

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2705

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION  
POUCH WF-STATE CAPITOL  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3795

February 1, 1980

### MEMORANDUM

TO: Russ Meekins, Chairman  
House Finance Committee

FROM: *[Signature]* J. S. Hogan, Director  
Legislative Finance Division

SUBJECT: Year-to-Date Capital Expenditures

The enclosed pages from the FY 80 General Appropriations Act contain the capital items appropriated by the Legislature and approved by the Governor. Under the heading "Y-T-D Expenditures" I have listed the total expenditures charged to each capital project as of the September and December monthly expenditure reports distributed by the Department of Administration, Division of Finance. The right-hand column contains the expenditures as of September 30, 1979; the left, as of December 31, 1979.

The assumptions the Legislature worked under during the 1979 session were: Capital projects construction funded by G. O. bonds should be accelerated (the Budget & Audit Committee held extensive hearings during the session that led to an Administration "promise" to sell \$120 million worth of G. O. bonds last year. They sold only \$60 million and still have extensive unspent cash reserves from that sale and prior sales); and the operating budget should be, and was, reduced to provide more funding for a selection of legislative capital projects, cash funded to spur the economy.

|                             | As of<br><u>10/1/79</u> | As of<br><u>1/1/80</u> |
|-----------------------------|-------------------------|------------------------|
| Appropriation Items         | 408                     | 408                    |
| Items with "Ø" Expenditures | 302                     | 191                    |
| Y-T-D Expenditures          | \$11,110,940            | \$26,987,447           |
| Total Capital Budget        |                         | \$192,113,100          |

1  
2  
3 \* SEC. 25 THE FOLLOWING APPROPRIATION ITEMS ARE FOR CAPITAL PROJECTS FROM THE GENERAL FUND OR OTHER FUNDS AS SET OUT IN THE  
4 FISCAL YEAR 1980 BUDGET SUMMARY BY FUNDING SOURCE TO THE STATE AGENCIES NAMED AND FOR THE PURPOSES EXPRESSED AND ARE  
5 EFFECTIVE IMMEDIATELY IN ACCORDANCE WITH AS 01.10.070(C).

6 \*\*\*\*\*  
7 \*\*\*\*\* EDUCATION \*\*\*\*\*  
8 \*\*\*\*\*  
9 DEPARTMENT OF EDUCATION Y-T-D EXPENDITURES\*  
10 SEWARD SKILL CENTER 0 0 20,000 20,000  
11 INDUSTRIAL LIBRARY 0 0  
12 ALASKA STATE LIBRARY 0 0 10,000 10,000  
13 RARE ALASKANA 0 0 100,000 100,000  
14 SPENARD-WOODLAND PARK NEIGHBORHOOD LIBRARY 0 0  
15 ALASKA STATE MUSEUM  
16 ACQUISITIONS OF MUSEUM OBJECTS 41,755 31,330 56,000 56,000  
17 TRANSPORTATION MUSEUM 50,000 50,000 50,000 50,000  
18 SHELDON MUSEUM RENOVATION 87,200 43,000 87,200 87,200  
19 PUBLIC BROADCASTING COMMISSION  
20 PORT HEIDEN-TV TRANSMITTER & INSTALLATION 0 0 12,500 12,500  
21 TV TRANSMITTER & CABLE-ANVIK, HUGHES, HUSLIA 0 0 37,500 37,500  
22 TV TRANSMITTER & CABLE-TELIDA, MT. VILLAGE 3,971 0 37,500 37,500  
23 TV TRANSMITTER & CABLE-STONY RIVER, KALTAG, 0 0 37,500 37,500  
24 KYUK TRANSLATOR-LINE VILLAGE 0 0 25,000 25,000  
25 KYUK TRANSLATOR-SHELDON POINT 0 0 15,000 15,000  
26 LYNN CANAL PUBLIC BROADCASTING 40,000 40,000 61,000 61,000  
27 TV TRANSMITTER - SAND POINT 10,000 7,623 10,000 10,000  
28 KTOO-TV EARTH STATION-EQUITY MATCH 25,000 25,000 25,000 25,000  
29 KTOO-TV MASTER VIDEO RECORD EQ 75,000 0 75,000 75,000  
30 SEWARD - TV ANTENNA 0 0 40,000 40,000  
31 SITKA-SHELDON JACKSON-TV 0 0 16,000 16,000  
32 TALKEETNA-TV 3,622 2,497 15,000 15,000  
33 COOPER LANDING MINI TV 0 0 30,000 30,000  
34 GALENA-RADIO RECEIVING LINE & EQUIPMENT 0 0 16,000 16,000  
35 TV TRANSMITTER, CABLE, TARIFF-ALLAKAKET, MINTO 0 0 37,500 37,500  
36 TV TRANSMITTER CABLE TARIFF-VENETIE CHALKVITSIK 0 0 37,500 37,500  
37 KTOO-TV TRANSLATOR-MENDENHALL VALLEY 16,000 0 16,000 16,000

\* "Y-T-D Expenditures" means year to date expenditures for the capital project as shown in the DEPARTMENTAL EXPENDITURE ANALYSIS dated September 30, 1979, distributed monthly by the Department of Administration, Division of Finance. Figures shown as restricted amounts against various projects are not included as they represent planned expenditures as opposed to actual expenditures.

| 1  | EDUCATION (CONT.)                                |                    |         | APPROPRIATION | APPROPRIATION FUND SOURCES |
|----|--------------------------------------------------|--------------------|---------|---------------|----------------------------|
| 2  |                                                  |                    |         | ITEMS         | GENERAL FUND OTHER FUNDS   |
| 3  |                                                  | ALLOCATIONS        |         |               |                            |
| 4  |                                                  | Y-T-D EXPENDITURES |         |               |                            |
| 5  | STATE CONTRACT PROGRAMS                          |                    |         |               |                            |
| 6  | KANERAK, INC.-UTILITIES EXPENSES-BELTZ           | 189,768            | 189,768 | 189,800       | 189,800                    |
| 7  | DEPARTMENT OF TRANSPORTATION                     |                    |         |               |                            |
| 8  | ANCHORAGE SKILL CENTER                           |                    |         |               |                            |
| 9  | PURCHASE/CONSTRUCTION                            | 0                  | 0       | 1,010,000     | 1,010,000                  |
| 10 | CITY/BOROUGH SCHOOL DISTRICTS                    |                    |         |               |                            |
| 11 | MATANUSKA-SUSITNA SCHOOLS-ACCESS, ROAD & PARKING | 333                | 0       | 340,000       | 340,000                    |
| 12 | HAINES BOROUGH-HAINES ELEMENTARY REPAIRS         | 72,750             | 12,125  | 250,000       | 250,000                    |
| 13 | KLAWOCK CITY SCHOOLS-KLAWOCK HIGH SCHOOL DESIGN  | 149,250            | 0       | 150,000       | 150,000                    |
| 14 | KODIAK BOROUGH SCHOOLS-DUZINKIE SCHOOL           | 0                  | 0       | 100,000       | 100,000                    |
| 15 | ANCHORAGE BOROUGH SCHOOLS-EAST HIGH AUDITORIUM   | 19,250             | 0       | 150,000       | 150,000                    |
| 16 | KAKE CITY-HIGH SCHOOL AQUACULTURE PROJECT        | 19,900             | 0       | 20,000        | 20,000                     |
| 17 | WRANGELL CITY-WRANGELL SCHOOL PROJECT SHORTFALL  | 0                  | 0       | 250,000       | 250,000                    |
| 18 | KODIAK-CHINIAK SCHOOL REPAIRS                    | 0                  | 0       | 18,600        | 18,600                     |
| 19 | DILLINGHAM-REMODEL, CONSTRUCTION                 | 0                  | 0       | 4,135,000     | 4,135,000                  |
| 20 | NOME-SCHOOL REPAIRS                              | 0                  | 0       | 100,000       | 100,000                    |
| 21 | ST. MARY'S-ROOF REPAIR                           | 1,020              | 0       | 208,000       | 208,000                    |
| 22 | GALENA-RE-ROOF SCHOOL                            | 45,525             | 4,667   | 65,000        | 65,000                     |
| 23 | BRISTOL BAY-PAY PAST SCHOOL CONSTRUCTION INDEBT  | 600,000            | 0       | 600,000       | 600,000                    |
| 24 | ALASKA CENTRAL RAILBELT REAA                     |                    |         |               |                            |
| 25 | ANDERSON-CONSTRUCTION SHORTFALL                  | 0                  | 0       | 223,700       | 223,700                    |
| 26 | CANTWELL-CONSTRUCTION SHORT FALL                 | 0                  | 0       | 177,300       | 177,300                    |
| 27 | YUKON-KOYUKUK REAA                               |                    |         |               |                            |
| 28 | MULATO-UPGRADE & GENERATOR                       | 23,280             | 3,880   | 80,000        | 80,000                     |
| 29 | RUBY-PLAY AREA UPGRADE                           | 8,342              | 0       | 10,000        | 10,000                     |
| 30 | KALTAG-SCHOOL UPGRADE                            | 27,645             | 0       | 190,000       | 190,000                    |
| 31 | ALASKA GATEWAY REAA                              |                    |         |               |                            |
| 32 | TANACROSS-SCHOOL ADDITION                        | 71,774             | 0       | 144,000       | 144,000                    |
| 33 | YUKON FLATS REAA                                 |                    |         |               |                            |
| 34 | CHALKVITSIK-FACILITIES UPGRADE                   | 0                  | 0       | 40,000        | 40,000                     |
| 35 | STEVENS VILLAGE-SPACE EXPANSION & UPGRADE        | 125,000            | 16,393  | 125,000       | 125,000                    |
| 36 | IDITAROD REAA                                    |                    |         |               |                            |
| 37 | ANVIK-OIL STORAGE & LINE, WATER SUPPLY           | 53,621             | 0       | 280,000       | 280,000                    |
|    | SHAGELUK-WATER & SEWAGE                          | 145,519            | 0       | 280,000       | 280,000                    |

| 1 EDUCATION (CONT.) |                                                 | ALLOCATIONS |              | APPROPRIATION | APPROPRIATION FUND SOURCES |             |
|---------------------|-------------------------------------------------|-------------|--------------|---------------|----------------------------|-------------|
|                     |                                                 | Y-T-D       | EXPENDITURES | ITEMS         | GENERAL FUND               | OTHER FUNDS |
| 4                   | GRAYLING-SCHOOL CONSTRUCTION                    | 0           | 0            | 209,300       | 109,300                    |             |
| 5                   | MCGRATH-DISTRICT ADMINISTRATION BUILDING        | 0           | 0            | 150,000       | 150,000                    |             |
| 6                   | NIKOLAI-CODE UPGRADES                           | 0           | 0            | 10,000        | 10,000                     |             |
| 7                   | NORTHWEST ARCTIC REAA                           |             |              |               |                            |             |
| 8                   | LIFE SAFETY PROJECTS                            | 0           | 0            | 467,900       | 467,900                    |             |
| 9                   | SWIMMING EDUCATION & SAFETY PROGRAM             | 0           | 0            | 50,000        | 50,000                     |             |
| 10                  | BOATING SAFETY PROGRAM                          | 0           | 0            | 25,000        | 25,000                     |             |
| 11                  | COPPER RIVER REAA                               |             |              |               |                            |             |
| 12                  | KENNY LAKE FOUNDATION REPAIR AND SEWER          | 36,376      | 0            | 75,000        | 75,000                     |             |
| 13                  | NABESNA SCHOOL-FIRE, CONSTRUCTION CODES         | 1,688       | 0            | 3,000         | 3,000                      |             |
| 14                  | CHISTOCHINA SCHOOL-FIRE, CONSTRUCTION CODES     | 1,970       | 0            | 3,500         | 3,500                      |             |
| 15                  | CHUGACH REAA                                    |             |              |               |                            |             |
| 16                  | CONSTRUCT HIGH SCHOOL-TATITLEK                  | 0           | 0            | 900,000       | 900,000                    |             |
| 17                  | WHITTIER-SCHOOL COMPLETION                      | 0           | 0            | 700,000       | 700,000                    |             |
| 18                  | LAKE & PENINSULA REAA                           |             |              |               |                            |             |
| 19                  | CHIGNIK LAKE - SCHOOL PROJECT COMPLETION        | 0           | 0            | 100,000       | 100,000                    |             |
| 20                  | NEWHALEN REMODEL-SUPPLEMENTAL                   | 152,096     | 0            | 190,000       | 190,000                    |             |
| 21                  | BUILDING RENOVATION                             | 0           | 0            | 116,900       | 116,900                    |             |
| 22                  | LOWER KUSKOKWIM REAA                            |             |              |               |                            |             |
| 23                  | NELSON ISLAND FUEL FILL LINE                    | 0           | 0            | 20,000        | 20,000                     |             |
| 24                  | BETHEL SCHOOLS HEALTH AND LIFE SAFETY           | 0           | 0            | 563,500       | 563,500                    |             |
| 25                  | KONGIGANAK SCHOOL HEALTH AND LIFE SAFETY        | 0           | 0            | 197,000       | 197,000                    |             |
| 26                  | ATNAUTLUAK SCHOOL HEALTH AND LIFE SAFETY        | 0           | 0            | 109,600       | 109,600                    |             |
| 27                  | PLATINUM SCHOOL HEALTH AND LIFE SAFETY          | 0           | 0            | 41,000        | 41,000                     |             |
| 28                  | BETHEL SCHOOL-HEATING SYSTEM                    | 10,061      | 0            | 70,000        | 70,000                     |             |
| 29                  | BETHEL KILBUCK SCHOOL-KITCHEN                   | 0           | 0            | 150,000       | 150,000                    |             |
| 30                  | LOWER YUKON REAA                                |             |              |               |                            |             |
| 31                  | HOOPER BAY HEALTH & LIFE SAFETY                 | 0           | 0            | 81,500        | 81,500                     |             |
| 32                  | MOUNTAIN VILLAGE HIGH SCHOOL HEALTH AND SAFETY  | 0           | 0            | 74,700        | 74,700                     |             |
| 33                  | FORTUNA LEDGE (MARSHALL) SCHOOL HEALTH & SAFETY | 0           | 0            | 81,600        | 81,600                     |             |
| 34                  | RUSSIAN MISSION SCHOOL HEALTH AND LIFE SAFETY   | 0           | 0            | 49,100        | 49,100                     |             |
| 35                  | EMMONAK SCHOOL HEALTH AND LIFE SAFETY           | 0           | 0            | 83,900        | 83,900                     |             |
| 36                  | CONSTRUCTION SHORTFALLS                         | 1,034,898   | 535,986      | 1,300,000     | 1,300,000                  |             |
| 37                  | BERING STRAITS REAA                             | 0           | 0            |               |                            |             |
| 38                  | UNALAKLEET-WHITE ALICE RENOVATION               | 0           | 0            | 230,000       |                            | 230,000     |

