increase the appropriations with projected deficits by reducing the appropriations with projected lapses, permitting the Division of Public Health to operate vital services at the current level for the balance of the fiscal year.

The Department recommends favorable consideration of this legislation which makes the necessary adjustments between appropriations.

Recommended by:

Robert I. Fraser
Robert I. Fraser, M.D., Director
Division of Public Health

3/27/79
Date

Approved by:

Helen D. Beirne
Helen D. Beirne, Commissioner
Dept. of Health & Social Services

4/10/79
Date

HCS FOR CS FOR SB 142

EXPLANATION

Sections 1 thru 6:

Replace HB 430 without changing any figures in the bill. Format was changed to amend rather than repeal sections of the budget.

Sections 7 thru 11:

Replace Sections 3 - 10 of CSHB 210 plus Section 7 has the additional \$115,600 reduction requested in the position paper for SB 143.

Section 12:

Add/delete supplemental requested for Corrections \$115,600. The delete side is included in Section 7. This was not on a bill but represents an additional request by the Department.

Section 13:

Replaces Section 1 of CSSB 143.

Section 14:

Replaces Section 2 of CSSB 143 amending the amount from \$200,500 to \$282,000.

Section 15:

Replaces contents of CSHB 188 reduced by \$8,900 to \$353,618.

Sections 16 thru 19:

Replaces CSHB 217 without any change.

Section 20:

This represents the original CSSB 142 as it came to the House Finance Committee.

Sections 21 and 22:

Replaced Sections 1 & 2 of CSHB 210. The amount in Section 1 of CSHB 210 has been increased from \$117,000 to \$200,000.

Section 23:

Replaces HB 216 without any change to amounts.

Section 24:

Additional supplemental request by the Department.

HOUSE FINANCE COMMITTEE

April 23, 1979

9:05 a.m.

All members of the Committee were in attendance, except Representatives Guy, Schaeffer and Smith. Free Conference Committee members Representatives Meekins, Haugen and Duncan joined the meeting for a time. Also in attendance: William Mullin, Director, Division of Finance, and Rod Mourant, Supervisor, Payroll, Department of Administration; Russell Clark, Director, Division of Administration, Department of Fish & Game; Richard Holden, Deputy Commissioner, Facility Planning & Research, Department of Transportation & Public Facilities; Janice Gates, Foster Care, Department of Health & Social Services; Senator Bill Sumner; John Lucas, Alison Farnan and Bob Grogan, Budget Analysts, Legislative Finance Division.

PRESENT

Vice Chairman Freeman called the meeting to order and announced to Committee members he was passing around the Committee Report for Finance HCS for CSSB 142 for them to sign.

FINANCE HCS
FOR CSSB 142
REPORTED OUT

SB 11am was the first bill up for consideration:

SB 11am - "An Act relating to purchasing by state agencies; and providing for an effective date."

SB 11am

Senator Sumner stated the initial effort of SB 11 was to require that the vendor names receiving contracts from the State of Alaska would be published in a list. He stated the list would consist of all those who have received \$10.0 or more in State funds for providing goods or services; it is an attempt to place a handle on this.

Vice Chairman Freeman commented on Chairman Meekins' discussions with Senator Sumner regarding amendments to the bill. Senator Sumner indicated he had no objections to the amendments.

SB 11am
HELD OVER

The next bill to be heard was SB 83:

CSSB 83 - "An Act making supplemental appropriations to the Department of Fish and Game and the Office of the Governor; and providing for an effective date."

CSSB 83

Russ Clark advised CSSB 83 provides for \$30.0 to the Governor's contingency fund, which was added on in the Senate. He stated this was not a Department request. The bill started out as a \$180.0 supplemental to the Department to offset a shortfall of federal funds, he commented. He added the Department is asking that the original funding be reinstated. He advised the \$19.0 is actually \$11.0 for travel; the other \$8.0 is for terminal leave.

There was discussion on the \$30.0 for reimbursement to the Governor's contingency fund for payment to the Studio Club. Representative Rogers recapped by stating this was taken care of in HB 94; the money was appropriated to the Studio Club, but the Governor's contingency fund was not reimbursed.

Representative Rogers moved to DELETE Section 2. There being no objection, it was so ordered.

DELETE

Representative Moss moved to ADD a new Section 2 with the \$19.0 request from the original bill. Representative Rogers moved to amend the figure to \$11.0. There being no objection, it was so ordered.

ADD

Representative Smith moved to ADD a new Section 3 incorporating \$150.0 for the Alaska Repertory Theatre (see attached) to assist in meeting the challenge grant from the National Endowment on the Arts. Representatives Moss and Montgomery objected. During discussion, Representative Moss withdrew his objection, and Representative Montgomery maintained his. The question was called for, and the motion carried (five in favor; Montgomery opposed).

ADD

Representative Duncan moved an amendment (see attached) relating to a request by Representative Zharoff, making 1971 and 1973 capital project appropriations to the Department. Bob Grogan explained the net result of this is zero. There being no objection, it was so ordered.

ADD

Representative Rogers moved to ADD \$7.0 for the visitors' program at the Fairbanks Wildlife Management Area. He stated this is an existing, on-going program begun 10 years ago. The question was called for, and the motion carried (five in favor; Montgomery and Haugen opposed).

ADD

Representative Rogers moved and asked unanimous consent that Finance HCS for CSSB 83 be reported out. There being no objection, it was so ordered. Finance HCS for CSSB 83 was reported out with a "do pass" recommendation.

FINANCE HCS
FOR CSSB 83
REPORTED OUT

Vice Chairman Freeman brought SB 87 up for consideration:

SB 87 - "An Act making a supplemental appropriation to the Department of Transportation and Public Facilities, Division of Aviation Design and Construction; and providing for an effective date."

SB 87

Dick Holden advised the problem at the Fairbanks International Airport is the Tanana River is changing its course. He stated it may break into the runway and wipe out the railroad also. In response to a question from Representative Montgomery, he stated this is out of the international airport fund--not the general fund.

Representative Rogers moved and asked unanimous consent that SB 87 be reported out. There being no objection, it was so ordered. SB 87 was reported out with a "do pass" recommendation.

SB 87
REPORTED OUT

SB 11am was brought up for discussion:

SB 11am - "An Act relating to purchasing by state agencies; and providing for an effective date."

SB 11am

Bill Mullin discussed the fiscal note prepared for the CS for \$1.5 million. He stated this is a maximum potential liability that mandates the payment of 1-1/2% interest. He commented the state has a good record for paying bills promptly and correctly. Mourant advised, in dollar terms, 65% of the time, the State makes payment within 10 days. He added discounts were offered in eight instances of the 500 bills.

Representative Moss asked if they object to the 1-1/2% interest penalty. In the past, Mr. Mullin stated, the State has never paid interest. He advised there are probably certain instances where the State should pay interest; but he stated he feels the payment of interest should not be mandated. During discussion, Vice Chairman Freeman indicated he "is not very fond of the bill" and that he feels there should be some kind of penalty for those bills that are long overdue--like two years.

Representative Moss asked if Mr. Mullin is recommending the Committee eliminate (b), page 2, lines 3-7 of the Commerce HCS. Mr. Mullin again stated there might be cases where the State should pay interest. There was discussion on changing the language, page 2, line 6, from "the state 'shall' pay interest" to "the state 'may' pay interest". Representative Rogers suggested

language, page 2, line 7, "rate of up to 1-1/2% a month, if requested by the vendor." Representative Haugen indicated his objection to the Committee becoming involved in a bill like this at this late date in the session. Vice Chairman Freeman advised the bill would be held over. Representative Rogers requested the Department prepare a new fiscal note relating to his proposed language change. Mr. Mullin indicated they would comply.

SB 11am
HELD OVER

The meeting adjourned at 10:00 a.m.

ADJOURN

Tape HFC 79-121 Side 2 #112 - End
79-122 Side 1 #001 -#232



alaska repertory theatre

*Alaska
Theatre
Alaska*

*File
Culture &
Fine Arts*

*ss Alaska Rep.
Theatre*

March 5, 1979

Representative Jim Duncan
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Jim:

Thank you for your support of our Challenge Grant effort.

I spoke late in the day, Wednesday, with Russ Meekins, who suggested that a route to go would be for me to testify before the House Finance Committee on a "Bill Day", probably the 16th of March. I will come to Juneau to do that and of course, continue talking with other legislators. So far I have spoken with Ed Dankworth, Don Bennett, Kent Dawson, Mike Harper, Tim Kelly, Russ and yourself. I am encouraged because our Theatre has a good reputation throughout the legislature. Naturally, a \$150,000 supplemental appropriation shall not be easy. But when the emphasis is placed on the program being a total \$600,000 program with \$150,000 coming from the National Endowment for the Arts and at least \$300,000 coming from private and local governmental sources, legislators have been increasingly agreeable and optimistic about our chances.

Over the next week, I will be developing a concise paper which will show how the money will be used.

Thanks very much for your continued help on this, Jim. I'll be in touch before my next trip to Juneau.

Sincerely,

Paul V. Brown
Producing Director

PVB/vdm

523 W. 8th AVENUE, SUITE 110 • ANCHORAGE, ALASKA 99501 • (907) 276-2327

A NON PROFIT CORPORATION FOR THE ADVANCEMENT OF THEATRE IN ALL ALASKA

1059

4-23-79

Alaska Repertory Theatre, Inc.

PROFILE

	<u># of Plays</u>	<u># of Performances</u>	<u>Total Communities</u>	<u>Season Tickets</u>	<u>Total Paid Attendance*</u>	<u>Student Attendance</u>	<u>Employees</u>		<u>Volunteers</u>		<u>Total Budget</u>
							<u>F.T.</u>	<u>Seasonal</u>	<u>F.T</u>	<u>Seasonal</u>	
7)	3	46	2	2176	18,300	1,700	4	45	77	40	\$ 366,000.
8)	4	78	2	4580	34,350	2,300	29	57	78	65	\$ 691,000.
9)	6	103	9	5900 **	61,000**	3,100	45	110	79	110	\$1,278,000.

* Averages over 90% of capacity

** projections

SOURCES OF INCOME

	<u>Earned</u>	<u>Private</u>	<u>Federal</u>	<u>Local Government</u>	<u>State</u>	<u>Challenge Grant</u>	<u>Total</u>
1977)	127,000	32,000	47,000	65,000	95,000	-0-	366,000
1978)	301,000	34,000	146,500	95,000	114,500	-0-	691,000
1979)	495,000	92,500	350,000	164,750	125,750	50,000	1,278,000

STATE FUNDS

	<u>Amount Requested</u>	<u>Legislature Approved</u>	<u>Govenor Approved</u>	<u>% of Total Income</u>
1977)	115,000	115,000	95,000	26 %
1978)	140,000	140,000	114,500	17 %
1979)	235,000	175,000	125,750	10 %

4-23-79

1071



Paul Brown

alaska repertory theatre

WHAT THE CHALLENGE GRANT

PROGRAM WILL PROVIDE

It is a total \$600,000 program:

\$ 150,000	National Endowment for the Arts
~~X 150,000~~	State of Alaska <i>FY 79 Supplemental</i>
200,000	Private, Corporate, Foundations
100,000	Local Government
<u>\$ 600,000</u>	Total Program

Statewide tours and Services:

Scenes from the Classics/Fantasy Factory is a travelling company offering performances to adults and school children, as well as workshops to community arts groups. Anticipate 8 to 12 communities.

Staff includes Fairbanks Manager and Statewide Services Director, but there is also a need to properly staff existing departments in order to meet Alaska Labor Statutes. Alaska Repertory Theatre is currently so short staffed that it is forced to violate 8 hour days and 40 hour work weeks to meet program commitments and maintain earned income.