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| 1  | EDUCATION (CONT.)                               |                                        |       | APPROPRIATION | APPROPRIATION FUND SOURCES |
|----|-------------------------------------------------|----------------------------------------|-------|---------------|----------------------------|
| 2  |                                                 |                                        |       | ITEMS         | GENERAL FUND OTHER FUNDS   |
| 3  |                                                 | ALLOCATIONS                            |       |               |                            |
| 4  | KUSPUK REAA                                     | Y-T-D EXPENDITURES                     |       |               |                            |
| 5  | ANIAX-ELEMENTARY SCHOOL-FIRE, ELECTRIC, HEATING | 0                                      | 0     | 26,000        | 26,000                     |
| 6  | LOWER KALSKAG-FIRE CODE, FURNACE                | 0                                      | 0     | 9,000         | 9,000                      |
| 7  | UPPER KALSKAG-WELL DRILLING                     | 0                                      | 0     | 20,000        | 20,000                     |
| 8  | ANIAX-WHITE ALICE RENOVATION                    | 36,375                                 | 0     | 250,000       | 250,000                    |
| 9  | CROOKED CREEK-CONSTRUCTION SHORTFALL            | 0                                      | 0     | 265,000       | 265,000                    |
| 10 | CROOKED CREEK-POWERHOUSE & GENERATOR            | 0                                      | 0     | 35,000        | 35,000                     |
| 11 | *****                                           |                                        | ***** |               |                            |
| 12 | ***** UNIVERSITY OF ALASKA *****                |                                        |       |               |                            |
| 13 | *****                                           |                                        | ***** |               |                            |
| 14 | UNIVERSITY OF ALASKA                            | (NOT ON THE STATE'S ACCOUNTING SYSTEM) |       |               |                            |
| 15 | UNIVERSITY CENTER-ANCHORAGE                     |                                        |       |               |                            |
| 16 | HOF LABORATORY EQUIPMENT-CHEMISTRY              |                                        |       | 112,200       | 112,200                    |
| 17 | HOF LABORATORY EQUIPMENT-BIOLOGY                |                                        |       | 121,100       | 121,100                    |
| 18 | LAND ACQUISITION-SKI JUMP                       |                                        |       | 25,000        | 25,000                     |
| 19 | INTERCOLLEGIATE ATHLETICS-EQUIPMENT             |                                        |       | 27,000        | 27,000                     |
| 20 | LIBRARY BOOKS                                   |                                        |       | 725,000       | 725,000                    |
| 21 | HOF EQUIPMENT-ANTHROPOLOGY                      |                                        |       | 49,300        | 49,300                     |
| 22 | SCHOOL OF NURSING-EQUIPMENT                     |                                        |       | 88,300        | 88,300                     |
| 23 | ADMISSIONS & RECORDS-EQUIPMENT                  |                                        |       | 9,300         | 9,300                      |
| 24 | COLLEGE OF ARTS & SCIENCE-EQUIPMENT             |                                        |       | 148,800       | 148,800                    |
| 25 | SCHOOL OF BUSINESS-EQUIPMENT                    |                                        |       | 30,100        | 30,100                     |
| 26 | SCHOOL OF EDUCATION-EQUIPMENT                   |                                        |       | 11,400        | 11,400                     |
| 27 | UNIVERSITY CENTER-FAIRBANKS                     |                                        |       |               |                            |
| 28 | SECURITY-AMBULANCE REPLACEMENT                  |                                        |       | 31,300        | 31,300                     |
| 29 | FIRE STATION-PUMPER VEHICLE                     |                                        |       | 3,900         | 3,900                      |
| 30 | SECURITY-INTERCOM SYSTEM                        |                                        |       | 1,500         | 1,500                      |
| 31 | MUSEUM EQUIPMENT                                |                                        |       | 50,200        | 50,200                     |
| 32 | KUAC EQUIPMENT                                  |                                        |       | 5,700         | 5,700                      |
| 33 | SCHOOL OF MINERAL INDUSTRY-EQUIPMENT            |                                        |       | 24,600        | 24,600                     |
| 34 | LABORATORY VENTILATION                          |                                        |       | 6,000         | 6,000                      |
| 35 | UPGRADE SKI TRAILS                              |                                        |       | 12,000        | 12,000                     |
| 36 | CONSTITUTION HALL-EXTERIOR                      |                                        |       | 49,500        | 49,500                     |
| 37 | SYMPHONY ORCHESTRA-RECORDING 'URSA MAJOR'       |                                        |       | 5,000         | 5,000                      |

## 1 UNIVERSITY OF ALASKA (CONT.)

|                                                  | ALLOCATIONS |                 | APPROPRIATION | APPROPRIATION FUND SOURCES |             |
|--------------------------------------------------|-------------|-----------------|---------------|----------------------------|-------------|
|                                                  | Y-T-D       | EXPENDITURES    | ITEMS         | GENERAL FUND               | OTHER FUNDS |
| LIBRARY-RARE ALASKAN BOOKS AND MAPS              |             |                 | 10,000        | 10,000                     |             |
| ICE HOCKEY RINK-SEAT CAPS                        |             |                 | 30,300        | 30,000                     |             |
| ARCTIC CHAMBER ORCHESTRA-TOURING EXPENSES-SOUTH  |             |                 | 20,000        | 20,000                     |             |
| ORGANIZED RESEARCH                               |             |                 |               |                            |             |
| ANIMAL WASTE DISPOSAL SYSTEM-FAIRBANKS           |             |                 | 120,000       | 120,000                    |             |
| FEED MILL-BUILDING & PELLET MILL-FAIRBANKS       |             |                 | 80,000        | 80,000                     |             |
| AEIDC-WALRUS & BOWHEAD WHALE STUDY               |             |                 | 300,000       |                            | 300,000     |
| AEIDC-STUDY ON FISH & GAME RESOURCES-YUKON/KUSKO |             |                 | 110,000       |                            | 110,000     |
| AEIDC-SCIENCE CONFERENCE FUNDING                 |             |                 | 12,000        | 12,000                     |             |
| RESEARCH EQUIPMENT                               |             |                 | 100,000       | 100,000                    |             |
| AUXILIARY SERVICES                               |             |                 |               |                            |             |
| HOUSING-SMOKE DETECTION SYSTEM                   |             |                 | 3,600         | 3,600                      |             |
| GRAPHICS-OFFSET PRESS REPLACEMENT                |             |                 | 40,000        | 40,000                     |             |
| WOOD CENTER-FURNITURE REPLACEMENT                |             |                 | 21,700        | 21,700                     |             |
| COMMUNITY COLLEGES                               |             |                 |               |                            |             |
| KOTZEBUE-LIBRARY BOOKS                           |             |                 | 15,000        | 15,000                     |             |
| KOTZEBUE-EQUIPMENT                               |             |                 | 10,000        | 10,000                     |             |
| NORTHWEST-LIBRARY BOOKS                          |             |                 | 27,500        | 27,500                     |             |
| PRINCE WILLIAM SOUND-CONSTRUCTION                |             |                 | 150,000       | 150,000                    |             |
| KUSKOKWIM-LIBRARY BOOKS                          |             |                 | 27,500        | 27,500                     |             |
|                                                  | *****       | *****           |               |                            |             |
|                                                  | *****       | SOCIAL SERVICES | *****         |                            |             |
|                                                  | *****       | *****           |               |                            |             |
| DEPARTMENT OF ADMINISTRATION                     |             |                 |               |                            |             |
| PIONEER HOMES                                    |             |                 |               |                            |             |
| FAIRBANKS SMOKE BARRIER                          | 0           | 0               | 200,000       | 200,000                    |             |
| SITKA KITCHEN REPAIRS                            | 0           | 0               | 30,000        | 30,000                     |             |
| KOTZEBUE SENIOR CITIZENS CENTER - GENERATOR      | 0           | 0               | 34,600        | 34,600                     |             |
| DEPARTMENT OF HEALTH & SOCIAL SERVICES           |             |                 |               |                            |             |
| YOUTH CENTER DEVELOPMENT                         |             |                 |               |                            |             |
| CITY OF CRAIG YOUTH CENTER                       | 0           | 0               | 50,000        | 50,000                     |             |
| PETERSBURG YOUTH CENTER                          | 30,000      | 15,000          | 40,000        | 40,000                     |             |
| INUNAILIQ YOUTH PROJECT BOARD                    | 58,000      | 43,000          | 88,000        | 88,000                     |             |
| SOCIAL SERVICES                                  | 15,000      | 0               | 15,000        | 15,000                     |             |
| GRANT TO LODGE, INC.                             |             |                 |               |                            |             |
| GRANT TO UPGRADE FACILITY.                       |             |                 |               |                            |             |

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| 1 SOCIAL SERVICES (CONT.) |                                                                | ALLOCATIONS |              | APPROPRIATION | APPROPRIATION FUND SOURCES |             |
|---------------------------|----------------------------------------------------------------|-------------|--------------|---------------|----------------------------|-------------|
|                           |                                                                | Y-T-D       | EXPENDITURES | ITEMS         | GENERAL FUND               | OTHER FUNDS |
| 4                         | GRANT TO BEAN'S CAFE, INC.                                     | 20,000      | 10,000       | 20,000        | 20,000                     |             |
| 5                         | GRANT TO DEVELOP A STOREFRONT SOCIAL CENTER/SOUP KITCHEN.      |             |              |               |                            |             |
| 6                         | YOUTH ALTERNATIVE SERVICES NETWORK GRANT                       | 12,500      | 5,000        | 20,000        | 20,000                     |             |
| 7                         | ANCHORAGE CHILD ABUSE BOARD GRANT                              | 50,000      | 0            | 100,000       | 100,000                    |             |
| 8                         | ABUSED WOMEN'S AID IN CRISIS GRANT                             | 85,841      | 52,283       | 150,000       | 150,000                    |             |
| 9                         | WOMEN'S RESOURCE CENTER GRANT                                  | 50,000      | 50,000       | 100,000       | 100,000                    |             |
| 10                        | SENIOR CITIZENS                                                |             |              |               |                            |             |
| 11                        | PETERSBURG SEWER LINE                                          | 120,000     | 120,000      | 120,000       | 120,000                    |             |
| 12                        | FAIRBANKS NUTRITION CENTER ADDITION                            | 0           | 0            | 200,000       | 200,000                    |             |
| 13                        | HYDABURG SITE PREPARATION                                      | 0           | 0            | 10,000        | 10,000                     |             |
| 14                        | SOUTHCENTRAL DENTAL SOCIETY GRANT                              | 25,000      | 6,250        | 25,000        | 25,000                     |             |
| 15                        | DEPARTMENT OF LABOR                                            |             |              |               |                            |             |
| 16                        | FAIRBANKS NORTH STAR BOROUGH                                   |             |              |               |                            |             |
| 17                        | COMMUNITY INFORMATION OFFICE GRANT                             | 0           | 0            | 25,000        | 25,000                     |             |
| 18                        | COALITION FOR ECONOMIC JUSTICE GRANT                           | 15,552      | 6,180        | 25,000        | 25,000                     |             |
| 19                        | DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS                     |             |              |               |                            |             |
| 20                        | SENIOR CITIZENS                                                |             |              |               |                            |             |
| 21                        | JUNEAU RESIDENTIAL CARE UNIT                                   | 0           | 0            | 1,200,000     | 1,200,000                  |             |
| 22                        | *****                                                          |             |              |               |                            |             |
| 23                        | ***** HEALTH *****                                             |             |              |               |                            |             |
| 24                        | *****                                                          |             |              |               |                            |             |
| 25                        | DEPARTMENT OF HEALTH & SOCIAL SERVICES                         |             |              |               |                            |             |
| 26                        | NORTON SOUND HEALTH CORP                                       |             |              |               |                            |             |
| 27                        | INDIRECT COSTS GRANT                                           | 18,000      | 18,000       | 18,000        | 18,000                     |             |
| 28                        | EMERGENCY MEDICAL SERVICES                                     |             |              |               |                            |             |
| 29                        | FAIRBANKS RADIOS                                               | 12,000      | 12,000       | 12,000        | 12,000                     |             |
| 30                        | GRANT FOR RADIOS TO COMMUNICATE WITH MAST MILITARY HELICOPTER. |             |              |               |                            |             |
| 31                        | MAUNELUK ASSOCIATION                                           | 77,026      | 25,675       | 102,700       | 102,700                    |             |
| 32                        | DELTA JUNCTION EQUIPMENT                                       | 35,000      | 35,000       | 35,000        | 35,000                     |             |
| 33                        | TOK AREA EQUIPMENT GRANT                                       | 20,000      | 20,000       | 20,000        | 20,000                     |             |
| 34                        | HEALTH FACILITIES DEVELOPMENT                                  |             |              |               |                            |             |
| 35                        | KIPNUK VILLAGE HEALTH CENTER                                   | 0           | 0            | 110,900       | 110,900                    |             |
| 36                        | BETHEL PREMATERNAL HOME                                        | 15,450      | 15,450       | 30,900        | 30,900                     |             |
| 37                        | BETHEL HALFWAY HOUSE GRANT                                     | 253,800     | 0            | 300,000       | 300,000                    |             |

|    | HEALTH (CONT.)                                 | Y-T-10      |                             | ITEMS     | APPROPRIATION |             | APPROPRIATION FUND SOURCES |  |
|----|------------------------------------------------|-------------|-----------------------------|-----------|---------------|-------------|----------------------------|--|
|    |                                                | ALLOCATIONS | EXTENDITURES                |           | GENERAL FUND  | OTHER FUNDS |                            |  |
| 4  | GALENA HEALTH CENTER ADDITION GRANT            | 0           | 0                           | 400,000   | 400,000       |             |                            |  |
| 5  | SELOOVIA HEALTH CLINIC GRANT                   | 0           | 0                           | 100,000   | 100,000       |             |                            |  |
| 6  | TENAKEE HEALTH CENTER GRANT                    | 0           | 0                           | 100,000   | 100,000       |             |                            |  |
| 7  | TOK CLINIC GRANT                               | 0           | 0                           | 15,000    | 15,000        |             |                            |  |
| 8  | TOK X-RAY MACHINE GRANT                        | 0           | 0                           | 25,000    | 25,000        |             |                            |  |
| 9  | MCGRATH CLINIC UPGRADE                         | 8,000       | 8,000                       | 8,000     | 8,000         |             |                            |  |
| 10 | NOME COMMUNITY CENTER                          | 0           | 0                           | 30,000    | 30,000        |             |                            |  |
| 11 | DRUG PREVENTION GRANT                          |             |                             |           |               |             |                            |  |
| 12 | MENTAL HEALTH FACILITIES                       | 0           | 0                           | 300,000   | 300,000       |             |                            |  |
| 13 | API RENOVATION                                 |             |                             |           |               |             |                            |  |
| 14 |                                                | *****       | *****                       |           |               |             |                            |  |
| 15 |                                                | *****       | NATURAL RESOURCE MANAGEMENT | *****     |               |             |                            |  |
| 16 |                                                | *****       | *****                       |           |               |             |                            |  |
| 17 | DEPARTMENT OF NATURAL RESOURCES                |             |                             |           |               |             |                            |  |
| 18 | PARKS & RECREATION                             |             |                             |           |               |             |                            |  |
| 19 | LAND & WATER CONSERVATION FUND                 | 0           | 0                           | 2,800,000 |               | 2,800,000   |                            |  |
| 20 | NATIONAL HISTORIC PRESERVATION FUND            | 0           | 0                           | 850,000   |               | 450,000     |                            |  |
| 21 | NORTHERN PANHANDLE MARINE FACILITIES           | 0           | 0                           | 50,000    | 50,000        |             |                            |  |
| 22 | CHENA CAMPGROUND UPGRADE - FAIRBANKS           | 0           | 0                           | 400,000   | 400,000       |             |                            |  |
| 23 | KWETHLUK BIKE/FOOT TRAIL GRANT                 | 0           | 0                           | 20,000    | 20,000        |             |                            |  |
| 24 | KISARALIK SHELTER HOUSE - BETHEL               | 0           | 0                           | 10,000    | 10,000        |             |                            |  |
| 25 | BIKE TRAILS GRANT - ANCHORAGE                  | 220,000     | 0                           | 220,000   | 220,000       |             |                            |  |
| 26 | FISH CREEK PARK IMPROVEMENTS GRANT - ANCHORAGE | 50,000      | 0                           | 50,000    | 50,000        |             |                            |  |
| 27 | PIONEER SCHOOLHOUSE GRANT - ANCHORAGE          | 150,000     | 0                           | 150,000   | 150,000       |             |                            |  |
| 28 | FAIRVIEW CENTER GROUNDS UPGRADE - ANCHORAGE    | 60,000      | 0                           | 60,000    | 60,000        |             |                            |  |
| 29 | VALLEY OF THE MOON PARK GRANT - ANCHORAGE      | 20,000      | 0                           | 20,000    | 20,000        |             |                            |  |
| 30 | TREE PLANTING PROGRAM GRANT - ANCHORAGE        | 70,000      | 0                           | 70,000    | 70,000        |             |                            |  |
| 31 | WESTCHESTER LAGOON PICNIC AREA - ANCHORAGE     | 100,000     | 0                           | 100,000   | 100,000       |             |                            |  |
| 32 | FISH & CAMPBELL CREEKS CLEAN-UP - ANCHORAGE    | 100,000     | 0                           | 100,000   | 100,000       |             |                            |  |
| 33 | TOTEM BIGHT PAMPHLET - KETCHIKAN               | 0           | 0                           | 5,000     | 5,000         |             |                            |  |
| 34 | RESTROOM FACILITIES - MULCAHY PARK - ANCHORAGE | 390,000     | 0                           | 390,000   | 390,000       |             |                            |  |
| 35 | DELONG LAKE PARK ACQUISITION - ANCHORAGE       | 200,000     | 0                           | 200,000   | 200,000       |             |                            |  |
| 36 | SAND LAKE AREA ACQUISITION - ANCHORAGE         | 100,000     | 0                           | 100,000   | 100,000       |             |                            |  |
| 37 | PURCHASE OF RECREATION SITES - FAIRBANKS       | 0           | 0                           | 220,000   | 220,000       |             |                            |  |

1 NATURAL RESOURCE MANAGEMENT (CONT.)

|                                                                                                                                 | ALLOCATIONS |              | ITEMS     | APPROPRIATION FUND SOURCES |             |
|---------------------------------------------------------------------------------------------------------------------------------|-------------|--------------|-----------|----------------------------|-------------|
|                                                                                                                                 | Y-T-D       | EXPENDITURES |           | GENERAL FUND               | OTHER FUNDS |
| 4 FRONTIERLAND PARK GRANT - ANCHORAGE                                                                                           | 25,000      | 0            | 25,000    | 25,000                     |             |
| 5 FAIRVIEW RECREATION FACILITY                                                                                                  | 2,000,000   | 0            | 2,000,000 | 2,000,000                  |             |
| 6 ADAIR-KENNEDY ATHLETIC PARK GRANT-JUNEAU                                                                                      | 75,000      | 0            | 75,000    | 75,000                     |             |
| 7 COMMUNITY BUILDING-SUTTON                                                                                                     | 0           | 0            | 10,000    | 10,000                     |             |
| 8 THE \$10,000 APPROPRIATION IS A DIRECT GRANT TO THE COMMUNITY OF SUTTON.                                                      |             |              |           |                            |             |
| 9 UBERG FIELD UPGRADING-ANCHORAGE                                                                                               | 57,000      | 0            | 57,000    | 57,000                     |             |
| 10 THE \$57,000 APPROPRIATION IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.                                               |             |              |           |                            |             |
| 11 NUNAKA VALLEY PARK DEVELOPMENT                                                                                               | 70,000      | 0            | 70,000    | 70,000                     |             |
| 12 THE \$70,000 APPROPRIATION IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.                                               |             |              |           |                            |             |
| 13 LODGE FEASIBILITY STUDY-DENALI STATE PARK                                                                                    | 0           | 0            | 105,000   | 105,000                    |             |
| 14 GOVERNMENT HILL CENTER-ANCHORAGE                                                                                             | 300,000     | 0            | 300,000   | 300,000                    |             |
| 15 THE \$300,000 APPROPRIATION IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.                                              |             |              |           |                            |             |
| 16 RECREATIONAL FACILITIES MODIFICATION-ANCHORAGE                                                                               | 50,000      | 0            | 50,000    | 50,000                     |             |
| 17 THE APPROPRIATION OF \$50,000 IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE FOR THE CONVERSION OF RECREATION FACILITIES |             |              |           |                            |             |
| 18 FOR USE BY THE HANDICAPPED.                                                                                                  |             |              |           |                            |             |
| 19 MOUNTAIN VIEW BIKE TRAIL-ANCHORAGE                                                                                           | 90,000      | 0            | 90,000    | 90,000                     |             |
| 20 THE APPROPRIATION OF \$90,000 IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE FOR THE CONSTRUCTION OF A BIKE TRAIL FROM   |             |              |           |                            |             |
| 21 MOUNTAIN VIEW TO DOWNTOWN ANCHORAGE.                                                                                         |             |              |           |                            |             |
| 22 BIKE TRAIL-ANCHORAGE                                                                                                         | 170,000     | 0            | 170,000   | 170,000                    |             |
| 23 THE APPROPRIATION OF \$170,000 IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE FOR THE CONSTRUCTION OF A BIKE TRAIL FROM  |             |              |           |                            |             |
| 24 68TH STREET TO LAKE OTIS.                                                                                                    |             |              |           |                            |             |
| 25 SAINT JAMES MISSION REHABILITATION-TANANA                                                                                    | 0           | 0            | 50,000    | 50,000                     |             |
| 26 THE APPROPRIATION OF \$50,000 IS A DIRECT GRANT TO THE COMMUNITY OF TANANA.                                                  |             |              |           |                            |             |
| 27 GATEWAY R.E.A.A. GRANT-INTERIOR                                                                                              | 0           | 0            | 77,200    | 77,200                     |             |
| 28 THE APPROPRIATION OF \$77,200 IS A DIRECT GRANT TO THE VILLAGES OF TOK, DOT LAKE, MENTASTA LAKE, EAGLE AND NORTHWAY.         |             |              |           |                            |             |
| 29 HOSTEL DEVELOPMENT-STATENIDE                                                                                                 | 2,339       | 0            | 15,000    | 15,000                     |             |
| 30 ABBOTT ROAD BIKE TRAIL-ANCHORAGE                                                                                             | 170,000     | 0            | 170,000   | 170,000                    |             |
| 31 LANDS ADMINISTRATION                                                                                                         |             |              |           |                            |             |
| 32 ALASKA LAND AND RESOURCE SYSTEM                                                                                              | 310,590     | 10,382       | 1,700,000 | 1,700,000                  |             |
| 33 STUDY OF TSUNAMIS & LANDSLIDES - KODIAK                                                                                      | 479,000     | 0            | 479,000   | 479,000                    |             |
| 34 THE \$479,000 APPROPRIATION IS A DIRECT GRANT TO THE CITY OF KODIAK.                                                         |             |              |           |                            |             |
| 35 WAREHOUSE MOUNTAIN LAND DISPOSAL WORK ROAD                                                                                   | 75,949      | 75,000       | 100,000   | 100,000                    |             |
| 36 THE APPROPRIATION OF \$100,000 IS FOR A WORK-ROAD ALIGNMENT PROJECT FOR THE WAREHOUSE MOUNTAIN LAND DISPOSAL.                |             |              |           |                            |             |
| 37 LAND DISPOSAL SURVEYING                                                                                                      | 2,674,119   | 77,899       | 6,480,000 | 6,480,000                  |             |

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|                                                                                                                   | ALLOCATIONS |              | APPROPRIATION | APPROPRIATION | FUND SOURCES |
|-------------------------------------------------------------------------------------------------------------------|-------------|--------------|---------------|---------------|--------------|
|                                                                                                                   | Y-T-D       | EXPENDITURES | ITEMS         | GENERAL FUND  | OTHER FUNDS  |
| 1 NATURAL RESOURCE MANAGEMENT (CONT.)                                                                             |             |              |               |               |              |
| 2                                                                                                                 |             |              |               |               |              |
| 3                                                                                                                 |             |              |               |               |              |
| 4 DEPARTMENT OF FISH & GAME                                                                                       | 60,000      | 31,083       |               |               |              |
| 5 VESSELS MAINTENANCE                                                                                             |             |              | 60,000        | 60,000        |              |
| 6 COMMERCIAL FISHERIES                                                                                            |             |              |               |               |              |
| 7 KING SALMON DRAINAGE REPAIR                                                                                     | 0           | 0            | 39,500        | 39,500        |              |
| 8 NUSHAGAK SONAK SCANNING EQUIPMENT-DILLINGHAM                                                                    | 88          | 0            | 117,000       | 117,000       |              |
| 9 FISH PROCESSING QUALITY CONTROL STUDY                                                                           | 0           | 0            | 40,000        | 40,000        |              |
| 10 THE APPROPRIATION OF \$40,000 IS FOR A FISH PROCESSING QUALITY CONTROL STUDY IN THE PRINCE WILLIAM SOUND AREA. |             |              |               |               |              |
| 11 FRED                                                                                                           |             |              |               |               |              |
| 12 KANERAK CORPORATION-HERRING PROGRAM GRANT                                                                      | 0           | 0            | 10,000        | 10,000        |              |
| 13 LAKE FERTILIZATION PROJECT - KETCHIKAN                                                                         | 28,450      | 2,080        | 83,000        |               | 83,000       |
| 14 BORAX STUDY                                                                                                    | 34,484      | 17,576       | 85,000        | 85,000        |              |
| 15 ADMINISTRATION                                                                                                 |             |              |               |               |              |
| 16 SIX MILE CREEK STUDY GRANT - ANCHORAGE                                                                         | 8,195       | 0            | 50,000        |               | 50,000       |
| 17 SOUTHERN SOUTHEAST REGIONAL AQUACULTURE GRANT                                                                  | 25,000      | 0            | 49,000        |               | 49,000       |
| 18 SHOOTING RANGES-STATEWIDE                                                                                      | 2,284       | 0            | 15,000        | 15,000        |              |
| 19 POTTER MARSH RIFLE RANGE ACQUISITION                                                                           | 0           | 0            | 75,000        | 75,000        |              |
| 20 CREAMER'S FIELD BROCHURE                                                                                       | 192         | 31           | 7,000         |               | 7,000        |
| 21 DEPARTMENT OF ENVIRONMENTAL CONSERVATION                                                                       |             |              |               |               |              |
| 22 WATER PROGRAMS                                                                                                 |             |              |               |               |              |
| 23 WATER FEASIBILITY STUDY - CORDOVA                                                                              | 0           | 0            | 40,000        | 40,000        |              |
| 24 THE APPROPRIATION OF \$40,000 IS A DIRECT GRANT TO THE CITY OF CORDOVA.                                        |             |              |               |               |              |
| 25 SEWER & WATER STUDY-WASILLA                                                                                    | 0           | 0            | 20,000        | 20,000        |              |
| 26 THE APPROPRIATION OF \$20,000 IS A DIRECT GRANT TO THE CITY OF WASILLA.                                        |             |              |               |               |              |
| 27 *****                                                                                                          |             |              |               |               |              |
| 28 ***** PUBLIC PROTECTION *****                                                                                  |             |              |               |               |              |
| 29 *****                                                                                                          |             |              |               |               |              |
| 30 OFFICE OF THE GOVERNOR                                                                                         |             |              |               |               |              |
| 31 DISASTER FUND REPLENISHMENT                                                                                    | 400,000     | 0            | 400,000       | 400,000       |              |
| 32 DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT                                                                  |             |              |               |               |              |
| 33 DIVISION OF BANKING                                                                                            |             |              |               |               |              |
| 34 DATA PROCESSING UPGRADE AND CROSS-REFERENCING                                                                  | 0           | 0            | 50,000        | 50,000        |              |
| 35 DEPARTMENT OF MILITARY AFFAIRS                                                                                 |             |              |               |               |              |
| 36 ALASKA NATIONAL GUARD                                                                                          | 0           | 0            | 5,044,600     |               | 5,044,600    |
| 37 ANCHORAGE ARMORY                                                                                               |             |              |               |               |              |