A CHRISTMAS CAROL--This show played to 15,000 people in Anchorage. The Rep has secured partial corporate underwriting for 1979 Fairbanks production. Challenge Grant funds would help pay remainder of cost.

Professional Training Program--To train young Alaskans for careers in performing arts. Challenge Grant program will help pay materials and personnel costs.

Capital equipment--There is a desperate need for power tools, lighting equipment, sound equipment, costume equipment and other specialized items which were purchased second-hand and are now worn out or, in most cases, there has not been sufficient funds to date to make the purchases.

Note: NEA funds are not available until matching funds are committed.

Private and corporate funds already exceed \$100,000 towards match.

523 W. 8th AVENUE, SUITE 110 • ANCHORAGE, ALASKA 99501 • (907) 276-2327

A NON-PROFIT CORPORATION FOR THE ADVANCEMENT OF THEATRE IN ALL ALASKA

4-23-79

*Sec. . Section 9, Chapter 131, SLA 1971, (Department of Fish and Game)
is amended to read:

APPROPRIATION

ITEMS

GENERAL FUND

Department of Fish and Game

Fisheries Rehabilitation Program 115,400 [180,000] 115,400 [180,000]

*Sec. . Section 8, Chapter 91, SLA 1973 (Department of Fish and Game),
is amended to read:

Construction, Improvements & Equipment 792,000 [924,400]

Kachemak Bay bunkhouse,

workshop and storage area 25,000

Akalura Lake rotenone,

improvements 17,600 [150,000]

Borodino and Osprey Lakes

rotenone 124,400

Tractor-crawler purchase 25,000

Rearing and incubation facilities

on Mother Goose and Snake River

Lakes 600,000

*Sec. . The sum of \$197,000 is appropriated from the general fund to
the Department of Fish and Game to provide for fish pass development in the
Kodiak/Afognak Island area.

*Sec. . This Act takes effect immediately in accordance with AS 01.10.-
070(c).

Section 1 as is

Delete section 2

HCS

CSSB 83

4/23/79
Action

New section 2:

The sum of \$11,000 is appropriated from the general fund to the Department of Fish and Game for the commissioner's participation in public hearings on fish and game management issues.

new section:

The sum of \$150,000 is appropriated from the general fund to the Office of the Governor, ~~the~~

Alaska State Council on the Arts, to be paid as a grant to the Alaska Repertory Theatre to assist in meeting the challenge grant from the National Endowment on the Arts.

lapse
6/30/80

new section:

The sum of \$7,000 is appropriated from the general fund to the Department of Fish and Game for the Fairbanks Wildlife Management Area Visitor's Program.

lapse
6/30/80

HOUSE FINANCE COMMITTEE

April 23, 1979

1:33 p.m.

All members of the Committee were present except Representatives Meekins, Duncan and Haugen who were attending a meeting of the Free Conference Committee on the Budget. Representatives Guy, Schaeffer and Smith arrived later in the meeting. Present to give testimony were: Representatives Miller and Phillips; Chuck Meachum, Office of the Governor; Foster Diebold and Ashok Dhingra, University of Alaska; Dave Eberling, Cooper & Liabram; and Sherri Shelley, APEA.

PRESENT

Vice-Chairman Freeman called the meeting to order and stated the first bill to be considered would be SB 116.

SB 116

"An Act relating to participation by employees of the Alaska State Office in Tokyo in the public employees' retirement system; and providing for an effective date."

Representative Miller advised there are two portions of the bill. He said the first portion, relating to the Tokyo Office, is uncontroversial. The second portion of the bill was added by the House State Affairs Committee, and it clears up a situation that should have been cleared up when the change was made from annual to personal leave.

(Representative Guy arrived.)

Representative Miller said when making the change to personal leave, they overlooked a very small minority (perhaps two or three people a year). He said that if a person gets a catastrophic illness after accumulating a great deal of sick leave, he has to use all his personal leave before he gets to use his sick leave. He said this is not a fair deal for a person who has to be in the hospital for many weeks.

Representative Miller advised the language in the bill says if a person has a medical problem that lasts for more than 30 consecutive working days, they will then go back to the 10th day and he can draw from his accumulated leave bank. He advised this only applies to existing employees who currently have a sick leave bank, so the program will gradually end. He said there is a revised fiscal note for the House CS.

Mr. Chuck Meachum, Office of the Governor, presented background information on the Tokyo Office. He advised there are three people in the Tokyo office who they want to bring under the public employees retirement system. He advised that two of the employees will remain under the system, and one will "cash out".

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There was discussion on the rate of exchange between yen and dollars.

(Representatives Smith and Schaeffer arrived.)

Representative Rogers asked what would happen if they get a sliding dollar. He asked if they would have to come back for more money. Mr. Meachum said no. He said they will come under PERS, which has a category for outside U.S. salaries. He advised the salary in yen will be picked up at its equivalent in dollars.

There was discussion on the three employees in the Tokyo office, and the situation when they were hired 15 years ago. Mr. Meachum said they are trying to staff all their Offices with Alaskan people, but it has been difficult in the past.

Representative Rogers moved to report out House Committee Substitute for SB 116. Representative Montgomery objected. There being no further objection, HCSSB 116 was reported out with a "do pass" recommendation.

HCSSB 116
REPORTED
OUT

The next bill to be considered was CSSB 80.

CSSB 80

"An Act making transfers between general fund appropriations affecting the University of Alaska for the 1977 and 1978 fiscal years; and providing for an effective date."

Vice-Chairman Freeman advised the Chairman has requested that action on this be held until he is present. However, the Committee will receive testimony on the bill at this time. Representative Rogers commented that in his subcommittee meeting on this bill, it appeared that the disagreements between the legislative staff and the University of Alaska President were not reconcilable; therefore, he has suggested the President appear before the full Committee with their external auditor to explain the bill.

Mr. Eberling, Cooper & Liabram, said the working capital is basically the ability of the University to have current funds in excess of current liabilities. He said a fund balance is the relationship of total assets to the total liabilities. He said in the case of the University, now that the money has lapsed, they do not have a fund balance. He said a fund balance is important in any organization. He said the University is looked upon unfavorably if there is a deficit. The reason they have a deficiency is that in 1976-1977 they overspent their appropriation.

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Mr. Eberling said that in regard to the working capital, the University has an expensive research program and must rely on funds from the federal government, and it takes time to get their money. In the meantime, the University has to spend money. He said that if the University continues to grow, it will not be able to pay its bills on a timely basis. He said the University will have assets, but will not be able to pay its bills.

Mr. Eberling said accrued leave is a liability of the University, and it is required to be recorded by accepted accounting procedures.

Representative Moss asked what the intent of the bill was. Representative Rogers said the original Senate bill was to appropriate \$4.8 million, that the University lapsed last year, to remove the deficit and establish a working capital fund. He said the CS does not do that.

Mr. Diebold, University of Alaska, stated originally the bill did call for a reappropriation of the full amount. He said he doesn't think the full amount need be appropriated; he thinks one-half of that would be adequate. He said they can now turn around money from grants and contracts monthly.

In answer to a question from Mr. Scott, Mr. Eberling said in the CS there is no appropriation of funds to the University. He said he thinks the intent is to provide additional authority to the University so there is no longer an excess of encumbrances to the University.

Mr. Diebold said they are faced with the problem that their external auditor's report shows they have a negative fund balance. He said that report is distributed to bond council, etc.

Representative Rogers said the CS amends the FY 78 budget by decreasing it by \$3.7 million, and amends the FY 77 budget by adding \$3.7 million. He said for FY 76 they are appropriating an additional \$3.7 million on paper, but there is no cash involved. He asked how this gets rid of the deficiency.

Representative McKinnon asked if the items making up the deficiency had been paid. Mr. Eberling said one part of the deficiency is the accumulated annual leave.

Representative McKinnon asked if they had to appropriate for accumulated annual leave each year in order to have the books come out. Mr. Eberling said the State could assume the accumulated leave so the University can get the figures off their books. Representative McKinnon asked if the Legislature passed a law relieving the University of its obligation, would that alleviate the deficiency. Mr. Eberling said yes. There was further discussion.

Representative McKinnon asked what staff's problem was with the State assuming the liability of accumulated annual leave. Mr. Scott said they would be assuming a debt for the University when they don't assume it for any other agency. There was further discussion on accumulated annual leave.

Representative Rogers said the working capital fund primarily has to do with federal funds. He explained the lag the University has in receiving funds; and stated they presently have a procedure where the University can take their billings and borrow up to 80% of them. He said this borrowing procedure takes care of part of the problem with the lag in receipt of federal funds. He said the problem is there is no working capital to cover the period from the start of a project until a billing is made. For that reason, he is proposing that a working capital fund be set up. There was discussion.

Mr. Diebold advised they will be showing a deficit for all time, unless something is done with accrued annual leave.

Representative Rogers said if they had a procedure where there was a working capital fund, a borrowing fund, and a federal fund, he thinks it would take care of the problem. He asked where the working capital fund should be located. Mr. Diebold said they would like to have it located in the University, but he thinks it could work if it were placed anywhere.

Representative Rogers requested that staff draft language for a working capital fund. One draft is to have it located in the University, and the other in the Department of Administration.

Vice-Chairman Freeman said that CSSB 80 would be held.

CSSB 80
HELD

The next bill to be considered was CSSB 25 am.

CSSB 25am

"An Act relating to withdrawal from the federal Social Security System; and providing for an effective date."

Representative Miller commented on a similar bill's passage by the House last year. He stated this year CSSB 25 am was passed by the Senate, and it has the support of the Administration. He said the bill provides employees an opportunity to vote on whether or not they want to opt out of social security. He said the bill does not necessarily bind the state into the public employees retirement system. He said the bill provides that there shall be an election, and if the employees decide to opt out, the same money they pay into social security would be paid into a variety of benefits that are chosen by the individual employee.

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Representative Miller advised the House State Affairs CS puts in one additional piece of language which allows marine high-way employees, currently not in the public employees retirement system, to get in. He said the language provides that they do not automatically get in, but have to negotiate their way in because they are not presently provided for in the public employees retirement system.

Representative Miller advised the State Affairs Committee adopted intent language which says that even though that language is in the bill, it is not to be considered a guarantee that they will get in. He said the State is under no obligation.

Representative Miller said the question in passing the bill is whether or not the Legislature should allow the employees themselves to vote on opting out of social security.

Sherri Shelley, Alaska Public Employees Association, said that should the employees decide to opt out, it will end up saving the State money. She said that social security rates are increasing, but the bill provides that the rates stay at the current percentage rate. Ms. Shelley advised that all administrative costs of the program will be taken from social security before the individual employee benefit accounts are set up. She said that actually the bill will cost the State nothing.

There was brief discussion on the bill. Representative Rogers moved and asked unanimous consent that the House State Affairs CS for CSSB 25 be reported out. There being no objection, it was so ordered. HCS CSSB 25 was reported out with a "do pass" recommendation.

HCS
CSSB 25
REPORTED
OUT

The next bill to be considered was HB 11.

HB 11

"An Act creating a net income tax deduction for child adoption expenses; and providing for an effective date."

Representative Phillips said the bill allows up to a \$3,000 tax deduction for adopting a child. He said the bill has a zero fiscal note, and he believes it would cover about 300 families.

Representative Smith asked if there was any indication that the bill would encourage adoption. Representative Phillips stated he tends to think so. He said he can't see why adoptive parents can't get the same deductions as natural parents.

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Representative Rogers moved to report out a House Finance CS incorporating the HESS committee amendment. There being no objection, it was so ordered. CSHB 11 was reported out with a "do pass" recommendation.