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| PUBLIC PROTECTION (CONT.) |                                                                                                                               | ALLOCATIONS |              | APPROPRIATION | APPROPRIATION FUND SOURCES |             |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------|--------------|---------------|----------------------------|-------------|
|                           |                                                                                                                               | Y-T-D       | EXPENDITURES | ITEMS         | GENERAL FUND               | OTHER FUNDS |
| 4                         | MAINTENANCE SHOP, ANCHORAGE                                                                                                   | 0           | 0            | 1,417,700     |                            | 1,417,700   |
| 5                         | STATEWIDE CONST CONTINGENCY                                                                                                   | 0           | 0            | 200,000       | 50,000                     | 150,000     |
| 6                         | CIVIL AIR PATROL                                                                                                              |             |              |               |                            |             |
| 7                         | KOTZEBUE HANGAR                                                                                                               | 0           | 0            | 423,100       | 423,100                    |             |
| 8                         | ALASKA DISASTER OFFICE                                                                                                        |             |              |               |                            |             |
| 9                         | NOME UTILITIES FLOOD DAMAGE GRANT                                                                                             | 351,000     | 351,000      | 351,000       | 351,000                    |             |
| 10                        | DEPARTMENT OF PUBLIC SAFETY                                                                                                   |             |              |               |                            |             |
| 11                        | HIGHWAY SAFETY PLANNING AGENCY                                                                                                |             |              |               |                            |             |
| 12                        | AMBULANCES                                                                                                                    | 0           | 0            | 300,000       | 300,000                    |             |
| 13                        | *****                                                                                                                         |             |              |               |                            |             |
| 14                        | ***** ADMINISTRATION OF JUSTICE *****                                                                                         |             |              |               |                            |             |
| 15                        | *****                                                                                                                         |             |              |               |                            |             |
| 16                        | DEPARTMENT OF HEALTH & SOCIAL SERVICES                                                                                        |             |              |               |                            |             |
| 17                        | DIVISION OF CORRECTION                                                                                                        |             |              |               |                            |             |
| 18                        | WOMEN'S CORRECTION FACILITY-ANCHORAGE                                                                                         | 0           | 0            | 2,000,000     | 2,000,000                  |             |
| 19                        | DEPARTMENT OF PUBLIC SAFETY                                                                                                   |             |              |               |                            |             |
| 20                        | DETACHMENTS AND C.I.B.                                                                                                        |             |              |               |                            |             |
| 21                        | TROOPER HOUSING IN FORT YUKON                                                                                                 | 0           | 0            | 87,400        | 87,400                     |             |
| 22                        | NOME POLICE CRIMINAL INVESTIGATION AIDS GRANT                                                                                 | 4,300       | 4,300        | 4,300         | 4,300                      |             |
| 23                        | THE APPROPRIATION OF \$4,300 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF NOME FOR NOME POLICE DEPARTMENT INVESTIGATIVE     |             |              |               |                            |             |
| 24                        | VISUAL AID EQUIPMENT.                                                                                                         |             |              |               |                            |             |
| 25                        | KOTZEBUE NANA SEARCH AND RESCUE GRANT                                                                                         | 15,000      | 15,000       | 15,000        | 15,000                     |             |
| 26                        | THE APPROPRIATION OF \$15,000 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF KOTZEBUE FOR SEARCH AND RESCUE OPERATIONS IN THE |             |              |               |                            |             |
| 27                        | NANA REGION.                                                                                                                  |             |              |               |                            |             |
| 28                        | CORDOVA CITY HALL AND JAIL COMPLETION GRANT                                                                                   |             | *100,000     | 100,000       | 100,000                    |             |
| 29                        | THE APPROPRIATION OF \$100,000 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF CORDOVA.                                        |             |              |               |                            |             |
| 30                        | *****                                                                                                                         |             |              |               |                            |             |
| 31                        | ***** DEVELOPMENT *****                                                                                                       |             |              |               |                            |             |
| 32                        | *****                                                                                                                         |             |              |               |                            |             |
| 33                        | DEPARTMENT OF REVENUE                                                                                                         |             |              |               |                            |             |
| 34                        | MUNICIPAL BOND BANK AUTHORITY RESERVE FUND                                                                                    | 1,500,000   | 1,500,000    | 1,500,000     | 1,500,000                  |             |
| 35                        | COMMERCIAL FISH & AGRICULTURE BANK CAPITAL ("spent" - see intent)                                                             |             |              | 2,000,000     |                            | 2,000,000   |
| 36                        | THE AMOUNT APPROPRIATED FOR THE COMMERCIAL FISH AND AGRICULTURE BANK IS AN ESTIMATE AND THE ACTUAL APPROPRIATION MAY NOT      |             |              |               |                            |             |
| 37                        | EXCEED THE AMOUNT LAPSED FROM THE APPROPRIATION BY SECTION 13, CH 113, SLA 78.                                                |             |              |               |                            |             |

\*Listed as prior year expenditure.

| DEVELOPMENT (CONT.) |                                                                                                                              | ALLOCATIONS<br>Y-T-D EXPENDITURES |         | APPROPRIATION<br>ITEMS | APPROPRIATION FUND SOURCES |             |
|---------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------|------------------------|----------------------------|-------------|
|                     |                                                                                                                              |                                   |         |                        | GENERAL FUND               | OTHER FUNDS |
| 4                   | ALASKA RENEWABLE RESOURCES CORPORATION                                                                                       |                                   |         |                        |                            |             |
| 5                   | RENEWABLE RESOURCES INVESTMENT FUND                                                                                          | 0                                 | 0       | 11,150,000             |                            | 11,150,000  |
| 6                   | FISHERIES PROJECTS                                                                                                           | 197,000                           | 0       | 4,817,900              |                            | 4,817,900   |
| 7                   | TIMBER PROJECTS                                                                                                              | 63,000                            | 63,000  | 2,753,000              |                            | 2,753,000   |
| 8                   | AGRICULTURE PROJECTS                                                                                                         | 6,000                             | 0       | 2,753,000              |                            | 2,753,000   |
| 9                   | RENEWABLE ENERGY PROJECTS                                                                                                    | 364,500                           | 242,000 | 825,900                |                            | 825,900     |
| 10                  | DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT                                                                                |                                   |         |                        |                            |             |
| 11                  | ALASKA HOUSING FINANCE CORPORATION                                                                                           |                                   |         |                        |                            |             |
| 12                  | MORTGAGE INSURANCE FUND                                                                                                      | Not Listed                        | -       | 6,000,000              | 4,000,000                  | 2,000,000   |
| 13                  | IT IS THE INTENT OF THE LEGISLATURE THAT \$1 MILLION OF THE APPROPRIATION TO THE STATE MORTGAGE INSURANCE FUND OF THE ALASKA |                                   |         |                        |                            |             |
| 14                  | HOUSING FINANCE CORPORATION BE PAID TO THE MORTGAGE INSURANCE FUND IN THE AMOUNTS REQUESTED BY THE CORPORATION AS NECESSARY  |                                   |         |                        |                            |             |
| 15                  | IN CONNECTION WITH THE ISSUANCE OF INSURED MORTGAGE PROGRAM BONDS OF THE CORPORATION ONLY IF THE BONDS ARE ISSUED FOR THE    |                                   |         |                        |                            |             |
| 16                  | MORTGAGE FINANCING OF MOBILE HOMES.                                                                                          |                                   |         |                        |                            |             |
| 17                  | ECONOMIC ENTERPRISE MATCHING GRANT FUNDS                                                                                     | Incorrectly merged with           |         | 123,500                | 123,500                    |             |
| 18                  | ENERGY & POWER DEVELOPMENT                                                                                                   | Operating Account.                |         | 1,135,000              | 885,000                    | 250,000     |
| 19                  | SINGLE WIRE GROUND RETURN DEMO PROJECT                                                                                       | 434                               | 0       | 540,000                |                            |             |
| 20                  | THE APPROPRIATION OF \$540,000 IS FOR A SINGLE WIRE TRANSMISSION PROJECT FOR AKIACHIK, NAPAIAK, NAPASKIAK, & OSCARVILLE.     |                                   |         |                        |                            |             |
| 21                  | SHUNGNAK TO KOBUK SINGLE WIRE TRANS                                                                                          | 0                                 | 0       | 345,000                |                            |             |
| 22                  | ALTERNATIVE ENERGY DEMONSTRATION PROJ.                                                                                       | 8,213                             | 0       | 250,000                |                            |             |
| 23                  | ALASKA POWER AUTHORITY                                                                                                       |                                   |         | 2,715,000              | 300,000                    | 2,415,000   |
| 24                  | CORDOVA HYDRO DEVELOPMENT                                                                                                    | 0                                 | 0       | 500,000                |                            |             |
| 25                  | BRADLEY LAKE HYDRO PROJECT                                                                                                   | 0                                 | 0       | 80,000                 |                            |             |
| 26                  | SALMON CREEK HYDRO PROJECT                                                                                                   | 0                                 | 0       | 200,000                |                            |             |
| 27                  | ANCHORAGE ENERGY POOLING                                                                                                     | 0                                 | 0       | 120,000                |                            |             |
| 28                  | MENNONITE CREEK HYDRO PROJECT                                                                                                | 90,000                            | 0       | 90,000                 |                            |             |
| 29                  | LAKE ELVA HYDRO PROJECT                                                                                                      | 49,075                            | 0       | 80,000                 |                            |             |
| 30                  | CHILKAT HYDRO PROJECT                                                                                                        | 22,000                            | 0       | 50,000                 |                            |             |
| 31                  | KISARALIK HYDRO PROJECT                                                                                                      | 30,000                            | 0       | 80,000                 |                            |             |
| 32                  | GARTINA CREEK HYDRO PROJECT                                                                                                  | 0                                 | 0       | 400,000                |                            |             |
| 33                  | GUNNUK CREEK HYDRO PROJECT                                                                                                   | 0                                 | 0       | 195,000                |                            |             |
| 34                  | THAYER CREEK HYDRO PROJECT                                                                                                   | 0                                 | 0       | 220,000                |                            |             |
| 35                  | BLACK BEAR LAKE HYDRO PROJECT                                                                                                | 0                                 | 0       | 440,000                |                            |             |
| 36                  | LARSEN BAY/OLD HARBOR HYDRO PROJECT                                                                                          | 0                                 | 0       | 80,000                 |                            |             |
| 37                  | NOME/KUTZEDUE ASSESSMENT                                                                                                     | 4,000                             | 0       | 80,000                 |                            |             |