CSHB 11
REPORTED
OUT

The meeting adjourned at 3:15 p.m.

ADJOURN

Tape HFC 79-122 Side 1 #232 to end
 Side 2 #001 to end
HFC 79-123 Side 1 #001 to 409

4/23/79

HOUSE FINANCE COMMITTEE

April 24, 1979

9:00 a.m.

All members of the Committee were in attendance, except Representative Guy and those members of Free Conference Committee (Meekins, Haugen & Duncan). Also in attendance: Representatives Fred Brown and Joyce Munson; Don Hostak, Director, Division of Occupational Licensing, Department of Commerce & Economic Development; Mike Doogan and Tim McGinnis, Aides to Chairman Meekins; Jay Hogan, Director, and Bob Schroeder, Budget Analyst, Division of Legislative Finance.

PRESENT

Vice Chairman Freeman called the meeting to order and advised the Committee would address the Sunset Review bills (HB 446, SB 240, SB 241, SB 242, SB 243, SB 244, SB 245, SB 246, SB 247 & SB 248) and consider only the fiscal implications.

SUNSET BILLS

Mike Doogan stated, with the exception of SB 240, there is a zero fiscal note. The Boards recommended for termination will not take place until 1981, he stated. Tim McGinnis added there will be a savings in travel from the termination of seven Boards. He commented the House Commerce Committee took a little over 80 hours of teleconferencing testimony.

There was discussion on the fiscal implications of the bills. Representative Smith objected to reporting the bills out without fiscal notes. Don Hostak apologized for not preparing fiscal notes for all the bills this year, but stated he thought this would be taken care of in the FY 81 budget.

Jay Hogan was requested to explain the fiscal note process and if these bills require fiscal notes. He stated all these bills, continuing the various Boards, are of the same character. The assumption was, he explained, that these Agencies are budgeted and have been budgeted in the past. Unless there is a change in the statute, he added, it was assumed that there was not a fiscal note required. He pointed out there is a double-counting note to keep in mind. Representative Rogers asked what would happen if they are terminating the Boards now in FY 80 and the impact comes in FY 81 or later. Mr. Hogan answered, presumably, that would show up in next year's budget. He commented the Division of Occupational Licensing could prepare a fiscal note--one document--that simply projects the costs for each of the Boards.

Representative Brown mentioned "that fiscal note will almost be a dummy because Commerce did this so that there would be a gentle easing out of these Boards." Mr. Hogan stated fiscal notes were not designed around a Sunset law, but were designed to take into consideration hidden costs. During further discussion on the fiscal impact of the bills, Representative McKinnon stated he has a hard time buying zero fiscal notes. Mr. Brown stated the Commerce Committee recommended the creation of an executive director's position in SB 240. He noted the Board of Nursing (SB 241) already has a position like that. Mr. Hogan explained the Legislative Finance Division's instructions to the Agencies regarding fiscal notes.

In response to Representative McKinnon's question, Representative Munson commented, if there is any fiscal impact, it would not be that great because the Division of Occupational Licensing is doing most of this now.

Vice Chairman Freeman requested Mr. Hostak prepare a fiscal note on the Sunset Review bills now before the Committee. Mr. Hostak indicated he can have the fiscal note prepared by 3:00 p.m. this afternoon. Vice Chairman advised the bills would be held until that time.

REQUEST

SUNSET BILLS
HELD OVER

Representative Rogers requested SB 240 be considered as it has a fiscal note:

SB 240 - "An Act continuing the existence of the State Medical Board; and providing for an effective date."

SB 240

Representative Rogers moved to report out the Commerce HCS for SB 240 with fiscal note of \$62.0 attached. There being no objection, it was so ordered. HCS for SB 240 was reported out with individual recommendation.

HCS for SB 240
REPORTED OUT

The next bill to come before the Committee was CSSB 81am:

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

CSSB 81am

Representative Rogers moved \$10.4 be appropriated from the general fund to the Office of the Ombudsman for payment of FY 79 costs resulting from the RCA rate increase. He stated this would become Section 2 and requested staff prepare a Finance HCS for CSSB 81. There being no objection, it was so ordered.

CSSB 81am

The meeting adjourned at 9:55 a.m.

ADJOURN

Tape HFC 79-123 Side 1 #409 - End
Side 2 #001 - #455

4-24-79

HOUSE FINANCE COMMITTEE

April 24, 1979

1:45 p.m.

All members of the Committee were in attendance, except Representative Guy and those members of Free Conference Committee (Meekins, Haugen & Duncan). Also in attendance: Representative Fred Brown; Senators Bill Ray and Jalmar Kerttula; Don Hostak, Director, Division of Occupational Licensing, Department of Commerce & Economic Development; Mike Doogan and Tim McGinnis, Aides to Chairman Meekins; Jay Hogan, Director and Bob Schroeder, Budget Analyst, Division of Legislative Finance.

PRESENT

Vice Chairman Freeman called the meeting to order and advised the Committee would address the Sunset Review bills and consider only the fiscal impact of the bills as House Commerce has spent considerable time hearing testimony on the bills.

SUNSET BILLS

HB 446 - "An Act terminating the existence of the Board of Psychologist and Psychological Associate Examiners on January 1, 1981 and reassigning its responsibilities to the Department of Commerce and Economic Development; and providing for an effective date."

HB 446

SB 241 - "An Act continuing the existence of the Board of Nursing; and providing for an effective date."

SB 241

SB 242 - "An Act continuing the existence of the Board of Chiropractic Examiners; and providing for an effective date."

SB 242

SB 243 - "An Act continuing the existence of the Board of Examiners in Optometry; and providing for an effective date."

SB 243

SB 244 - "An Act continuing the existence of the Board of Pharmacy; and providing for an effective date."

SB 244

SB 245 - "An Act continuing the existence of the Board of Dispensing Opticians; and providing for an effective date."

SB 245

SB 246 - "An Act continuing the existence of the Board of Dental Examiners; and providing for an effective date."

SB 246

SB 247 - "An Act continuing the existence of the Board of Veterinary Examiners; and providing for an effective date."

SB 247

SB 248 - "An Act continuing the existence of the State Physical Therapy Board; and providing for an effective date."

SB 248

Don Hostak distributed a combined fiscal note (see attached) for the above bills and explained. He stated there would probably not be a need for additional personal services. In response to a question, he advised four of the seven Boards have national exams; the other three have State exams. Representative McKinnon noted zero under contractual and asked if the professional association will provide those services, and Mr. Hostak indicated yes, he believed they will. He advised the State exam is currently prepared by the Licensing Board.

Representative Rogers moved to report out Commerce HCS for SB 241 with zero fiscal note attached. There being no objection, it was so ordered. HCS for SB 241 was reported out with individual recommendation.

HCS FOR SB 241
REPORTED OUT

Representative Rogers moved to report out Commerce HCS for SB 244 with zero fiscal note attached. There being no objection, it was so ordered. HCS for SB 244 was reported out without recommendation.

HCS FOR SB 244
REPORTED OUT

Representative Rogers moved to report out Commerce HCS for SB 246 with zero fiscal note attached. Representative McKinnon objected, stating there are three of these bills with some provisions that he knows of that he feels should be given further consideration. He moved to amend the motion to report out SB 246. Representative Rogers objected. Discussion followed, with Representative McKinnon stating his concern is with reducing the number of dentists. Representative Rogers stated the question is whether to extend the Boards for two or four years. Vice Chairman Freeman stated, if there is no action taken on the Sunset bills, they are out of business. He added he feels the Committee should take action on these bills. Representative Rogers withdrew his objection. There being no further objection, it was so ordered. SB 246 was reported out without recommendation with zero fiscal note attached.

SB 246
REPORTED OUT

Representative Rogers moved to report out Commerce HCS for SB 246 with zero fiscal note attached. There being no objection, it was so ordered. HCS for SB 242 was reported out without recommendation.

HCS FOR SB 242
REPORTED OUT

Representative Smith moved to report out Commerce HCS for SB 243 with zero fiscal note attached. There being no objection, it was so ordered. HCS for SB 243 was reported out without recommendation.

HCS FOR SB 243
REPORTED OUT

Representative Rogers moved to report out Commerce HCS for SB 245 with zero fiscal note attached. There being no objection, it was so ordered. HCS for SB 245 was reported out without recommendation.

HCS FOR SB 245
REPORTED OUT

Representative Moss moved to report out the Commerce HCS for SB 247 with zero fiscal note attached. Representative Montgomery objected, stating the Senate extends this four more years. Representative Moss withdrew his motion. Representative Montgomery moved to report out the original SB 247. Representative Rogers objected. Discussion followed. The question was called for, and the motion failed (Montgomery in favor; four opposed). Representative Rogers moved to report out Commerce HCS for SB 247. The question was called for, and the motion carried (five in favor; Montgomery opposed). HCS for SB 247 was reported out without recommendation.

HCS FOR SB 247
REPORTED OUT

Representative Rogers moved to report out Commerce HCS for SB 248. Representative Montgomery objected and moved to amend the motion to report out the original SB 248. Representative Rogers objected. The question on the amendment was called for, and the motion failed (Montgomery in favor; five opposed). The question on the main motion was called for, and the motion carried (five in favor; Montgomery opposed). HCS for SB 248 was reported out without recommendation with zero fiscal note attached.

HCS FOR SB 248
REPORTED OUT

Representative Rogers moved to report out HB 446 with zero fiscal note attached. Representative Smith stated she wished to address the fiscal note at this time. She stated, when the budget on Occupational Licensing came through, the House took the formula and did not authorize any new positions. She moved to increase the fiscal note by \$100.0 for FY 80 for those three positions which, she stated, would parallel the Senate. Vice Chairman Freeman objected for purposes of discussion.

HB 446

In response to a question, Mr. Hogan stated this gets to the problem discussed this morning. If you add this to the fiscal note and it also gets in the budget, he advised, this would be double counting; it would be added in twice. Conferring with Mr. Hostak, Mr. Hogan commented normally the fiscal note would restrict itself to the changes proposed by the bill. He added, from what Mr. Hostak tells him, the bill would make no such

changes for FY 80; the changes have been made by Free Conference Committee. Mr. Hogan explained the statute on fiscal notes. Vice Chairman Freeman commented he "feels you can't use a fiscal note to write legislation."

Mr. Hogan suggested a possible compromise approach that the Finance Committee could address this in an INTENT (see attached) that requests the Free Conference Committee take the Senate budget on this. Representative Smith indicated this would be fine. Vice Chairman Freeman requested Mr. Hogan draft a such a letter of intent to be attached to all the above Sunset Review bills reported out by the Committee. There being no objection, it was so ordered. HB 446 was reported out without recommendation with fiscal note and letter of intent attached.

HB 446
REPORTED OUT
INTENT

Vice Chairman Freeman brought up CSSB 5 for discussion:

CSSB 5 - "An Act relating to agricultural loans under the Alaska Agricultural Loan Act; and providing for an effective date."

CSSB 5

Senator Kerttula testified briefly, stating this is legislation that essentially passes last year but remained in House Rules. He stated it is a quantum jump in agricultural/farm development loan programs. He presented a brief overview of the bill.

Representative Rogers stated he had a question on page 3, Section 6, of the HCS, regarding limiting the amount. Senator Kerttula replied this is so that they have to come back to the Legislature--it provides a control.

Representative Rogers moved and asked unanimous consent that Resources HCS for CSSB 5 be reported out. There being no objection, it was so ordered. HCS for CSSB 5 was reported out with a "do pass" recommendation.

HCS FOR CSSB 5
REPORTED OUT

SB 26 was the next bill to be considered:

SB 26 - "An Act relating to credited service under the public employees' retirement system; and providing for an effective date."