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| 1 DEVELOPMENT (CONT.)                                                                                                         |                                               | 2 Y-T-D EXPENDITURES              |           | 3 APPROPRIATION |           | 4 APPROPRIATION FUND SOURCES |           |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------|-----------|-----------------|-----------|------------------------------|-----------|
|                                                                                                                               |                                               | 5 ALLOCATIONS                     |           | 6 ITEMS         |           | 7 GENERAL FUND OTHER FUNDS   |           |
| 4                                                                                                                             | Study - THOMAS BAY POWER AUTHORITY-TYEE       | 60,000                            | 0         | 60,000          |           |                              |           |
| 5                                                                                                                             | SEWARD HYDRO STUDY                            | 0                                 | 0         | 40,000          | Accounts. |                              |           |
| 6                                                                                                                             | BRISTOL BAY REGIONAL ADVISORY COUNCIL         | Incorrectly merged with Operating |           | 82,500          |           | 82,500                       |           |
| 7                                                                                                                             | CITY OF NENANA TOURIST CENTER RENOVATION      | "                                 | "         | "               | 10,000    | 10,000                       |           |
| 8                                                                                                                             | KOTZEBUE NORTHWEST NATIVE TRADE FAIR          | 25,000                            | 25,000    | 25,000          |           | 25,000                       |           |
| 9 THE APPROPRIATION OF \$25,000 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF KOTZEBUE FOR OPERATION OF THE NORTHWEST NATIVE |                                               |                                   |           |                 |           |                              |           |
| 10 TRADE FAIR.                                                                                                                |                                               |                                   |           |                 |           |                              |           |
| 11                                                                                                                            | KETCHIKAN GEODUCK FEASIBILITY STUDY           | 10,000                            | 0         | 15,000          |           |                              | 15,000    |
| 12                                                                                                                            | Study-PORT OF ANCHORAGE MARKETING & DEV       | 250,000                           | 0         | 250,000         |           | 250,000                      |           |
| 13 THE APPROPRIATION FOR A PORT OF ANCHORAGE STUDY IS TO BE PAID AS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.          |                                               |                                   |           |                 |           |                              |           |
| 14                                                                                                                            | ST LAWRENCE ISLAND WALRUS MEAT FREEZER        | 375                               | 0         | 180,000         |           | 180,000                      |           |
| 15                                                                                                                            | ANGOOD CULTURAL FACILITY                      | 400,000                           | 0         | 400,000         |           | 400,000                      |           |
| 16 THE APPROPRIATION FOR A CULTURAL FACILITY IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF ANGOOD.                           |                                               |                                   |           |                 |           |                              |           |
| 17                                                                                                                            | DELTA AGRICULTURAL DEVELOPMENT                |                                   |           | 7,070,800       |           |                              | 7,070,800 |
| 18                                                                                                                            | FINAL CLEARING                                | -                                 | 1,486,122 | 4,736,000       |           |                              |           |
| 19                                                                                                                            | ROAD CONSTRUCTION                             | 885,981                           | 870,722   | 1,080,000       |           |                              |           |
| 20                                                                                                                            | BARLEY AND RAPESEED TEST MARKETING            | 240,964                           | 0         | 900,000         |           |                              |           |
| 21                                                                                                                            | ADMINISTRATION                                | 58,681                            | 28,850    | 127,900         |           |                              |           |
| 22                                                                                                                            | EXTENSION SERVICES                            | 0                                 | 0         | 63,200          |           |                              |           |
| 23                                                                                                                            | PESTICIDE AND HERBICIDE RESEARCH              | 0                                 | 0         | 78,500          |           |                              |           |
| 24                                                                                                                            | MISCELLANEOUS COSTS                           | 9,427                             | 3,907     | 85,200          |           |                              |           |
| 25                                                                                                                            | Projects KOYUKON DEVELOPMENT CORPORATION FARM | 0                                 | 0         | 400,000         |           |                              | 400,000   |
| 26 THE APPROPRIATION FOR FARM PROJECTS IS TO BE PAID AS A DIRECT GRANT TO THE KOYUKON DEVELOPMENT CORPORATION.                |                                               |                                   |           |                 |           |                              |           |
| 27                                                                                                                            | KUSKOKWIM NATIVE ASSOCIATION FARM             | 0                                 | 0         | 150,000         |           |                              | 150,000   |
| 28 THE APPROPRIATION FOR FARM PROJECTS IS TO BE PAID AS A DIRECT GRANT TO THE KUSKOKWIM NATIVE ASSOCIATION.                   |                                               |                                   |           |                 |           |                              |           |
| 29                                                                                                                            | BOTTOMFISH DEVELOPMENT                        | 0                                 | 0         | 1,500,000       |           | 1,500,000                    |           |
| 30                                                                                                                            | CHILKAT CENTER FOR THE ARTS, HAINES           | 750,000                           | 0         | 750,000         |           | 750,000                      |           |
| 31 DEPARTMENT OF NATURAL RESOURCES                                                                                            |                                               |                                   |           |                 |           |                              |           |
| 32                                                                                                                            | TANANA VALLEY FAIR ASSOCIATION                | -                                 | 416,500   | 425,000         |           | 425,000                      |           |
| 33                                                                                                                            | UTILITIES UPGRADE                             |                                   |           | 125,000         |           |                              |           |
| 34                                                                                                                            | EXHIBIT HALL                                  |                                   |           | 300,000         |           |                              |           |
| 35                                                                                                                            | HAINES FAIR                                   | -                                 | 98,000    | 100,000         |           | 100,000                      |           |
| 36                                                                                                                            | MATANUSKA-SUSITNA BOROUGH ALASKA STATE FAIR   |                                   | 53,900    | 55,000          |           | 55,000                       |           |
| 37                                                                                                                            | NANA, INC. REINDEER FEED PROJECT              | 0                                 | 0         | 25,000          |           | 25,000                       |           |

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1 DEVELOPMENT (CONT.)

2

3 Y-T-D EXPENDITURES APPROPRIATION APPROPRIATION FUND SOURCES  
ALLOCATIONS ITEMS GENERAL FUND OTHER FUNDS

4 AGRICULTURAL LOAN FUND CAPITALIZATION \* 2,800,000 4,000,000 4,000,000

5 REINDEER FEED PROJECT PHASE II 0 0 146,000 146,000

6 THE APPROPRIATION FOR THE REINDEER FEED PROJECT IS TO BE PAID AS A DIRECT GRANT TO NANA INC. WHICH IS TO PROVIDE \$20,000

7 MATCHING FUNDS.

8 PALMER FAIRGROUND WATER AND SEWER 98,000 98,000 100,000 100,000

9 THE APPROPRIATION FOR FAIRGROUND WATER AND SEWER IS TO BE PAID AS A DIRECT GRANT TO THE ALASKA STATE FAIR.

10 GALENA AGRICULTURAL FAIR 4,900 4,900 5,000 5,000

11 THE APPROPRIATION FOR A FAIR IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF GALENA.

12 DEPARTMENT OF FISH & GAME

13 TANANA CHIEFS CONFERENCE AGRICULTURAL EQUIPMENT 120,000 120,000 120,000

14 DEPARTMENT OF TRANSPORTATION

15 WATER AND HARBOR FACILITIES 2,480,000 2,480,000

16 WRANGELL HARBOR FACILITIES 185 56 400,000

17 PETERSBURG HARBOR FACILITIES 2,096 0 65,000

18 SKAGWAY PORT REALIGNMENT 36,725 21,600 125,000

19 KASAAH BOAT HARBOR FLOAT 73,161 5,016 85,000

20 ANGOON HANDTROLLERS FLOATS 475 0 100,000

21 NOYES SLOUGH DREDGING & SHORE RESTO. 39,815 0 100,000

22 THE \$100,000 ALLOCATION FOR NOYES SLOUGH DREDGING AND SHORE RESTORATION IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF

23 FAIRBANKS.

24 NOYES SLOUGH 19,908 0 50,000

25 THE \$50,000 ALLOCATION FOR NOYES SLOUGH IS TO BE PAID AS A DIRECT GRANT TO THE FAIRBANKS NORTH STAR BOROUGH.

26 OLD HARBOR BOAT HARBOR REPAIR 0 0 85,000

27 SAND POINT DAM RECONSTRUCTION 0 0 200,000

28 KIVALINA SMALL BOAT HARBOR FINGER FLOATS 0 0 75,000

29 THE ALLOCATION OF \$75,000 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF KIVALINA FOR CONSTRUCTION AND PURCHASE OF SMALL BOAT

30 HARBOR FINGER FLOATS.

31 POINT HOPE SMALL BOAT HARBOR FINGER FLOATS 0 0 75,000

32 THE ALLOCATION OF \$75,000 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF POINT HOPE FOR CONSTRUCTION AND PURCHASE OF SMALL

33 BOAT HARBOR FINGER FLOATS.

34 BARROW LAUNCH RAMP 0 0 50,000

35 THE ALLOCATION OF \$50,000 FOR A LAUNCH RAMP AT BARROW IS TO THE DIVISION OF HARBOR DESIGN AND CONSTRUCTION.

36 MONASHIKA BAY DAM RECONSTRUCTION 0 0 200,000

37 THE ALLOCATION OF \$200,000 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF KODIAK TO REPAY THE COST OF REBUILDING MONASHIKA BAY

38 DAM.

\*The RP attached as the following page indicates why only \$2.8 million of this appropriation has been spent to date. \$1.2 million was removed via the RP to fund fire suppression costs of the Delta Junction area barley fire.

2-1-80

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Attachment 1

2-1-80

| 1 DEVELOPMENT (CONT.) |                                                                                                                                | Y-T-D EXPENDITURES |             | APPROPRIATION | APPROPRIATION FUND SOURCES |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|---------------|----------------------------|
|                       |                                                                                                                                |                    | ALLOCATIONS | ITEMS         | GENERAL FUND OTHER FUNDS   |
| 4                     | HYDABURG DOCK REPAIR & DECK REPLAC                                                                                             | Ø                  | Ø           | 30,000        |                            |
| 5                     | PELICAN DOCK PILING                                                                                                            | 358                | 241         | 75,000        |                            |
| 6                     | JUNEAU-DOUGLAS BOROUGH BOAT HARBOR                                                                                             | Ø                  | Ø           | 750,000       |                            |
| 7                     | TANANA PORT FEASIBILITY STUDY                                                                                                  | Ø                  | Ø           | 15,000        |                            |
| 8                     | WASTE HEAT STUDY AND CONSTRUCTION                                                                                              |                    | -           | 160,000       | 160,000                    |
| 9                     | THE APPROPRIATION OF \$160,000 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF BETHEL FOR A WASTE HEAT FEASIBILITY STUDY AND    |                    |             |               |                            |
| 10                    | CONSTRUCTION RELATING TO AGRICULTURAL AND RECREATIONAL ACTIVITIES.                                                             |                    |             |               |                            |
| 11                    | DEPARTMENT OF ENVIRONMENTAL CONSERVATION                                                                                       |                    |             |               |                            |
| 12                    | NORTH POLE SEWER LAGOON                                                                                                        | 21,630             | 30,000      | 1,500,000     | 1,500,000                  |
| 13                    | ANDERSON SOLID WASTE DISPOSAL                                                                                                  | 16,200             | Ø           | 25,000        | 25,000                     |
| 14                    | THE APPROPRIATION FOR SOLID WASTE DISPOSAL IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF ANDERSON.                            |                    |             |               |                            |
| 15                    | HUSLIA HOT SPRINGS STRAGE & Antenna                                                                                            | 5,000              | Ø           | 5,000         | 5,000                      |
| 16                    | THE APPROPRIATION FOR STORAGE AND AN ANTENNA IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF HUSLIA.                            |                    |             |               |                            |
| 17                    | NULATO SOLID WASTE DISPOSAL                                                                                                    | Ø                  | Ø           | 20,000        | 20,000                     |
| 18                    | THE APPROPRIATION FOR SOLID WASTE DISPOSAL IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF NULATO.                              |                    |             |               |                            |
| 19                    | ALASKA CENTER FOR THE ENVIRONMENT Grant                                                                                        | 30,000             | Ø           | 46,000        | 46,000                     |
| 20                    | DEPARTMENT OF COMMUNITY & REGIONAL Affairs                                                                                     |                    |             |               |                            |
| 21                    | RELOCATION OF DILLINGHAM DUMP                                                                                                  | Ø                  | 75,000      | 225,000       | 225,000                    |
| 22                    | PORT HEIDEN ELECTRIFICATION EXTENSION                                                                                          | 35,000             | 35,000      | 35,000        | 35,000                     |
| 23                    | THE APPROPRIATION FOR PORT HEIDEN ELECTRIFICATION IS TO BE PAID AS A DIRECT GRANT TO THE CITY.                                 |                    |             |               |                            |
| 24                    | CHENA-GOLDSTREAM VOLUNTEER FIRE Dept.                                                                                          | 125,000            | 62,500      | 125,000       | 125,000                    |
| 25                    | THE APPROPRIATION OF \$125,000 IS TO BE PAID AS A DIRECT GRANT TO THE CHENA-GOLDSTREAM VOLUNTEER FIRE DEPARTMENT FOR FIRE      |                    |             |               |                            |
| 26                    | HALLS.                                                                                                                         |                    |             |               |                            |
| 27                    | CITY OF FAIRBANKS CHENA RIVER CLEANUP                                                                                          | 45,000             | 45,000      | 45,000        | 45,000                     |
| 28                    | THE APPROPRIATION FOR CHENA RIVER CLEANUP IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF FAIRBANKS.                            |                    |             |               |                            |
| 29                    | SPENARD RECREATIONAL FACILITIES                                                                                                | Ø                  | Ø           | 500,000       | 500,000                    |
| 30                    | THE APPROPRIATION OF \$500,000 IS TO BE PAID AS A DIRECT GRANT TO THE SPENARD COMMUNITY COUNCIL FOR ACQUISITION OR DEVELOPMENT |                    |             |               |                            |
| 31                    | OF RECREATIONAL FACILITIES.                                                                                                    |                    |             |               |                            |
| 32                    | ANCHORAGE COMMUNITY DEVELOPMENT CORP                                                                                           | 28,000             | 8,000       | 40,000        | 40,000                     |
| 33                    | THE APPROPRIATION OF \$40,000 IS TO BE PAID AS A DIRECT GRANT TO THE ANCHORAGE COMMUNITY DEVELOPMENT CORPORATION.              |                    |             |               |                            |
| 34                    | JUNEAU CENTENNIAL COMMITTEE                                                                                                    | 30,000             | 30,000      | 150,000       | 150,000                    |
| 35                    | THE APPROPRIATION OF \$150,000 IS TO BE PAID AS A DIRECT GRANT TO THE JUNEAU CENTENNIAL COMMITTEE.                             |                    |             |               |                            |
| 36                    | KLAWOCK FIRE TRUCK                                                                                                             | Ø                  | Ø           | 50,600        | 50,600                     |
| 37                    | THE APPROPRIATION OF \$50,600 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF KLAOWCK.                                          |                    |             |               |                            |