SB 26

Vice Chairman Freeman pointed out this bill carries a \$23.0 fiscal note. Representative Rogers asked if this includes legislative temporaries, and Senator Ray indicated no. Representative Rogers commented he feels the temporaries should be able to opt in, and Senator Ray stated he feels they have other benefits such as being paid for seven days a week and working five. Brief discussion followed.

Representative Rogers moved and asked unanimous consent that SB 26 be reported out. There being no objection, it was so ordered. SB 26 was reported out with a "do pass" recommendation.

SB 26
REPORTED OUT

The meeting adjourned at 3:15 p.m.

ADJOURN

Tape HFC 79-123 Side 2 #455 - End
 79-124 Side 1 #001 - End
 Side 2 #001 - #313

**THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE**

FISCAL NOTE

I. REQUEST House Committee Substitute for Senate Bill 241, 242, 243, 244, 245, Bill/Resolution No. 246, 247, and 248. House Bill 446 and 447.
Title Acts relating to Sunset Legislation
Requested by Finance Committee Date 4/24/79

II. FISCAL DETAIL
Agency Affected Commerce and Economic Development
Program Category Affected Public Protection
Budget Request Unit(s) Affected Regulation and Licensing of Professions

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	-0-	-0-	23.4	50.0	52.7	55.0
200 TRAVEL	-0-	-0-	(9.5)	(20.1)	(21.3)	(22.6)
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	3.4	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	17.3	29.9	31.4	33.4

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	17.3	29.9	31.4	33.4
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	-0-	-0-	2	2	2
PART TIME	-0-	-0-	2	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached analysis

IV. DATE 4/24/79

PREPARED BY Don Hostak, Director
AGENCY Occupational Licensing
PHONE 465-2534

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

1033

4-24-79

Analysis:

Personnel Services

For FY81 (2) full time positions for only half the year at
R-12 with Benefits = \$3,028, FICA = \$1588 and
Health Insurance = \$1716 \$23,444

For FY 82 and every year thereafter (2) full time positions
for full years at R-12 with Benefits, FICA and
Health Insurance \$49,701

A 6% inflation rate is used for FY83 and 84.

Travel

Travel expenditures were estimated for FY80. To estimate travel savings
for FY81 half of FY80 figures were used being as the boards will continue
through half of the year. The savings for FY82, FY83 and FY84 will be
double of FY81 plus a 6% inflation rate.

Travel for FY81 by board is estimated to be:

Psychology	2.2
Nursing	-0-
Dental	-0-
Chiropractor	1.6
Veterinary	1.1
Phy. Therapy	.9
Disp. Optician	.8
Optometry	.9
Pharmacy	-0-
Medical	-0-
Nursing H. Admin.	2.0
	(9.5)

Equipment

For FY81 and only that year the estimated cost to equip the 2 R-12
positions would be:

2 desks 70 X 36	\$370 ea.
2 credenza 19 X 36	295 ea.
2 file cabinets	172 ea.
2 chairs posture	91 ea.
2 typewriters	706 ea.
2 type tables	62 ea.
	<u>\$3,392 Total</u>

In regard to the termination of seven health care boards effective January 1, 1981 and the resulting assumption of the licensing function by the Division of Occupational Licensing, it is difficult to estimate fiscal impact at this time. However, overall results are estimated to be:

1. Elimination of board meetings
(travel and per diem)
2. Elimination of Practical examinations on:
 - a. Chiropractors
 - b. Optometrists
 - c. Veterinarians
 - d. Dispensing Opticians
3. Licensure would be by
 - a. National examination (4 boards currently use)
 - b. State examination (7 boards currently use)
 - c. Educational requirements; or
 - d. Endorsement

The period prior to termination will be used to work with the boards in updating statutes and regulations in order to define set criteria for licensure and regulation of each profession. If problems arise after transfer of this function, assistance could be obtained from State Professional Associations and/or former board members.

Two additional support personnel (R-12's) would be needed to complement current staff. License examiners would be relieved of some duties currently being performed for board members. These duties would be replaced by detailed review and licensure of applicants.

Analysis:

Personnel Services

For FY81 (2) full time positions for only half the year at
R-12 with Benefits = \$3,028, FICA = \$1588 and
Health Insurance = \$1716 \$23,444

For FY 82 and every year thereafter (2) full time positions
for full years at R-12 with Benefits, FICA and
Health Insurance \$49,701

A 6% inflation rate is used for FY83 and 84.

Travel

Travel expenditures were estimated for FY80. To estimate travel savings
for FY81 half of FY80 figures were used being as the boards will continue
through half of the year. The savings for FY82, FY83 and FY84 will be
double of FY81 plus a 6% inflation rate.

Travel for FY81 by board is estimated to be:

Psychology	2.2
Nursing	-0-
Dental	-0-
Chiropractor	1.6
Veterinary	1.1
Phy. Therapy	.9
Disp. Optician	.8
Optometry	.9
Pharmacy	-0-
Medical	-0-
Nursing H. Admin.	2.0
	(9.5)

Equipment

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2 type tables	62 ea.
	<u>\$3,392 Total</u>

HOUSE JOURNAL

LETTER OF INTENT

FOR

HCS FOR SB 241, 242, 243, 244, 245, 247 & 248
and
SB 246 and HB 446 & 447

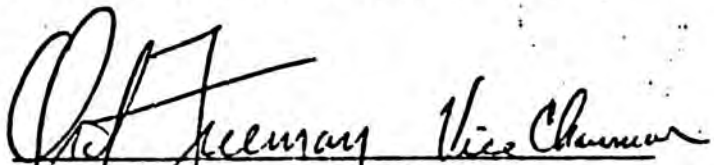
(SUNSET LEGISLATION)

When the House Finance Committee considered and approved its version of the Fiscal Year 1980 budget it did not have in its possession the several measures constituting the "Sunset" package for various boards and commissions. As a result the question of staffing to provide improved public service by the surviving boards was not addressed. The Senate in its version of the budget approved the addition of the following positions in the Occupational Licensing program:

Administrative Support Tech II, Juneau	18,700
Clerk Typist III, Anchorage	18,700
Special Investigator, Anchorage	<u>31,900</u>
	69,300

The House Finance Committee now wishes to support before the full House and the House conferees on the budget a request that these new positions be approved for inclusion in the Fiscal Year 1980 budget for Occupational Licensing.

The Division of Occupational Licensing shall report to the Second Session of the Eleventh Legislature the results of its efforts to correct practices found objectionable and meet requirements of the various legislative audits and committee reports pertaining to boards and commissions. This requirement applies equally to those boards approved for continuation this year and those under review during the budget year.


House Finance Committee

HOUSE FINANCE COMMITTEE

April 25, 1979

9:15 a.m.

All members of the Committee were present except Representatives Meekins, Duncan, Haugen and Guy. Representatives Smith, Rogers and Schaeffer arrived later in the meeting. Also present were Senator Ray, Judy Dubois and John Cook, Department of Labor.

PRESENT

Vice-Chairman Freeman called the meeting to order. He stated the Committee would receive testimony on bills, but not take any action, as a quorum is not present. The first bill to be considered was SB 4 am:

SB 4 am

"An Act relating to worker's compensation for volunteer ambulance attendants and police."

Senator Ray advised there is no fiscal note to the bill, and it doesn't cost anything.

(Representative Smith arrived. A quorum is now present.)

Representative Moss asked if it covered people in unorganized boroughs, and Senator Ray said no, it only provides for political subdivisions.

Representative McKinnon stated he would like to offer an amendment to the bill (see attachment). He said it is a fairly uncontroversial amendment which adds two additional members to the Board and creates a third panel so there would be a permanent board in Anchorage and Fairbanks. He advised there would be a slight increase in terms of per diem, but there would be a reduction in travel. Senator Ray said he would have no objection to the amendment.

Judy DuBois, Department of Labor, said they support McKinnon's amendment. She said it would greatly alleviate problems they currently have, and she believes in the long run some savings could be realized to the State.

Mr. John Cook, Department of Labor, said he believes Ray's bill will prevent litigation in the future.

Vice-Chairman Freeman said SB 4 am would be held until more members were present.

SB 4 am
HELD

The next bill to be considered was CSSB 22 (Rules) am:

CSSB 22
RULES am

"An Act extending the benefits of group insurance to certain temporary employees of the state and its governmental units; and providing for an effective date."

4/25/79

Senator Ray explained that this bill would extend group insurance coverage to certain employees of the State who are employed in a temporary capacity. Senator Ray commented on the current situation where temporary employees can be working in the same position as permanent employees, but not receiving any benefits. He explained that the bill requires that after a person has been employed for 30 days or more, and has been employed by the State for at least 180 days in a three year period, he will be covered.

Senator Ray said he believes the fiscal note on the bill is erroneous. He said he doesn't believe there are 780 temporary slots to be filled. He believes the fiscal note is double counting temporary employees.

(Representative Rogers arrived.)

Senator Ray commented that there is a bill formulated by the Blue Ribbon Commission to eliminate the temporary employee category. He said under the system we have now, a person could be a temporary employee for 20 years.

Senator Ray said he does support the House CS prepared by the State Affairs Committee.

(Representative Schaeffer arrived.)

Representative Montgomery said he is in favor of benefits for employees, but it seems this should be resolved at the negotiating table. Senator Ray said he does not see how they can bargain for coverage for temporary employees. He said he doesn't believe this is a bargaining tool. Representative McKinnon commented that until the Legislature started looking at issues like this, it was always a non-negotiable item. He said the law specifically excludes temporaries from receiving benefits.

Vice-Chairman Freeman said they would hold this bill until they received further information on the fiscal note.

CSSB 22
HELD

The meeting recessed at 9:50 a.m.

ADJOURN

Tape HFC 79-124 Side 2 #314 to end
HFC 79-125 Side 1 #001 to 079

4/25/79

Ammon's
proposed
amendment
4/25 a.m.

h. O. Reed:
Referred:

1 IN THE HOUSE

2 HOUSE BILL NO. _____

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act Relating to Appointment of Members to the Alaska
7 Workmen's Compensation Board."

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

9 * Section 2. AS 23.30.005(a) is amended to read:

10 (a) The Alaska Workmen's Compensation Board shall consist of seven
11 [FIVE] members, including a southern panel of three members sitting for the
12 first judicial district, ^A ~~and a northern panel of three members~~ ^{and a Southcentral}
13 sitting for the second, ~~and~~ and fourth judicial districts ~~A~~
panel of three members for the third judicial district.

Each PANEL shall include the commissioner of labor or his designated representative, a repre-
15 sentative of industry and a representative of labor. The latter two members
16 of each panel shall be appointed by the governor. All panel members are
17 subject to confirmation by a majority of the members of the legislature in
18 joint session.

19 * Sec. ⁵ 3. AS 23.30.005(b) is amended to read:

20 (b) The commissioner shall act as chairman and executive officer of
21 the board and chairman of all [BOTH] panels. If he designates a represen-
22 tative to act for him his representative shall serve in that capacity on the
23 board and on all [BOTH] panels.

24 * Sec. ⁶ 3. AS 23.30.005(c) is amended to read:

25 (c) The governor shall appoint the management member of the southern
26 panel for a term of four years, and the labor member for a term of three years,
27 He shall appoint the management members [MEMBER] of the northern ^{and Southcentral} panels
28 [PANEL] for a term of three years, and the labor members [MEMBER] for a
29 term of four years. The management and labor members are entitled to com-
30 pensation in the amount of \$50 a day for each day or portion of a day spent
31 in actual meeting or on authorized official business incident to their duties.

and to all other transportation and per diem as provided by law.