| 1 DEVELOPMENT (CONT.) |                                                                                                                                                                                                                                                                                                                   | ALLOCATIONS        |         | APPROPRIATION | APPROPRIATION FUND SOURCES |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------|---------------|----------------------------|
|                       |                                                                                                                                                                                                                                                                                                                   | Y-T-D EXPENDITURES | ITEMS   |               | GENERAL FUND OTHER FUNDS   |
| 4                     | THOMAS BAY POWER AUTHORITY                                                                                                                                                                                                                                                                                        | 10,000             | 10,000  | 50,000        | 50,000                     |
| 5                     | THE APPROPRIATION OF \$50,000 IS TO BE PAID AS A DIRECT GRANT TO THE THOMAS BAY POWER AUTHORITY.                                                                                                                                                                                                                  |                    |         |               |                            |
| 6                     | SCOW BAY FIRE HALL                                                                                                                                                                                                                                                                                                | 99,193             | 50,000  | 100,000       | 100,000                    |
| 7                     | THE APPROPRIATION OF \$100,000 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF PETERSBURG FOR A FIRE HALL FOR THE SCOW BAY SUBDIVISION.                                                                                                                                                                            |                    |         |               |                            |
| 9                     | MCGRATH COMPREHENSIVE PLANNING                                                                                                                                                                                                                                                                                    | 13,000             | 0       | 25,000        | 25,000                     |
| 10                    | THE APPROPRIATION OF \$25,000 IS TO BE PAID AS A DIRECT GRANT TO MCGRATH FOR COMPREHENSIVE PLANNING.                                                                                                                                                                                                              |                    |         |               |                            |
| 11                    | HUGHES ELECTRIFICATION                                                                                                                                                                                                                                                                                            | 47,000             | 47,000  | 47,000        | 47,000                     |
| 12                    | THE APPROPRIATION OF \$47,000 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF HUGHES FOR COMPLETION OF AN ELECTRIFICATION PROJECT.                                                                                                                                                                                 |                    |         |               |                            |
| 14                    | TAKOTNA ELECTRIFICATION                                                                                                                                                                                                                                                                                           | 86,000             | 86,000  | 86,000        | 86,000                     |
| 15                    | THE APPROPRIATION OF \$86,000 IS TO BE PAID AS A DIRECT GRANT TO TAKOTNA FOR COMPLETION OF AN ELECTRIFICATION PROJECT.                                                                                                                                                                                            |                    |         |               |                            |
| 16                    | NIKOLAI ELECTRIFICATION                                                                                                                                                                                                                                                                                           | 0                  | 0       | 50,000        | 50,000                     |
| 17                    | THE APPROPRIATION OF \$50,000 IS TO BE PAID AS A DIRECT GRANT TO NIKOLAI FOR COMPLETION OF AN ELECTRIFICATION PROJECT.                                                                                                                                                                                            |                    |         |               |                            |
| 18                    | ANCHORAGE RESCUE VEHICLE                                                                                                                                                                                                                                                                                          | 0                  | 0       | 75,000        | 75,000                     |
| 19                    | THE APPROPRIATION OF \$75,000 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF ANCHORAGE FOR A HEAVY DUTY RESCUE VEHICLE.                                                                                                                                                                                           |                    |         |               |                            |
| 20                    | CITY OF ALLAKAKET VILLAGE ELECTRIFICATION                                                                                                                                                                                                                                                                         | 75,000             | 75,000  | 75,000        | 75,000                     |
| 21                    | THE APPROPRIATION FOR ELECTRIFICATION IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF ALLAKAKET.                                                                                                                                                                                                                   |                    |         |               |                            |
| 22                    | DELTA JUNCTION COMMUNITY RECREATION CENTER                                                                                                                                                                                                                                                                        | 50,000             | 0       | 250,000       | 250,000                    |
| 23                    | THE INTENT OF THE LEGISLATURE IN INCREASING THE FUNDING FOR THIS BUILDING IS TO ALLOW FOR THE CONSTRUCTION OF FACILITIES FOR THE 'DELTA SENIORS' GROUP. THIS BUILDING IS MEANT TO SERVE THE NEEDS OF THE DELTA SENIORS FOR A CENTRAL MEETING PLACE, BY PROVIDING A SPOT CONNECTED WITH THE REST OF THE COMMUNITY. |                    |         |               |                            |
| 24                    | THE APPROPRIATION OF \$250,000 IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF DELTA JUNCTION FOR A COMMUNITY RECREATION CENTER.                                                                                                                                                                                   |                    |         |               |                            |
| 28                    | GIRDWOOD FIRE TRUCK                                                                                                                                                                                                                                                                                               | 0                  | 0       | 75,000        | 75,000                     |
| 29                    | ESTER VOLUNTEER FIRE DEPARTMENT GRANT                                                                                                                                                                                                                                                                             | 22,600             | 22,600  | 113,000       | 113,000                    |
| 30                    | THE APPROPRIATION FOR THE ESTER FIRE DEPARTMENT IS TO BE PAID AS A DIRECT GRANT.                                                                                                                                                                                                                                  |                    |         |               |                            |
| 31                    | KLAWOCK FIRE ALARM SYSTEM                                                                                                                                                                                                                                                                                         | 3,000              | 3,000   | 6,000         | 6,000                      |
| 32                    | THE APPROPRIATION FOR A FIRE ALARM SYSTEM IS TO BE PAID AS A DIRECT GRANT TO THE MUNICIPALITY OF KLAUOCK.                                                                                                                                                                                                         |                    |         |               |                            |
| 33                    | HYDABURG FIRE TRUCK & FIRE HALL                                                                                                                                                                                                                                                                                   | 40,000             | 10,000  | 40,000        | 40,000                     |
| 34                    | THE APPROPRIATION FOR A HYDABURG FIRE TRUCK & FIRE HALL IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF HYDABURG.                                                                                                                                                                                                  |                    |         |               |                            |
| 35                    | TETLIN ELECTRIFICATION                                                                                                                                                                                                                                                                                            | 50,000             | 0       | 50,000        | 50,000                     |
| 36                    | THE APPROPRIATION FOR ELECTRIFICATION IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF TETLIN.                                                                                                                                                                                                                      |                    |         |               |                            |
| 37                    | EAGLE RIVER FIRE STATION COMPLETION                                                                                                                                                                                                                                                                               | 105,000            | 105,000 | 210,000       | 210,000                    |
| 38                    | THE APPROPRIATION FOR THE EAGLE RIVER FIRE STATION IS TO BE PAID AS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.                                                                                                                                                                                              |                    |         |               |                            |

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Attachment

2-1-80

| 1 DEVELOPMENT (CONT.) |                                                                                                                        | ALLOCATIONS |              | APPROPRIATION | APPROPRIATION FUND SOURCES |             |
|-----------------------|------------------------------------------------------------------------------------------------------------------------|-------------|--------------|---------------|----------------------------|-------------|
|                       |                                                                                                                        | Y-T-D       | EXPENDITURES | ITEMS         | GENERAL FUND               | OTHER FUNDS |
| 4                     | KETCHIKAN AQUARIUM FEASIBILITY STUDY                                                                                   | 5,000       | 5,000        | 10,000        | 10,000                     |             |
| 5                     | THE APPROPRIATION FOR A KETCHIKAN AQUARIUM STUDY IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF KETCHIKAN.             |             |              |               |                            |             |
| 6                     | ALASKALAND WICKERSHAM HOUSE FURNISHINGS                                                                                | 10,000      | 10,000       | 10,000        | 10,000                     |             |
| 7                     | THE APPROPRIATION FOR THE WICKERSHAM HOUSE IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF FAIRBANKS.                   |             |              |               |                            |             |
| 8                     | GOODNEWS BAY DUMP RELOCATION                                                                                           | 0           | 0            | 75,000        | 75,000                     |             |
| 9                     | THE APPROPRIATION FOR DUMP RELOCATION IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF GOODNEWS.                         |             |              |               |                            |             |
| 10                    | ALASKA VILLAGE ELECTRIC COOP FUEL CONVERSION                                                                           | 48,040      | 0            | 150,000       | 150,000                    |             |
| 11                    | TANANA FIRE TRUCK                                                                                                      | 0           | 0            | 25,000        | 25,000                     |             |
| 12                    | THE APPROPRIATION FOR A FIRE TRUCK IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF TANANA.                              |             |              |               |                            |             |
| 13                    | TANANA WELL HOUSE                                                                                                      | 75,000      | 75,000       | 75,000        | 75,000                     |             |
| 14                    | THE APPROPRIATION FOR A WELL HOUSE IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF TANANA.                              |             |              |               |                            |             |
| 15                    | ANDERSON FIRE HALL RENOVATION                                                                                          | 10,000      | 10,000       | 20,000        | 20,000                     |             |
| 16                    | THE APPROPRIATION FOR FIRE HALL RENOVATION IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF ANDERSON.                    |             |              |               |                            |             |
| 17                    | BIRCH CREEK ELECTRIFICATION                                                                                            | 75,000      | 75,000       | 75,000        | 75,000                     |             |
| 18                    | THE APPROPRIATION FOR ELECTRIFICATION IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF BIRCH CREEK.                      |             |              |               |                            |             |
| 19                    | CHALKYITSIK ELECTRIFICATION                                                                                            | 75,000      | 0            | 75,000        | 75,000                     |             |
| 20                    | THE APPROPRIATION FOR ELECTRIFICATION IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF CHALKYITSIK.                      |             |              |               |                            |             |
| 21                    | CANTWELL ELECTRIFICATION                                                                                               | 75,000      | 0            | 75,000        | 75,000                     |             |
| 22                    | THE APPROPRIATION FOR ELECTRIFICATION IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF CANTWELL.                         |             |              |               |                            |             |
| 23                    | EAGLE ELECTRIFICATION                                                                                                  | 0           | 0            | 75,000        | 75,000                     |             |
| 24                    | THE APPROPRIATION FOR ELECTRIFICATION IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF EAGLE.                            |             |              |               |                            |             |
| 25                    | HEALY LAKE ELECTRIFICATION                                                                                             | 30,000      | 0            | 30,000        | 30,000                     |             |
| 26                    | THE APPROPRIATION FOR ELECTRIFICATION IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF HEALY LAKE.                       |             |              |               |                            |             |
| 27                    | EMMONAK COMMUNITY CENTER                                                                                               | 25,000      | 25,000       | 50,000        | 50,000                     |             |
| 28                    | THE APPROPRIATION FOR A COMMUNITY CENTER IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF EMMONAK.                       |             |              |               |                            |             |
| 29                    | SHAGELUK COMMUNITY CENTER                                                                                              | 0           | 0            | 50,000        | 50,000                     |             |
| 30                    | THE APPROPRIATION FOR A COMMUNITY CENTER IS TO BE PAID AS A DIRECT GRANT TO THE CITY OF SHAGELUK.                      |             |              |               |                            |             |
| 31                    | NEUMALEN WIND GENERATOR                                                                                                | 0           | 0            | 100,000       | 100,000                    |             |
| 32                    | PEDRO BAY DUMP RELOCATION                                                                                              | 0           | 0            | 75,000        | 75,000                     |             |
| 33                    | ILIAMNA/NUNDALTON EQUIPMENT TRANSFER                                                                                   | 0           | 0            | 25,000        | 25,000                     |             |
| 34                    | TOGIAK GENERATOR                                                                                                       | 0           | 0            | 250,000       | 250,000                    |             |
| 35                    | CROSS CULTURAL SEMINAR                                                                                                 | 0           | 0            | 5,000         | 5,000                      |             |
| 36                    | SYDNEY LAURENCE AUDITORIUM RENOVATION                                                                                  | 80,000      | 50,000       | 400,000       | 400,000                    |             |
| 37                    | THE APPROPRIATION FOR THE SYDNEY LAURENCE AUDITORIUM IS TO BE PAID AS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE. |             |              |               |                            |             |

1 DEVELOPMENT (CONT.)

2

3

4 ANCHORAGE RECYCLING CENTER

5 THE APPROPRIATION FOR THE RECYCLING CENTER IS TO BE PAID AS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.

6 CRAIG FIRE PREVENTION EQUIPMENT

7 THE APPROPRIATION FOR FIRE PREVENTION EQUIPMENT IS TO BE PAID AS A DIRECT GRANT TO THE MUNICIPALITY OF CRAIG.

8 \* \* \* \* \*

9 \* \* \* \* \* TRANSPORTATION \* \* \* \* \*

10 \* \* \* \* \*

11 DEPARTMENT OF PUBLIC SAFETY

12 WEIGH STATION REPAIRS

13 DEPARTMENT OF TRANSPORTATION

14 STATEWIDE TRANSPORTATION PROGRAMS

15 RUNWAY LIGHTING & NAVIGATIONAL AIDS

16 THE APPROPRIATION FUNDS IMPROVEMENTS AT THE FOLLOWING AIRPORTS: AKIAACHAK, ELIM, EMMONAK, FORT YUKON, GRAYLING, HAINES,

17 KALSKAG, KIPNUK, NEW STUYAHUK, NIGHTMUTE, NOATAK, NORRAVIK, RUBY, ST. PAUL, SAND POINT, SKAGWAY, SLEETMUTE, SHISHIMAREF,