* Sec. ⁷ 4. AS 23.30.005(d) is repealed.

* Sec. ⁸ 5. AS 23.30.005(e) is amended to read:

(e) A member of one panel may serve on another [THE OTHER] panel when the commissioner considers it necessary for the prompt administration of this chapter. Transfers shall be allowed only if a labor or management representative replaces his counterpart on the other panel.

* Sec. ⁹ 6. AS 23.30.005(h) is amended to read:

(h) The Department of Labor may make identical rules for all [BOTH] panels and may make regulations to carry out the provisions of this chapter. Process and procedure under this chapter shall be as summary and simple as possible. The Department of Labor, the board or a member of it may for the purposes of this chapter subpoena witnesses, administer or cause to be administered oaths, and may examine or cause to have examined the parts of the books and records of the parties to a proceeding which relate to questions in dispute. The superior court, on application of the Department of Labor, the board or any members of it, shall enforce the attendance and testimony of witnesses and the production and examination of books, papers, and records.

Immediate Effective Date

HOUSE FINANCE COMMITTEE

April 25, 1979

2:35 p.m.

All members of the Committee were in attendance, except Representative Guy and the Free Conference Committee members. Representative McKinnon arrived later in the meeting. Also in attendance: Cherie Shelly, Alaska Public Employees Association; Rick Berrier, Alaska Court System; Sue Greene and Chuck Hurstler, Department of Administration; Mike Doogan, Administrative Aide to Chairman Meekins.

PRESENT

Vice Chairman Freeman called the meeting to order and advised the Committee would consider CSSB 22(Rules)am.

CSSB 22 - "An Act extending the benefits of group insurance to certain temporary employees of the state and its governmental units; and providing for an effective date."

CSSB 22

Cherie Shelly testified briefly, describing temporary and full-time employees.

Sue Greene presented testimony stating, generally, the Administration is opposed to this in that they feel this is the kind of thing that can be negotiated. The question is whether it should be legislated or negotiated, she commented. She added this would negatively impact the group insurance rating. She briefly discussed the fiscal note, stating it attempts to give an estimate of what money is involved, and the new cost is the result of the bill.

[Representative McKinnon arrived at this time.]

During discussion, Ms. Greene advised it has been the position of the Administration not to accept group insurance for temporary employees. Representative Moss asked how much it would cost regarding what Local #71 would accept in lieu of benefits, and Ms. Greene replied she could find this out. There was further discussion on the negotiability of group insurance.

Representative Rogers stated he feels temporary employees should be eligible for group insurance. He commented briefly on SB 198 (Relating to the hiring of nonpermanent employees in the state personnel system) pointing out it has no fiscal note and is not in the Finance Committee but in Rules. Representative Rogers moved to have HCS for SB 22 (Finance) prepared which

would incorporate Section 1 of State Affairs HCS for SB 198 with an effective date of January 1, 1980. He requested this be held for action pending receipt of a new fiscal note prepared by the Department. Representative Moss asked if this wouldn't nullify the need for SB 22, and Representative Rogers answered SB 22 takes effect on the effective date of SB 198. There being no objection, it was so ordered.

Vice Chairman brought SB 4am for discussion:

SB 4am - "An Act relating to worker's compensation for volunteer ambulance attendants and police."

SB 4am

Representative McKinnon moved to have a Finance HCS for SB 4 prepared incorporating his amendment (see attached) for SB 4. He stated what this does is recommends a third comp panel which would add a second panel in the interior. He commented the Department is in favor of this; all they would get is per diem, and the Department feels it will break even. There being no objection, it was so ordered.

AMENDMENT

Representative Rogers proposed an amendment regarding Section 3 of McKinnon's amendment. Representative McKinnon advised the reason for this was to stagger the terms. Representative Rogers withdrew his amendment, but moved to include an immediate effective date clause. There being no objection, it was so ordered.

SB 4am
HELD OVER

The next bill to come before the Committee was SB 8lam:

SB 8lam - "An Act making a supplemental appropriation to the Office of the Governor, division of budget and management for payment of RCA rate increase; and providing for an effective date."

SB 8lam

Vice Chairman Freeman noted the Committee has had previous testimony on this bill. He added the Alaska Court System was added in on Section 4 and explained the reason for this.

Representative Rogers moved and asked unanimous consent that Finance HCS for SB 8lam be reported out. There being no objection, it was so ordered. Finance HCS for SB 8lam was reported out with a "do pass" recommendation.

FINANCE HCS
FOR SB 8lam
REPORTED OUT

SB 11am was brought up for consideration:

SB 11am - "An Act relating to purchasing by state agencies; and providing for an effective date."

SB 11am

Representative Rogers discussed his idea for a proposed amendment that would allow the deputy commissioner of the Treasury to invest portions of the investment fund in gold bouillon and up to 10% of the pension funds. He requested the bill be held over pending receipt of a new fiscal note on the 1-1/2%. There being no objection, it was so ordered.

The meeting adjourned at 3:15 p.m.

ADJOURN

Tape HFC 79-125 Side 1 #079 - End
Side 2 #001 - End

McKinnon's
proposed
amendment
4/25 a.m.

Introduced:
Referred:

1 IN THE HOUSE

2 HOUSE BILL NO. ____

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act Relating to Appointment of Members to the Alaska
7 Workmen's Compensation Board."

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

9 • Section ⁴~~2~~. AS 23.30.005(a) is amended to read:

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11 [FIVE] members, including a southern panel of three members sitting for the
12 first judicial district, ^A~~and a~~ northern ~~panels~~ of three members
13 sitting for the second, ~~and~~ and fourth judicial districts ~~and a SouthCentral~~
panel of three members for the third judicial district.
14 Each PANEL shall include the commissioner of labor or his designated representative, a repre-
15 sentative of industry and a representative of labor. The latter two members
16 of each panel shall be appointed by the governor. All panel members are
17 subject to confirmation by a majority of the members of the legislature in
18 joint session.

19 • Sec. ⁵~~2~~. AS 23.30.005(b) is amended to read:

20 (b) The commissioner shall act as chairman and executive officer of
21 the board and chairman of all [BOTH] panels. If he designates a represen-
22 tative to act for him his representative shall serve in that capacity on the
23 board and on all [BOTH] panels.

24 • Sec. ⁶~~3~~. AS 23.30.005(c) is amended to read:

25 (c) The governor shall appoint the management member of the southern
26 panel for a term of four years, and the labor member for a term of three years.
27 He shall appoint the management members [MEMBER] of the northern ^{and SouthCentral} ~~panels~~
28 [PANEL] for a term of three years, and the labor members [MEMBER] for a
29 term of four years. The management and labor members are entitled to com-
30 pensation in the amount of \$50 a day for each day or portion of a day spent
31 in actual meeting or on authorized official business incident to their duties

and to all other transportation and per diem as provided by law.

• Sec. ⁷ 4. AS 23.30.005(d) is repealed.

• Sec. ⁸ 5. AS 23.30.005(e) is amended to read:

(e) A member of one panel may serve on another [THE OTHER] panel when the commissioner considers it necessary for the prompt administration of this chapter. Transfers shall be allowed only if a labor or management representative replaces his counterpart on the other panel.

• Sec. ⁹ 6. AS 23.30.005(h) is amended to read:

(h) The Department of Labor may make identical rules for all [BOTH] panels and may make regulations to carry out the provisions of this chapter. Process and procedure under this chapter shall be as summary and simple as possible. The Department of Labor, the board or a member of it may for the purposes of this chapter subpoena witnesses, administer or cause to be administered oaths, and may examine or cause to have examined the parts of the books and records of the parties to a proceeding which relate to questions in dispute. The superior court, on application of the Department of Labor, the board or any members of it, shall enforce the attendance and testimony of witnesses and the production and examination of books, papers, and records.

Immediate Effective Date

HOUSE FINANCE COMMITTEE

April 27, 1979

9:05 a.m.

All members of the Committee were in attendance, except Representative Guy and those members of Free Conference Committee. Also in attendance: Representative Hugh Malone; Jim Rhode, Aide to Representative Malone; Mike Doogan, Aide to Chairman Meekins.

PRESENT

Vice Chairman Freeman called the meeting to order and advised the Committee would hear testimony from Representative Malone on the permanent fund bill, HB 281. He noted four members of the Finance Committee also serve on the Permanent Fund Committee.

HB 281 - "An Act relating to nonrenewable resource revenues; to legislative oversight; and providing for an effective date."

HB 281

Representative Malone, Chairman, House Special Committee on the Alaska Permanent Fund, presented an overview of the bill, stating it provides for legislative oversight function to be carried out by the Legislative Budget and Audit Committee. He commented on the letter of intent attached to CSHB 281, which suggests that the Budget and Audit Committee, after a reasonable time, make a recommendation to the Legislature on how this function should best be carried out. The bill also provides for the investment of 25% of the royalty income of the permanent fund. He gave a section-by-section analysis of the bill.

In discussing management of the permanent fund, Representative Malone stated a comment made by Representative Clark Gruening last year that they should "insulate the management of the permanent fund from the political process, but not isolate it" probably best describes how this should be handled.

Representative Malone explained the list of the 11 types of eligible investment instruments, stating he feels the investments should be kept as conservative as possible. Representative Smith asked if this was tight enough that no investments can be made in Alaska. Representative Malone responded they can be made in Alaska but they would have to be investments that are of the same quality as that of New York. He advised it is not the intent that debt instruments be invested in Alaska.. Responding to a direct question from Representative Smith, Representative Malone indicated no, the Permanent Fund Committee did not look at investments in Alaska. He added it is not a question of investments being committed in or outside the State, but that they be committed to secure investments. He further stated it is not the intent to provide low cost capital within the State.

Jim Rhode commented on the views of Treasury, as he had attended a meeting on this. He discussed the section dealing with gains, losses and incomes and stated what it does is nets out capital losses against capital gains in any one year. Representative Malone stated this is written to provide a steady stream of income and that it is subject to the executive budget act.

Representative Moss asked if the operating expenses of the program come out of the general fund, and Representative Malone stated that was correct. Vice Chairman Freeman stated the earnings will go back into the general fund.

Representative Montgomery asked if the appointment and confirmation of the trustees will take place before July 1, and Representative Malone indicated he didn't think this would happen until the next session.

Vice Chairman Freeman mentioned Representative Malone's amendment and asked if he were going to take care of this. Representative Malone replied the question was raised by DPDP and that he has not had an opportunity to go over this. He stated he feels it should be addressed if it would undermine the intent set forth by subsection (g). He stated he would be glad to work with any part of the Finance Committee to examine the question and decide if any amendment needs to be added to the bill. Vice Chairman Freeman appointed subcommittee consisting of Representative Rogers and Montgomery.

HB 281
HELD OVER

The meeting adjourned at 10:00 a.m.

ADJOURN

Tape HFC 79-125 Side 2 #052 - End
79-126 Side 1 #001 - #289

HOUSE FINANCE COMMITTEE

April 27, 1979

1:30 p.m.

All members of the Committee were present except Representatives Meekins, Duncan, Haugen and Guy. President to provide testimony on bills were: Representatives Malone and Brown; Senator Kerttula; Eric Yould, Alaska Power Authority; Virginia DelPiaz, Alaska Conservation Society; Chuck Hersler; Bill Mullin, Department of Administration; and Jim Baldwin, Legislative Attorney.

PRESENT

Vice-Chairman Freeman called the meeting to order and stated the first bill to be considered was SB 86:

SB 86

"An Act requiring fiscal notes to be prepared for regulations having fiscal impact."

Vice-Chairman Freeman said this bill was suggested by the Regulation Review Committee, and he is a member of that Committee. He said the bill requires that a fiscal note be prepared on regulations. He said the rationale behind this is that the Legislature grants Department's the power to promulgate regulations that have the effect of law.

Representative Rogers asked if the fiscal notes were not adopted by the free conference committee on the budget, would that mean the regulation could not take effect. Vice-Chairman Freeman said no, the idea is more for information purposes than anything else.

Representative Smith moved and asked unanimous consent that SB 86 be reported out. There being no objection, it was so ordered.

SB 86
REPORTED
OUT

The next bill to be considered was SB 4 am:

SB 4 am

"An Act relating to worker's compensation for volunteer ambulance attendants and police."

Representative McKinnon moved and asked unanimous consent that a House Finance CS for SB 4 be reported out (incorporating the amendment he proposed at an earlier meeting). There being no objection, it was so ordered.

FINANCE
CSSB 4
REPORTED
OUT

The next bill to be considered was CSSB 14 (Fin):

"An Act relating to agricultural development; and providing for an effective date."

CSSB 14

4/27/79

Representative Moss advised the bill has a \$30.0 fiscal note. Representative McKinnon questioned the Delta portion of the bill. Representative Moss said this is basically a Committee to oversee some of their special agricultural projects. The bill was held until Senator Kerttula could be present to provide further information.

CSSB 14 HELD

The next bill to be considered was HB 281:

"An Act relating to nonrenewable resource revenues; to legislative oversight; and providing for an effective date."

HB 281

Representative Malone presented a proposed amendment to the bill that makes it clear that in state investments are not precluded. He recommended it be incorporated in the Finance Committee's CS. There was brief discussion.

Representative Rogers moved that a Finance CS be prepared, incorporating that amendment, and that the bill be reported out. There being no objection, it was so ordered.

FINANCE CS
HB 281 REPORTED
OUT

The next bill to be considered was CSSB 63:

"An Act making a special appropriation to the Alaska Power Authority for the Susitna Hydro-electric Project; and providing for an effective date."

CSSB 63

Vice-Chairman Freeman stated the Committee would receive testimony on the bill at this time, but the Free Conference Committee members have requested that final action on the bill be held until they are present.

Mr. Eric Yould, Executive Director, Alaska Power Authority, gave a brief explanation of the Susitna Hydro-Electric Project. He said the project will provide 6.1 billion kilowatt hours in 1994 to the Anchorage/ Fairbanks load center. He advised that at the present time they use 2.1 billion kilowatt hours. He said there will be 365 miles of transmitter lines.

Mr. Yould provided background information on the bill. He commented on the amendment introduced in Congress by Gravel last Session, which they needed to go ahead with the Corps of Engineers, which was never enacted. In 1978 the Governor indicated he would request the Legislature to provide the funds necessary to implement the first year of the program, with the idea that when the Gravel amendment passed, the State would get out of any encumbrances. The funds were to guarantee Alaska Power Authority Revenue Bonds. The IRS determined it was not legal to use an appropriation from a

4/27/79

state government to guarantee revenue bonds. He said Administration then felt they would like to go ahead with the project, but only after getting approval of the voters; however, the Legislature was not in favor of that approach.

Mr. Yould advised the Devil Canyon Task Force then took up consideration of the project, and based on their information the Alaska Power Authority drafted a Committee Substitute which was adopted by the House Resources Committee. Basically, that bill provides a conditional appropriation to the Governor of \$8 million. The expenditure would be tied to Gravel being successful in putting in the federal guarantee, or the APA coming up with a reasonable alternative to using the Corps of Engineers. In addition to the \$8 million, the bill provides \$100.0 for the APA to come up with an alternative.

Representative Rogers asked what a "reasonable alternative" would be. Mr. Yould said this would be development of an alternative phase I study to be conducted by the private sector to bring them up to the license to construct phase.

Representative Rogers asked if they needed the entire \$8 million at this time to go into the reasonable alternative plan. Mr. Yould said they definitely need the \$8 million. He said that if they proceed with the private sector, it is probable that their first year effort will be less than \$8 million, but it is his belief that the total program will cost in excess of \$8 million.

There was brief discussion on the effective date of the bill.

Virginia DelPiaz, Alaska Conservation Society and Alaska Center for the Environment, referred to a letter that had been sent to Committee members. She said their basic objection to the project is that a project of this magnitude needs more impact studies done. She would recommend that if they decide to go ahead, the first year be devoted to studies on the biological and geographical impact. She commented that \$1.5 to \$2 million would be needed to cover this area. She said they would like to see an independent evaluation done.

Ms. DelPiaz commented that the State does not have a statewide energy plan. She said this is a very large scale project and they want to be sure they are going in the right direction.

CSSB 63 was held until Free Conference Committee members could be present.

CSSB 63
HELD

A recess was called at 2:20 p.m. and Vice-Chairman Freeman recalled the meeting to order at 2:35 p.m.

RECESS

4/27/79

The next bill to be considered was CSSB 22 (Rules) am:

CSSB 22

"An Act extending the benefits of group insurance to certain temporary employees of the state and its governmental units; and providing for an effective date."

Mr. Chuck Hursler, Division of Retirement and Benefits presented a revised fiscal note (\$921.0). There was brief discussion. Representative Rogers asked if they needed a minimum of \$921.0 for FY 80, and Mr. Hursler said that based on their assumptions, they do. He said the assumptions were done by Personnel and Labor Relations, and he assumes they are good.

No action was taken to report the bill out from Committee.

CSSB 22 HELD

The next bill to be considered was SB 11 am.

SB 11 am

"An Act relating to purchasing by state agencies; and providing for an effective date."

Mr. Mullin, Department of Administration, presented a new fiscal note. The reduction down to \$300,000 is due to changes in the bill that were suggested by the Finance Committee.

Representative Rogers moved to incorporate the wording on page 4 of this fiscal note into the bill on page 2, replacing section (b). (see attached). There being no objection, it was so ordered.

Representative Rogers moved to amend the bill to add a new section 5 stating "AS 37.10.070(a) is amended by adding a new subparagraph (14) to read: (14) Gold Bullion of a fineness that meets marketing and delivery requirements of the trade." There was brief discussion. Representative Rogers said this would only apply to the general fund reserve. There being no objection, the motion carried.

Representative Rogers moved to report out a House Finance CS for SB 11 incorporating the above amendments. There being no objection, it was so ordered.

FINANCE CS
SB 11
REPORTED OUT

Representative McKinnon presented a letter of intent he would like to have attached to this bill (see attachment). There being no objection, it was so ordered.

LETTER OF
INTENT R/O
WITH HCSSB 11

Representative Rogers moved to report out the revised fiscal note. There being no objection, it was so ordered.

REVISED FISCAL
NOTE REPORTED
OUT w/HCSSB 11

4/27/79

The next bill to be considered was SB 234:

SB 234

"An Act relating to materialmen's and mechanics' liens; and providing for an effective date."

Representative Brown stated he would urge the Committee to adopt the House Commerce Committee Substitute, rather than the proposed House Finance CS, which appears to be the same as the original Senate Bill except it makes the effective date immediate.

Representative Brown gave background information on lien bills introduced last year. He said the Commerce CS was put together with an outside committee of suppliers, contractors, etc.

Representative Brown said the major change in the CS is the deletion of acknowledgement of the right to lien. They also changed the number of days from ten to fifteen. He said the only problem he is aware of with his bill is they should put in an immediate effective date.

Representative Rogers asked if there would be any problem with the wording in section 1. Representative Brown said he understands the wording was taken from the uniform acts. He said the only problem he could foresee is if suppliers "lied through their teeth". In answer to a question from Representative Rogers, Mr. Baldwin said he has heard of some problems concerning the claimants notice of right to lien. He said the title insurance companies must know a long time in advance, and they could retain a great deal of money from the interim financing. Also an owner has to be sure the people he pays for work actually pay their subcontractors.

Representative McKinnon said he would like to go through a formal hearing before accepting the commerce CS. He said he is not familiar with that bill, but he is familiar with the original bill. He said he would prefer to go with something he is familiar with in an issue this complex. He moved to report out the House Finance CS for SB 234. Representative Smith objected. The question was called for. Representatives Freeman and McKinnon were in favor. All else opposed. The motion failed. There was discussion.

Representative Smith moved to report out the House Commerce COMMERCE CS CS with an amendment for an immediate effective date. Repre- SB 234 sentatives McKinnon and Freeman objected. Representative REPORTED OUT Freeman commented the bill does not have a fiscal impact, so W/AMENDMENT he doesn't think it should have been referred to Finance in the first place. The question was called for. 5 in favor, 2 opposed (McKinnon, Freeman). The motion carried.

4/27/79

The next bill to be considered was CSSB 134.

CSSB 134

"An Act making a special appropriation to the Department of Community and Regional Affairs for grants to municipalities and other recipients in place of entitlements under the program of state aid to local governments; and providing for an effective date."

Senator Kerttula said this bill is necessary because several of the smaller communities did not file in time under the regulations for revenue sharing. He said the amounts in the bill are the same as the entitlements they had coming.

Representative Moss moved to report out CSSB 134. There being no objection, it was so ordered.

CSSB 134
REPORTED
OUT

The next bill to be considered was CSSB 14 (Fin.):

"An Act relating to agricultural development; and providing for an effective date."

CSSB 14

Senator Kerttula commented on the agricultural program. He said the bill provides that five people in the Governor's Office will contribute of their time to manage the Delta project. He said they will not be implementing a new department. He said the bill does have a Sunset Provision. He said the people will also make recommendations to the Legislature and Governor for other project areas.

Representative McKinnon asked if these people would actually be managing the money the Legislature appropriates to Delta, and Senator Kerttula said this was the intent.

Representative Montgomery commented the fiscal note does not seem sufficient to manage an office. Senator Kerttula said the fiscal note is not correct. He said it will cost approximately \$100,000 for the first year.

Senator Kerttula commented his major concern for getting into this is that if Delta becomes a fiasco, it will probably be at least 50 years before the State would get involved in a program again.

Representative Moss moved to report out CSSB 14 (Fin.) with a revised fiscal note in the amount of \$100,000. There being no objection, it was so ordered.

CSSB 14
REPORTED
OUT W/
NEW FISCAL
NOTE

The meeting adjourned at 3:55 p.m.

ADJOURN

Tape HFC 79-126 Side 1 #289 to end
 Side 2 #001 to end
HFC 79-127 Side 1 #001 to 653

4/27/79

SB 11 am

(b) If payment for goods or services purchased for use by a State agency is not made within thirty days of receipt of the goods or completion of the services, or receipt of the invoice covering the purchase of the goods or services, whichever is later, the State may pay interest on the unpaid balance at a rate of up to one and one-half percent a month provided that the State is requested to do so by the vendor at the time of issuance of the original invoice.

HOUSE JOURNAL

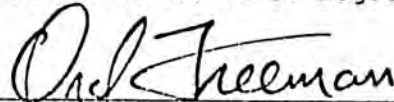
LETTER OF INTENT

HCS FOR SB 11 (FINANCE)

The Finance Committee has considered whether authority needs to be specifically granted to the Commissioner, Department of Transportation and Public Facilities, to renegotiate concession contracts at public facilities.

The Commissioner's power to do so if found in AS 02.15.090 wherein there is no requirement that competitive bidding apply to its exercise.

Alaska's competitive bid statute, AS 37.05.230, requires competitive bidding for purchase contracts, pursuant to which the State spends money. There is no requirement that contracts pursuant to which the State earns money, including concession contracts, be subject to the requirements of that section. Therefore, we do not find it necessary to grant additional power to the Commissioner. He already has the power, unrestricted by AS 37.05.230 to so negotiate.