18 IWINGNAK, STEBBINS, TANANA, TOGTAK, AND UNALASKA.

19 LOCAL GOVERNMENT REIMBURSABLE CONTRACTS

20 PUBLIC TRANSPORTATION ASSISTANCE PROGRAMS

21 SOUTHEAST REGION

22 AERIAL & RIGHT-OF-WAY SURVEY SCHOENBAR BYPASS

23 CRAWLER TRACTOR EQUIPMENT GRANT TO CRAIG

24 SKAGWAY CARCROSS HIGHWAY EQUIPMENT

25 CRAWLER TRACTOR EQUIPMENT GRANT TO HOONAH

26 GASTINEAU CHANNEL BRIDGE COMPLETION

27 CENTRAL REGION

28 NAKNEK BEACH ACCESS ROAD

29 NAKNEK RIVER CROSSING STUDY

30 IWOOPER BAY BOARDWALKS

31 IWOOPER BAY AIRPORT ROAD IMPROVEMENTS

32 UPPER KALSKAG RUNWAY EXTENSION BY 500 FEET

33 BOARDWALK CONSTRUCTION, CHEFORNAK

34 LOIS DRIVE REPAIRS GRANT TO ANCHORAGE

35 SPENARD ROAD TRAFFIC CONTROLS GRANT TO ANCHORAGE

36 THIS APPROPRIATION IS FOR TRAFFIC SIGNALS AND CHANNELIZATION OF SPENARD ROAD FROM DENSON TO NORTHERN LIGHTS.

37 STREET REPAIRS GRANT TO ANCHORAGE, DISTRICT 9

38 THIS APPROPRIATION SHALL BE EXPENDED AT THE DIRECTION OF THE SPENARD COMMUNITY COUNCIL.

|                                                  | ALLOCATIONS |              | APPROPRIATION | APPROPRIATION FUND SOURCES |             |
|--------------------------------------------------|-------------|--------------|---------------|----------------------------|-------------|
|                                                  | Y-T-D       | EXPENDITURES | ITEMS         | GENERAL FUND               | OTHER FUNDS |
| ANCHORAGE RECYCLING CENTER                       | 0           | 0            | 46,000        | 46,000                     |             |
| CRAIG FIRE PREVENTION EQUIPMENT                  | 12,800      | 12,800       | 12,800        | 12,800                     |             |
| WEIGH STATION REPAIRS                            | 4,990       | 0            | 25,000        | 25,000                     |             |
| RUNWAY LIGHTING & NAVIGATIONAL AIDS              | 0           | 0            | 460,000       | 460,000                    |             |
| LOCAL GOVERNMENT REIMBURSABLE CONTRACTS          | 11,092      | 0            | 3,000,000     |                            | 3,000,000   |
| PUBLIC TRANSPORTATION ASSISTANCE PROGRAMS        | 2,851       | 925          | 1,318,700     |                            | 1,318,700   |
| AERIAL & RIGHT-OF-WAY SURVEY SCHOENBAR BYPASS    | 50,000      | 0            | 500,000       | 500,000                    |             |
| CRAWLER TRACTOR EQUIPMENT GRANT TO CRAIG         | 50,000      | 0            | 50,000        | 50,000                     |             |
| SKAGWAY CARCROSS HIGHWAY EQUIPMENT               | 0           | 0            | 564,900       | 564,900                    |             |
| CRAWLER TRACTOR EQUIPMENT GRANT TO HOONAH        | 25,000      | 25,000       | 25,000        | 25,000                     |             |
| GASTINEAU CHANNEL BRIDGE COMPLETION              | 0           | 0            | 9,978,300     |                            | 9,978,300   |
| NAKNEK BEACH ACCESS ROAD                         | 0           | 0            | 60,000        | 60,000                     |             |
| NAKNEK RIVER CROSSING STUDY                      | 0           | 0            | 150,000       | 150,000                    |             |
| IWOOPER BAY BOARDWALKS                           | 0           | 0            | 20,000        | 20,000                     |             |
| IWOOPER BAY AIRPORT ROAD IMPROVEMENTS            | 0           | 0            | 250,000       | 250,000                    |             |
| UPPER KALSKAG RUNWAY EXTENSION BY 500 FEET       | 1,091       | 0            | 164,100       | 164,100                    |             |
| BOARDWALK CONSTRUCTION, CHEFORNAK                | 0           | 0            | 40,000        | 40,000                     |             |
| LOIS DRIVE REPAIRS GRANT TO ANCHORAGE            | 40,000      | 0            | 200,000       | 200,000                    |             |
| SPENARD ROAD TRAFFIC CONTROLS GRANT TO ANCHORAGE | 0           | 0            | 75,000        | 75,000                     |             |
| STREET REPAIRS GRANT TO ANCHORAGE, DISTRICT 9    | 40,000      | 0            | 200,000       | 200,000                    |             |

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| TRANSPORTATION (CONT.) |                                                                                                                               |         |             | APPROPRIATION | APPROPRIATION FUND SOURCES |             |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------|-------------|---------------|----------------------------|-------------|
|                        |                                                                                                                               | Y-T-D   | ALLOCATIONS | ITEMS         | GENERAL FUND               | OTHER FUNDS |
|                        | EXPENDITURES                                                                                                                  |         |             |               |                            |             |
| 1                      | TRAFFIC SIGNALS, ANCHORAGE                                                                                                    | 3,730   | 753         | 150,000       | 150,000                    |             |
| 2                      | SIGNALS ARE TO BE INSTALLED ON DIMOND BOULEVARD AT VICTOR AND ARLEEN.                                                         |         |             |               |                            |             |
| 3                      | TRAFFIC SIGNALS, 4TH & D INTERSECTION, ANCHORAGE                                                                              | 360     | 0           | 150,000       | 150,000                    |             |
| 4                      | DEARMOUN ROAD - LEVEL TWO KNOLLS                                                                                              | 2,324   | 208         | 400,000       | 400,000                    |             |
| 5                      | PAVING & LIGHTING SCHOOL ACCESS ROAD, GIRDWOOD                                                                                | 0       | 0           | 200,000       | 200,000                    |             |
| 6                      | HOT-PAVEMENT SURFACING, RABBIT CREEK ROAD                                                                                     | 149,982 | 0           | 150,000       | 150,000                    |             |
| 7                      | ROAD IMPROVEMENTS GRANT TO ANCHORAGE                                                                                          | 0       | 0           | 950,000       | 950,000                    |             |
| 8                      | IMPROVEMENTS ARE FOR THE EAGLE RIVER, MULDOON & MT. VIEW AREAS AND THE CHUGIAK, EAGLE RIVER, EAGLE RIVER VALLEY & BIRCHWOOD   |         |             |               |                            |             |
| 9                      | COMMUNITY COUNCILS SHALL DESIGNATE THE EXPENDITURES WITHIN THEIR RESPECTIVE AREAS.                                            |         |             |               |                            |             |
| 10                     | ARCTIC VALLEY ROAD ENGINEERING STUDY                                                                                          | 0       | 0           | 50,000        | 50,000                     |             |
| 11                     | KENAI PENINSULA TRANSPORTATION PLAN                                                                                           | 3,126   | 0           | 280,000       | 155,000                    | 125,000     |
| 12                     | ENGLISH BAY AIRSTRIP IMPROVEMENTS                                                                                             | 100     | 0           | 86,200        | 86,200                     |             |
| 13                     | MATANUSKA-SUSITNA BOROUGH ROAD & LIGHTING GRANTS                                                                              | 0       | 0           | 230,000       | 230,000                    |             |
| 14                     | GRANTS ARE: \$30,000 FOR PARKS HIGHWAY-WASILLA MAIN STREET INTERSECTIONS, 6 STREETLIGHTS; \$50,000 MEADOW LAKES COLLECTOR     |         |             |               |                            |             |
| 15                     | GRAVEL UPGRADE; \$20,000 MONTANA CREEK ROAD ANNEX - CASWELL LAKES GRAVEL UPGRADE; \$30,000 MONTANA ROAD ACCESS TO PARKS       |         |             |               |                            |             |
| 16                     | HIGHWAY; AND \$80,000 OILWELL ROAD UPGRADE.                                                                                   |         |             |               |                            |             |
| 17                     | CHIGNIK AIRPORT ROAD COMPLETION                                                                                               | 841     | 0           | 50,000        | 50,000                     |             |
| 18                     | PERRYVILLE AIRPORT REPAIRS                                                                                                    | 0       | 0           | 50,000        | 50,000                     |             |
| 19                     | SAND POINT AIRPORT ROAD COMPLETION                                                                                            | 1,025   | 24          | 100,000       | 100,000                    |             |
| 20                     | FALSE PASS AIRPORT REPAIRS                                                                                                    | 110,694 | 0           | 155,000       | 155,000                    |             |
| 21                     | DILLINGHAM AIRPORT PAVING COMPLETION                                                                                          | 0       | 0           | 2,402,100     |                            | 2,402,100   |
| 22                     | OIL WELL ROAD UPGRADE                                                                                                         | 0       | 0           | 50,000        | 50,000                     |             |
| 23                     | GOOSE BAY-POINT MACKENZIE ROAD                                                                                                | 171     | 0           | 1,500,000     | 1,500,000                  |             |
| 24                     | EAGLE RIVER ROAD NORTH-REPAIRS TO MILE 12                                                                                     | 0       | 0           | 1,100,000     | 1,100,000                  |             |
| 25                     | THIS APPROPRIATION IS CONTINGENT UPON THE STATE PURCHASING PARADISE HAVEN LODGE AS A VISITOR'S CENTER FOR CHUGACH STATE PARK. |         |             |               |                            |             |
| 26                     | WISCONSIN DRIVE REALIGNMENT-44TH TO SPENARD                                                                                   | 0       | 0           | 690,000       | 690,000                    |             |
| 27                     | THE APPROPRIATION SHALL BE PAID AS A GRANT TO ANCHORAGE.                                                                      |         |             |               |                            |             |
| 28                     | SPENARD ROAD SIGNALS-NORTHERN LIGHTS TO BENSON                                                                                | 0       | 0           | 130,000       | 130,000                    |             |
| 29                     | THIS APPROPRIATION SHALL BE PAID AS A GRANT TO ANCHORAGE.                                                                     |         |             |               |                            |             |
| 30                     | BLACKBERRY AREA DRAINAGE PROJECT GRANT-ANCHORAGE                                                                              | 0       | 0           | 638,000       | 638,000                    |             |
| 31                     | ALEUTIAN ISLAND FERRY STUDY                                                                                                   | 9,545   | 0           | 200,000       | 200,000                    |             |
| 32                     | THREE TRANSIT BUS PULLOUTS CONSTRUCTION GRANT                                                                                 | 0       | 0           | 60,000        | 60,000                     |             |
| 33                     | THIS APPROPRIATION SHALL BE PAID AS A GRANT TO ANCHORAGE.                                                                     |         |             |               |                            |             |
| 34                     | TRANSPORTATION OF THE HANDICAPPED, ANCHORAGE                                                                                  | 0       | 0           | 100,000       | 100,000                    |             |
| 35                     | THIS APPROPRIATION SHALL BE PAID AS A GRANT TO ANCHORAGE FOR THE PROGRAM UNDER THE REHABILITATION ACT OF 1973.                |         |             |               |                            |             |