Rep. Oral Freeman
Vice Chairman
House Finance Committee

HOUSE FINANCE COMMITTEE

April 28, 1979

9:10 a.m.

All members of the Committee were in attendance, except Representatives Duncan, Guy and McKinnon. Chairman Meekins arrived later in the meeting. Also in attendance: Representative Fred Brown; Kerry Romesburg, Post Secondary Education; Ray Appleby, Homebuilders Association, Anchorage; Jim Baldwin, Legislative Affairs Agency; Mike Doogan and John Crandall, Administrative Aides to Chairman Meekins.

PRESENT

Vice Chairman Freeman called the meeting to order and advised SB 130 would be considered:

CSSB 130am - "An Act relating to the student loan program; and providing for an effective date."

CSSB 130am

Kerry Romesburg stated he has previously presented testimony on HB 387 which is a guarantee of getting in on the student loan program. SB 130, he stated, has the same provisions, in addition to some others. Referring to the HESS HCS for SB 130, he distributed a handout on special allowances and explained the projects contained therein.

Mr. Romesburg stated they don't have to spend any State dollars to get this; they get the money from the Feds for administering this program. He advised the only thing required is some law changes, and those changes are in SB 130 (HESS HCS) in Sections 3, 4, 5 and 6.

Representative Rogers asked a question regarding "continuous Alaska residency", and Mr. Romesburg stated this means you maintain your domicile here and don't leave unless you go to school outside. Representative Rogers asked about taking out the word "continuous", and Mr. Romesburg indicated he would have no problem with that.

Mr. Romesburg indicated he has testified on this bill four times now and has pointed out a typographical error that is still in the bill; page 2, line 27, page 3, line 28 and page 4, line 14. He indicated those lines refer to section (1) and it should be an "1". It was agreed the ^(one)1 and 1 are the same keys on the typewriter.

Referring to the top of page 2, Representative Smith stated she was concerned with the point system continuing students with loans and continuing students

without loans. Mr. Romesburg indicated it wouldn't be fair to take that loan away from a junior or senior when they can demonstrate a need.

Representative Rogers moved to amend page 2, between lines 15 and 16, by adding a new item "(3) students attending Alaska colleges or universities.....2 points." There being no objection, it was so ordered.

AMENDMENT

PASSED

Representative Rogers moved to amend page 2, lines 10, 12 and 14 by deleting "continuous". Representative Schaeffer objected, stating if this were taken out, there would be a dramatic effect on the fund. During discussion, Representative Montgomery stated he agrees with Representative Schaeffer, and that if this is deleted they will have to redefine Alaskan residency. The question was called for, and the motion failed (2 in favor--Rogers & Freeman; 5 opposed).

AMENDMENT

FAILED

Representative Smith moved to amend page 2, lines 5 and 6, by deleting "with loans" and "without loans" and inserting "grade point average of 2.5 and above" and "grade point average below 2.5". Representative Schaeffer objected, stating he feels this would make it too restrictive. Representative Rogers moved to amend the amendment (see attached). Representative Montgomery objected, stating this complicates the intent. In response to a question, Mr. Romesburg stated the only thing they require is that the students establish a need and meet the Alaska residency requirements, and the school must certify the student is in good standing. The question was called for, and the motion failed (3 in favor--Rogers, Smith & Freeman; 4 opposed).

AMENDMENT

FAILED

Representative Rogers moved and asked unanimous consent that HCS for CSSB 130 (Finance) be reported out. Representative Smith objected. The question was called for, and the motion carried (5 in favor; Smith opposed). It was so ordered. HCS for CSSB 130 (Finance) was reported out with a "do pass" recommendation.

FINANCE HCS
FOR CSSB 130
REPORTED OUT

[There was a brief at ease while Chairman Meekins was called to conduct the next portion of the meeting.]

AT EASE

Chairman Meekins brought SB 234 up for discussion:

SB 234 - "An Act relating to materialmen's and mechanics' liens; and providing for an effective date."

SB 234

Chairman Meekins noted the Committee heard testimony yesterday on this bill by Fred Brown, Chairman, Commerce Committee and would like to afford the same opportunity today to Ray Appleby, Anchorage. He also noted Committee action was taken on the bill yesterday. Representative Moss moved to rescind previous Committee action taken yesterday. There being no objection, it was so ordered.

Ray Appleby presented a history of the bill. He stated basically the solution to the hidden lien law is notice of right to lien. He commented the Governor did not sign this last year; he let it take effect so that an oversight committee would be assigned. He listed those who served on the oversight committee and noted they were all Anchorage residents. Chairman Meekins stated, as this turns out, this was definitely a political error, but added it was not a conscious thing.

Representative Brown stated the major differences between the bills is the right to lien. He discussed other minor changes in the original bill and the Commerce HCS.

Mr. Appleby commented, without this section requiring the right to lien, the owner could have a tremendous liability which he could do nothing about, and he is still exposed to the risk that all the suppliers could come back to him. There was discussion on the existence of the right to lien versus acknowledgment of the notice of right to lien. Mr. Appleby stated there will be some instances where the supplier feels he needs that right to lien when all he has to do is ask for acknowledgment of the owner.

Representative Moss asked Mr. Appleby which of these two bills he feels is better--the original SB 234 or the Commerce HCS. Mr. Appleby indicated SB 234 with one minor change, he feels, is the best all around balance. The change, he indicated, is on page 7, line 2 (e); delete "A person" and insert "An owner or his agent".

APPLEBY
AMENDMENT

Representative Brown pointed out where all the changes in the HCS were made in a marked-up handout of the bill and provided the Commerce Committee's rationale behind them.

Referring to Section 1(b) of the HCS, Representative Rogers and Chairman Meekins discussed "rebuttable assumptions". There was further discussion on this as well as each change the Commerce Committee had made in the bill. Mr. Appleby stated the intent of HB 739 that was passed last year was to try to insure or protect a potential lien liability; to protect the equity position.

Representative Moss pointed out the bill has no fiscal impact and moved to report the bill out with Mr. Appleby's recommended amendment. Representatives Rogers and Smith objected. Discussion followed. Representative Smith stated she feels that, since there is no fiscal impact, the Committee should not be debating this now. She indicated she feels this can be debated on the House floor. She commented her objection was that Fairbanks was not considered in the oversight committee. Chairman Meekins expressed his views on the bill, stating he and Representative McKinnon have dealt with this very complicated issue during the past few years. He stated he feels the Fairbanks objection is not a real problem and that SB 234 is a good bill. He added he feels it is an absurdity that they will bargain away their right to lien.

Representative Rogers moved to amend Representative Moss' motion by deleting "10" days and inserting "15" days on page 2, line 17. In response to a question, Mr. Appleby stated he feels 10 days is better. The question was called for, and the motion failed (2 in favor--Rogers & Smith; 5 opposed).

AMENDMENT
FAILED

Representative Rogers moved another amendment from the HCS, page 7, line 3, insert the word "willfully" between "who...furnishes". Chairman Meekins and Representative Montgomery objected. Representative Rogers withdrew his amendment.

AMENDMENT
FAILED

Representative Rogers moved to include Section 1(b) of the HCS. Chairman Meekins objected, stating he wants to check out the legal question on this first. The question was called for, and the motion failed (2 in favor--Rogers & Smith; 5 opposed).

AMENDMENT
FAILED

Representative Smith moved the amendment contained on page 3 of the HCS. There was objection. The question was called for, and the motion failed (Smith in favor; 5 opposed).

AMENDMENT
FAILED

Chairman Meekins called for the question on the main motion, and the motion carried (5 in favor; Smith opposed). HCS for SB 234 (Finance) was reported out with a "do pass" recommendation.

FINANCE
HCS FOR SB 234
REPORTED OUT

The meeting adjourned at 11:10 a.m.

ADJOURN

Tape HFC 79-127 Side 1 #652 - End
 Side 2 #001 - End
 79-128 Side 1 #001 - #285

- A continuing students 3
- B freshmen 2
- C new grad 1
- D ~~new~~ students with
a grade pt average of
2.5 or above the
previous semester 1

HOUSE FINANCE COMMITTEE

April 29, 1979

10:20 a.m.

All members of the Committee were present except Representatives Guy and Duncan. Representatives Meekins, Smith, McKinnon and Haugen arrived later in the meeting. Present to provide testimony were Representatives Malone and Fuller, and Joe Guthrie, LAA Attorney. PRESENT

Vice-Chairman Freeman called the meeting to order. The first bill to be considered was CSSB 63. CSSB 63

"An Act making a special appropriation to the Alaska Power Authority for the Susitna Hydro-Electric Project; and providing for an effective date."

Representative Malone said he thinks the approach taken in the bill (direct general fund) is superior to the issuance of debt for this purpose. He said the bill does not provide any funds for the study of what the alternatives to this project could be. He said if the project goes, the people in the southcentral area will have to pay off a multi-billion dollar debt. He said because it is such a large project, it makes sense to have the Legislature provide that an analytical and economic feasibility study of the project be done. He recommended that an amendment be made to the bill adding funds for the Legislature to make an independent study and present a report to the Legislature. Representative Rogers presented the language for that amendment.

Representative Rogers moved to report out a House Finance CS for CSSB 63 incorporating the amendment suggested above. There being no objection, it was so ordered.

HOUSE
FINANCE
CSSB 63
REPORTED
OUT

The next bill to be considered was SJR 25.

"Urging the United States Government to release its interests in the improvements of the Aniak White Alice Site to the State of Alaska."

SJR 25

Representative Fuller presented proposed amendments to the bill (see attachment). He advised that Senator Hohman has concurred with the amendments.

Representative Rogers moved that a House Finance CS for SJR 25 be reported out. There being no objection, it was so ordered.

HOUSE
FINANCE
CSSJR 25
REPORTED
OUT

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The next bill to be considered was SCR 13:

SCR 13

"Directing the Department of Transportation and Public Facilities to secure possession of buildings at the Aniak White Alice Site for educational purposes."

Representative Moss moved and asked unanimous consent that SCR 13 be reported out. There being no objection, it was so ordered.

SCR 13
REPORTED
OUT

The next bill to be considered was CSSB 62 (Fin) am:

CSSB 62

"An Act making supplemental appropriations to the special projects office, Office of the Governor, to continue funding for the Delta agricultural development project; and providing for an effective date."

Representative Moss said this is basically an agricultural bill for continuation of a project already started. He moved to report out the House Resources CS. There being no objection, it was so ordered.

HOUSE
CSSB 62
REPORTED
OUT

A recess was called at 10:45 a.m., and Vice Chairman Freeman recalled the meeting to order at 11:00 a.m. (Representatives McKinnon, Meekins and Haugen were present at this time.)

RECESS

The next bill to be considered was CSSB 132 (Rules):

CSSB 132

"An Act relating to fisheries taxes; and providing for an effective date."

Representative Haugen moved to table the bill. The question was called for. Representative Haguen was in favor; all else opposed.

Representative Moss moved to report the House Resources CS out of Committee. Representative Haugen said there is a need to straighten out the fisheries tax, but this bill does not do the job. He said they should introduce a bill next year that had been worked on properly, and he objected to reporting the bill out. All other members were in favor. The Resources CS for CSSB 132 was reported out.

HOUSE RES.
CSSB 132
REPORTED
OUT

The next bill to be considered was CSSB 115 (Rules):

CSSB 115

"An Act relating to the civil liability of lawful providers of alcoholic beverages."

Chairman Meekins presented a proposed Finance CS for the Bill. He said the first two sections of the proposed bill include the Senate bill as it came to the House with minor changes. He is proposing to add the third section concerned with breathalizers. He said the Supreme Court has ruled that it is the statute that prevents breathalyzer test evidence from being submitted in Court, and his proposal changes that Statute.

Representative Moss said it appears to him that the language in the bill says a person is guilty of being drunk whether he is or not. There was discussion on the wording in the bill. Mr. Joe Guthrie, the Legislative attorney who drafted the bill, said the intent of the bill is to allow the evidence, or the refusal to take the test, to be admitted in court. He said he believes the reason for submitting this kind of evidence is to try and show a person had a conscienceness of guilt. Representative Moss said his understanding of the bill's wording on that line 26 is that it says a person is drunk, whether the breathalyzer says he is or not. Mr. Guthrie suggested placing the word "allegedly" in that line. Representative Moss said he did not believe a person should be forced to take the test.

Representative Rogers moved to report out the House Finance CS for CSSB 115 adding the word "allegedly" after "while" on line 27, page 1. There being no objection, it was so ordered.

The meeting adjourned at 11:40 a.m.

HOUSE
FINANCE
CSSB 115
REPORTED
OUT

ADJOURN

Tape HFC 79-128 Side 2 #294 to end
HFC 79-129 Side 1 #001 to 289

4/29/79

SPECIAL SESSION
HOUSE FINANCE COMMITTEE
August 6, 1979
1:20 p.m.

All members of the Committee were in attendance, with Representatives Guy, Schaeffer and Smith arriving later in the meeting. Also present were Ron Lind and Jeff Morrison, Governor's Office; Ken Cates, Department of Administration; Art Snowden, Judicial Branch; Susan Burke, Attorney General's Office; Cherie Shelly, Alaska Public Employees Association; Mike Dugan, Administrative Assistant to Chairman Meekins; Alison Farnan, Dave Scott and Bob Grogan, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order and asked that Alison Farnan present an overview of the authorization pay bill.

APPROPRIATION
PAY BILL

[Representative Guy arrived at this time.]

Ms. Farnan distributed to Committee members copies of the bill draft and explained the differences between the FY 79 and FY 80 costs. She stated the House passed all funds, with the exception of the Inland Boatmans Unit (IBU), during last session. She added the FY 79 salary commission's recommendations are also included in the draft.

Representative Rogers noted funds (\$276.0) for FY 79 cost-of-living increases for the University of Alaska researchers are not contained in the draft, and he feels they should be.

[Representative Schaeffer arrived at this time.]

In response to a question, Jeff Morrison stated the negotiated agreements have already passed. He advised this covers FY 80 except for Inland Boatman and that all these numbers were taken from the budget amendment. He briefly discussed Sections 11 and 12.

Ken Cates testified the figures are correct as they relate to IBU. In response to a question, he stated this matches provisions of the COLA which were previously negotiated for the other two marine units (at 5% and 3.8%).

Chairman Meekins brought up the question of a retroactive effective date clause. Ron Lind indicated a verbal understanding from the Department of Law that they are effective now--assessed through FY 79--if passed within the next few days. During discussion, Representative Rogers said he would like to see something in writing regarding the effective date clause. Mike Dugan pointed out the fiscal year doesn't close until August 31.

Art Snowden testified, at this time, there is no legislation covering judicial officers. He noted their last effective pay raise was in 1975. He added that, on a nationwide scale, Alaska ranks 46th. Responding to a question, he replied that does not include COLA. He stated he hopes the Legislature will consider adjustments put forth on the recommendations; i.e., approximately 18% increase effective last January with COLA starting January 1980. He advised they are requesting supreme court judges salary be moved to \$65.0 and that superior court judges, commissioners and Lt. Governor be placed at \$57.5. Further recommendations, he stated, are \$49.0 for district court judges and \$52.5 for deputy commissioners. This represents the salary commissions original recommendations, he said. He advised the salary recommendation for the Legislature was \$14.5 which represents 5/12 of the \$9.0 salaries given to the others. This was the original salary commission recommendation, he stated. Responding to a question, he stated they recommend the salary commission be retained in an advisory capacity and that the salary commission suggests a 1984 COLA sunset.

Representative Montgomery brought up the question of fringe benefits, such as the retirement system, and stated he feels Alaska's nationwide ranking of 46th place is unfair as it does not take this into consideration. Mr. Snowden replied the retirement system ranks about 15th place.

There was brief discussion on Sections 9 and 10 of the bill draft. Mr. Morrison stated those figures for the judicial were based on looking at the individual judges. He noted the figure in Section 7 for judicial does not include the judges. He advised the total costs for both years is \$32.7 million.

[Representative Smith arrived at this time.]

Representative Rogers stated he would like to see the University researchers included in this bill as this is FY 79 cost. During discussion, Ron Lind stated he feels it is their responsibility to write the contract. He explained they were expecting a large carry-over that would lapse. In answer to a question, he stated they have only been giving them funds if their carry-over wouldn't compensate. Representative Rogers commented his position is that he just wants to make sure these research people are paid. There was further discussion.

DISCUSSION
ROGERS AMENDMEN

In response to a question from Representative Guy regarding Section 6, Mr. Morrison replied \$43.2 is the cost of the FY 80 contract that is not yet ratified and that the money will not be appropriated unless that contract is

ratified. He indicated all funds in this are retroactive to July 1 or June 30.

[The meeting recessed at 2:30 p.m. and reconvened at 4:12 p.m. with all Committee members present.]

RECESS

Chairman Meekins stated now pending before the Committee is the appropriation bill, as previously discussed, and the authorization bill, language contained in HCR 2. Both, he advised, are currently being drafted.

There was discussion on retirement benefits. Representative Freeman stated he feels retirement should be addressed through separate legislation, as the negotiated contract is already signed. The question, he stated, is whether to fund it.

Chairman Meekins advised the Governor introduced the appropriation bill, but added there is no bill that can take the place of the authorization. He stated the authorization bill (bill form of HCR 2) would be introduced by the Finance Committee, if there were no objection.

Representative Freeman moved to approve the appropriation bill. Representative Rogers objected and moved to amend the motion to approve a Finance Committee substitute incorporating a new Section 13 dealing with the University of Alaska researchers. Representative Montgomery objected. The question was called for, and the motion carried (9 in favor; Montgomery and Schaeffer opposed).

APPROPRIATION
BILL APPROVED

UA RESEARCHER
AMENDMENT
APPROVED

Representative Freeman moved the Finance Committee introduce an authorization bill which would be the bill form of HCR 2. Chairman Meekins objected for the purpose of discussing COLA. Billy Berrier, Legislative Counsel, explained this is the same effect as the salary commission recommendation. The question was called for, and the motion carried (8 in favor; none opposed).

AUTHORIZATION
BILL APPROVED

The meeting adjourned at 4:40 p.m.

ADJOURN

Tape SS-HFC 79-1 #001 - End
79-2 #001 - #677

SPECIAL SESSION
HOUSE FINANCE COMMITTEE
August 6, 1979
7:45 p.m.

All members of the Committee were present, except Representative McKinnon. Several legislators and labor union representatives were in attendance, but did not present testimony.

PRESENT

Chairman Meekins called the meeting to order and advised the Committee that he met with Legislative Council Billy Berrier to discuss preparation of Finance Committee Substitutes. He said there is no problem with using a Senate Bill as the vehicle for the authorization bill because they have CSSB 182 (Finance) in Committee (An Act abolishing the Alaska Salary Commission and providing for compensation of public officers and employees; and providing for an effective date) which is on the same subject. He advised that there were some questions about amending a Senate appropriation bill. He said it looks like they can do it though.

Chairman Meekins stated he met with Representative Cotten who indicated that he didn't like what was being done with the cost of living adjustment in the appropriation bill. Representative Rogers commented on the House Bill the Finance Committee considered earlier this afternoon (HB 506 - An Act relating to the compensation of judicial officers, public officers, and legislators, and the payment of legislative travel and per diem; effective date) which funded the cost of living adjustment at 80%, and stated he thinks this should be funded at 100%. There was brief discussion.

Representative Rogers moved to report out a finance committee substitute for CSSB 182, incorporating the language adopted in HB 504, but changing page 2, line 15 to delete 80%, and insert 100%. There being no objection, it was so ordered. House CS for CSSB 182 (title change) was reported out with a do pass recommendation.

HOUSE CS
CSSB 182
REPORTED
OUT

Representative Duncan moved to report out a House CS for CSSB 143 (An Act making appropriations to the Department of Health & Social Services; effective date) making a title change, and incorporating the language in HB 504 (An Act making supplemental appropriations to the Office of the Governor to pay additional costs of salaries and benefits for the 1979 and 1980 fiscal years; and providing for an effective date.) Representative Rogers objected and moved to amend the motion to change section 10 because of the cost of living adjustment change made in

8/6/79

CSSB 182. He stated the figure in Section 10 should be \$834,600. Representative Montgomery objected to the amendment. There being no further objection, the amendment was accepted. Representative Montgomery objected to the main motion as amended. There being no further objection, House CS for CSSB 143 was reported out with a do pass recommendation.

HOUSE CS
CSSB 143
REPORTED
OUT

The meeting adjourned at 8:05 p.m.

ADJOURN

Tape SS-HFC 79-1 Side 2 #678 to end
SS-HFC 79-2 Side 1 #001 to 160

8/6/79

SPECIAL SESSION
SENATE FINANCE COMMITTEE
August 8, 1979
12:07 p.m.

All members of the Committee were present. Chairman Sackett called the meeting to order, and stated there are four house bills in Committee that cover "covered employees" that have contracts. These bills are HB 93, HB 367, HB 368, and HB 385. He advised these bills total \$9,077,467. Chairman Sackett stated the only group with contracts not covered by these bills is the Inland Boatmen's Union. Their contract is included in SB 143, which is not in the Senate Finance Committee.

PRESENT

House Bill 93 - "An Act making a supplemental appropriation to the Office of the Governor, for supervisory bargaining unit contract; and providing for an effective date."

Senator Hohman moved and asked unanimous consent that HB 93 be reported out of committee with a "do pass" recommendation. There being no objection, it was so ordered.

HB 93
REPORTED
OUT

House Bill 367 - "An Act making a supplemental appropriation to the Office of the Governor for labor, trades, and crafts employees' negotiated salaries; and providing for an effective date."

Senator Hohman moved and asked unanimous consent that HB 367 be reported out of committee with a "do pass" recommendation. There being no objection, it was so ordered.

HB 367
REPORTED
OUT

House Bill 368 - "An Act making a supplemental appropriation to the Office of the Governor for general government, public safety and confidential employees' salaries; and providing for an effective date."

Senator Hohman moved and asked unanimous consent that HB 368 be reported out of committee with a "do pass" recommendation. There being no objection, it was so ordered.

HB 368
REPORTED
OUT

House Bill 385 - "An Act making a supplemental appropriation to the Governor's Office for salary and benefit increases for marine engineers and masters, mates, and pilots; and providing for an effective date."

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Senator Hohman moved and asked unanimous consent that HB 385 be reported out of committee with a "do pass" recommendation. Senator Ray objected for a point of information, and asked if there was any way the Inland Boatmen's Union contract amount could be included in any bill the Committee had before them. Senator Sackett stated it could not be, unless there were to come up with a committee substitute.

Senator Ray stated he believes there is an obligation to also fund the contracts of the Inland Boatmen's Union, and he hopes the Committee will look favorably on this when the Legislature is back in regular session next January. Chairman Sackett agreed that there was an obligation.

Senator Ray removed his objection to the motion. There being no further objection, House Bill 385 was reported out of Committee with a "do pass" recommendation.

HB 385
REPORTED
OUT

The meeting adjourned at 12:14 p.m.

ADJOURN

Tape SS-SFC 79-1 #001 to 092

8/8/79