| TRANSPORTATION (CONT.) |                                                                                                                             | ALLOCATIONS |              | APPROPRIATION | APPROPRIATION FUND SOURCES |             |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------|-------------|--------------|---------------|----------------------------|-------------|
|                        |                                                                                                                             | Y-T-D       | EXPENDITURES | ITEMS         | GENERAL FUND               | OTHER FUNDS |
| 4                      | ROADS AND PROJECTS                                                                                                          | 565,580     | 0            | 1,801,400     | 1,801,400                  |             |
| 5                      | THIS APPROPRIATION SHALL BE PAID AS A GRANT TO ANCHORAGE                                                                    |             |              |               |                            |             |
| 6                      | CATHODIC PROTECTION SYSTEM-PORT OF ANCHORAGE                                                                                | 0           | 0            | 1,000,000     | 1,000,000                  |             |
| 7                      | THIS APPROPRIATION SHALL BE PAID AS A GRANT TO ANCHORAGE.                                                                   |             |              |               |                            |             |
| 8                      | DILLINGHAM-ALEKNAGIK ROAD IMPROVEMENTS                                                                                      | 72,342      | 0            | 257,000       | 257,000                    |             |
| 9                      | DILLINGHAM-WOOD RIVER ROAD IMPROVEMENTS                                                                                     | 85,826      | 347          | 100,000       | 100,000                    |             |
| 10                     | BETHEL-NAPAKIAK ROAD CONSTRUCTION                                                                                           | 0           | 0            | 250,000       | 250,000                    |             |
| 11                     | WAREHOUSE MOUNTAIN DISPOSAL & ROAD CONSTR.                                                                                  | 15,651      | 485          | 300,000       | 300,000                    |             |
| 12                     | BIA GRADER TRANSPORTATION GRANT TO TAKOTNA                                                                                  | 0           | 0            | 5,500         | 5,500                      |             |
| 13                     | TAKOTNA AIRPORT & RUNWAY IMPROVEMENTS                                                                                       | 34,157      | 0            | 50,000        | 50,000                     |             |
| 14                     | TAKOTNA AIRPORT ROAD REROUTING                                                                                              | 30,000      | 0            | 30,000        | 30,000                     |             |
| 15                     | PORTAGE-WHITTIER TRANSPORTATION OPTIONS STUDY                                                                               | 9,623       | 5            | 200,000       | 200,000                    |             |
| 16                     | THE STUDY SHALL DETERMINE THE ECONOMIC AND ENVIRONMENTAL FEASIBILITY OF THE VARIOUS OPTIONS FOR DEVELOPING A TRANSPORTATION |             |              |               |                            |             |
| 17                     | SYSTEM FROM PORTAGE TO WHITTIER, INCLUDING THE BEAR VALLEY ROAD. THE DEPARTMENT SHALL PRESENT ITS FINDINGS TO THE           |             |              |               |                            |             |
| 18                     | LEGISLATURE BY THE 10TH DAY OF THE SECOND SESSION OF THE ELEVENTH LEGISLATURE.                                              |             |              |               |                            |             |
| 19                     | BETHEL HEIGHTS-AIRPORT ROAD CONSTRUCTION                                                                                    | 300,000     | 100,000      | 300,000       | 300,000                    |             |
| 20                     | BETHEL AIRPORT-STRENGTHEN APRON & WIDEN TAXIWAY                                                                             | 0           | 0            | 800,000       | 96,000                     | 704,000     |
| 21                     | GRAVEL FOR STREETS-GRANT TO CITY OF BETHEL                                                                                  | 0           | 0            | 100,000       | 100,000                    |             |
| 22                     | SPRUCE CAPE-MISSION ROAD SURFACING                                                                                          | 4,268       | 0            | 335,000       | 335,000                    |             |
| 23                     | TWIN HILLS ROAD                                                                                                             | 2,380       | 278          | 250,000       | 250,000                    |             |
| 24                     | SOUTHCENTRAL REGION                                                                                                         |             |              |               |                            |             |
| 25                     | VALDEZ AIRPORT RUNWAY EXTENSION & LIGHTING                                                                                  | 0           | 0            | 2,900,000     | 400,000                    | 2,500,000   |
| 26                     | TOK HIGHWAY MILE 72-83 IMPROVEMENTS                                                                                         | 720,699     | 1,056        | 8,750,000     | 750,000                    | 8,000,000   |
| 27                     | THIS PROJECT SHALL BE GIVEN THE HIGHEST PRIORITY WITHIN THE REGION.                                                         |             |              |               |                            |             |
| 28                     | INTERIOR REGION                                                                                                             |             |              |               |                            |             |
| 29                     | SIDEWALKS & LIGHTS GRANT TO NORTH POLE                                                                                      | 77,055      | 0            | 78,000        | 78,000                     |             |
| 30                     | YUKON RIVER FERRY ECONOMIC ANALYSIS                                                                                         | 0           | 0            | 90,000        | 90,000                     |             |
| 31                     | PARKING GARAGE/PEDESTRIAN WALKWAY DESIGN STUDY                                                                              | 0           | 0            | 100,000       | 100,000                    |             |
| 32                     | THIS APPROPRIATION SHALL BE PAID AS A GRANT TO THE FAIRBANKS NORTH STAR BOROUGH.                                            |             |              |               |                            |             |
| 33                     | LOCAL SERVICE ROADS & TRAILS GRANT TO FAIRBANKS                                                                             | 0           | 0            | 550,000       | 550,000                    |             |
| 34                     | THIS APPROPRIATION SHALL BE PAID AS A GRANT TO THE FAIRBANKS NORTH STAR BOROUGH.                                            |             |              |               |                            |             |
| 35                     | ROAD UPGRADING GRANT TO DELTA JUNCTION                                                                                      | 0           | 0            | 100,000       | 100,000                    |             |
| 36                     | RESURFACE 800 FEET OF CENTRAL AIRSTRIP                                                                                      | 7,949       | 1,378        | 280,000       | 280,000                    |             |
| 37                     | ACCESS ROAD-STEESSE HIGHWAY TO BIRCH CREEK                                                                                  | 2,384       | 0            | 90,000        | 90,000                     |             |

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| TRANSPORTATION (CONT.) |                                                                                  |                                | APPROPRIATION | APPROPRIATION | FUND SOURCES |
|------------------------|----------------------------------------------------------------------------------|--------------------------------|---------------|---------------|--------------|
|                        |                                                                                  | ALLOCATIONS                    | ITEMS         | GENERAL FUND  | OTHER FUNDS  |
|                        |                                                                                  | Y-T-D EXPENDITURES             |               |               |              |
| 4                      | CHIPS AND OIL ROAD IMPROVEMENT PROJECT                                           |                                | 292,500       | 292,500       |              |
| 5                      | THIS APPROPRIATION SHALL BE PAID AS A GRANT TO THE FAIRBANKS NORTH STAR BOROUGH. |                                |               |               |              |
| 6                      | TANANA-GRAVEL FOR ROADS                                                          |                                | 35,000        | 35,000        |              |
| 7                      | FORT YUKON COMMON USE MAINTENANCE FACILITY                                       |                                | 250,000       | 250,000       |              |
| 8                      | AIRPORT IMPROVEMENTS AT RUBY                                                     | 4,542                          | 184           | 202,600       | 202,600      |
| 9                      | NULATO ROAD IMPROVEMENTS                                                         | 128,211                        |               | 175,000       | 175,000      |
| 10                     | NORTH STAR BOROUGH BRIDLE PATHS                                                  |                                |               | 100,000       | 100,000      |
| 11                     | WESTERN REGION                                                                   |                                |               |               |              |
| 12                     | SHAGELUK ROAD IMPROVEMENTS                                                       |                                |               | 36,000        | 36,000       |
| 13                     | SADIE CREEK BRIDGE GRANT TO KOTZEBUE                                             |                                |               | 100,000       | 100,000      |
| 14                     | DUST CONTROL GRANT TO KOTZEBUE                                                   | 10,000                         | 10,000        | 10,000        | 10,000       |
| 15                     | NOME-KOTZEBUE ROAD FEASIBILITY STUDY                                             | 12,541                         |               | 50,000        | 50,000       |
| 16                     | NOME-COUNCIL ROAD RECONSTRUCTION                                                 |                                |               | 3,000,000     | 3,000,000    |
| 17                     | ALAKANUK ROAD CONSTRUCTION                                                       |                                |               | 600,000       | 600,000      |
| 18                     | ICY VIEW LOOP ROAD WINTER MAINTENANCE                                            |                                |               | 5,000         | 5,000        |
| 19                     | ANCHORAGE INTERNATIONAL AIRPORT                                                  |                                |               | 16,065,000    | 16,065,000   |
| 20                     | INTERNATIONAL TERMINAL                                                           | 32,144                         | 15,500,000    |               |              |
| 21                     | EQUIPMENT                                                                        |                                | 215,000       |               |              |
| 22                     | SKID RESISTANT SEAL,                                                             | 2,931                          | 350,000       |               |              |
| 23                     | *****                                                                            |                                |               |               |              |
| 24                     | ***** GENERAL GOVERNMENT *****                                                   |                                |               |               |              |
| 25                     | *****                                                                            |                                |               |               |              |
| 26                     | OFFICE OF THE GOVERNOR                                                           |                                |               |               |              |
| 27                     | EXECUTIVE OFFICE                                                                 |                                |               |               |              |
| 28                     | NATIONAL COMMUNICATIONS ON D-2                                                   | Merged with Prior Year Approp. |               | 300,000       | 300,000      |
| 29                     | LIEUTENANT GOVERNOR                                                              |                                |               |               |              |
| 30                     | CAPITOL BUILDING, SPACE RENOVATION/MOVING/RENT                                   | 31,480                         | 25,338        | 102,400       | 102,400      |
| 31                     | DEPARTMENT OF ADMINISTRATION                                                     |                                |               |               |              |
| 32                     | DATA PROCESSING                                                                  |                                |               |               |              |
| 33                     | TELECOMMUNICATIONS NETWORK CONTROL SYSTEM                                        |                                |               | 40,000        | 40,000       |
| 34                     | RETIREMENT & BENEFITS                                                            |                                |               |               |              |
| 35                     | SYSTEMS DEVELOPMENT                                                              |                                |               | 450,000       | 450,000      |
| 36                     | LEASING AND FACILITIES                                                           |                                |               |               |              |
| 37                     | EMPLOYEE HOUSING MAINTENANCE                                                     | 80,481                         | 5,978         | 250,000       | 250,000      |

Attachment 1

1 GENERAL GOVERNMENT (CONT.)

2

3

4 DEPARTMENT OF LAW

5 LEGAL SERVICES

6 CAPITOL BUILDING, SPACE RENOVATION AND MOVING 0 0 100,000 100,000

7 DEPARTMENT OF TRANSPORTATION

8 ENERGY AND FIRE PROTECTION DEMO PROJECTS 0 0 250,000 250,000

9 PUBLIC FACILITIES

10 CAPITOL/COURT BUILDING ENCLOSED ELEVATED WALKWAY 1,071 0 477,000\*\* 477,000

11 BUILDINGS MAINTENANCE AND OPERATIONS 500,000 500,000

12 ROOF REHABILITATION STATEWIDE 650 0 350,000

13 HEATING & AIR CONDITIONING MAINTENANCE 1,534 0 150,000

14 LANDSCAPE/GARDENING, FAIRBANKS STATE FACILITIES 5,890 236 135,000 135,000

15 THE \$135,000 APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, BUILDINGS MAINTENANCE AND OPERATIONS IS

16 FOR LANDSCAPING AND GARDENING AT THE FOLLOWING FAIRBANKS FACILITIES: STATE OFFICE BUILDING, STATE COURT BUILDING, STATE

17 PARKING GARAGE, AND THE PIONEERS HOME. IT IS THE INTENT OF THE LEGISLATURE THAT THESE LANDSCAPING AND GARDENING PROJECTS ARE

18 TO PROVIDE SEASONAL EMPLOYMENT FOR THE FAIRBANKS' UNEMPLOYED; AND

19 IT IS THE INTENT OF THE LEGISLATURE THAT, TO THE EXTENT POSSIBLE, LANDSCAPING AND GARDENING AT THE FAIRBANKS' PIONEER HOME BE

20 EFFECTED BY RESIDENTS OF THE HOME.

21 MULCAHY SPORTS COMPLEX PARKING LOT PAVING 0 0 50,000 50,000

22 THIS APPROPRIATION OF \$50,000 IS FOR PAVING THE PARKING AREA AROUND MULCAHY SPORTS COMPLEX, ANCHORAGE.

23 MULCAHY SPORTS COMPLEX DOME STUDY 0 0 25,000 25,000

24 THIS APPROPRIATION OF \$25,000 IS FOR A FEASIBILITY STUDY OF CONSTRUCTING A DOME OVER THE MULCAHY SPORTS COMPLEX, ANCHORAGE.

25 COMMUNICATIONS

26 DILLINGHAM TRANSLATOR REPAIR, TRAVEL, PARTS 875 60 10,000 10,000

27 THIS \$10,000 APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, COMMUNICATIONS, IS FOR DILLINGHAM

28 TRANSLATOR REPAIR, TRAVEL, AND SPARE PARTS.

29 TAKOTNA EARTH STATION/TRANSMITTER INSTALLATION 0 0 62,500 62,500

30 NIKOLAI EARTH STATION/TRANSMITTER INSTALLATION 0 0 62,500 62,500

31 CANTWELL, INSTALL TV TRANSLATOR 0 0 50,000 50,000

32 THIS \$50,000 APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, COMMUNICATIONS, IS FOR THE PURCHASE AND

33 INSTALLATION OF A TELEVISION TRANSLATOR AT CANTWELL.

34 CHISTOCHINA, WILLOW MOUNTAIN, GAKONA TRANSLATORS 846 484 75,000 75,000

35 THIS \$75,000 APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, COMMUNICATIONS, IS FOR THE PURCHASE AND

36 INSTALLATION OF TELEVISION TRANSLATORS FOR CHISTOCHINA, WILLOW MOUNTAIN, AND GAKONA.

37 TV TRANSLATORS, COPPER VALLEY 3,897 0 75,000 75,000

38 THIS \$75,000 APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, COMMUNICATIONS, IS FOR THE PURCHASE AND

39 INSTALLATION OF TELEVISION TRANSLATORS TO IMPROVE TELEVISION RECEPTION IN THE COPPER VALLEY REGION.

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FCCSSB 53

\*\* DOT has appropriation of \$37,000 on the books.

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Attachment 1

1 GENERAL GOVERNMENT (CONT.)

|                            | ALLOCATIONS |              | APPROPRIATION | APPROPRIATION FUND SOURCES |             |
|----------------------------|-------------|--------------|---------------|----------------------------|-------------|
|                            | Y-T-D       | EXPENDITURES | ITEMS         | GENERAL FUND               | OTHER FUNDS |
| 4 HOONAH EARTH STATION     | 0           | 0            | 30,000        | 30,000                     |             |
| 5 STATE EQUIPMENT FLEET    |             |              | 9,785,900     |                            | 9,785,900   |
| 6 YARD EQUIPMENT           | 0           | 0            | 118,200       |                            |             |
| 7 COMPUTER TERMINALS       | 0           | 0            | 30,600        |                            |             |
| 8 REPLACEMENT OF EQUIPMENT | 32,065      | 32,245       | 9,637,100     |                            |             |

9 LEGISLATURE

10 LEGISLATIVE RESEARCH

|                                                   |                              |         |         |
|---------------------------------------------------|------------------------------|---------|---------|
| 11 FISH QUALITY MARKETING STUDY                   | Combined in Operating Budget | 75,000  | 75,000  |
| 12 NORTH SLOPE NATURAL GAS POWER GENERATION STUDY | " " " "                      | 150,000 | 150,000 |

13 THE SUM OF \$150,000 IS APPROPRIATED TO THE RESEARCH DIVISION OF THE LEGISLATIVE AFFAIRS AGENCY FOR A STUDY TO EXAMINE THE  
 14 ECONOMIC AND ENGINEERING FEASIBILITY OF USING NORTH SLOPE NATURAL GAS FOR IN-STATE POWER GENERATION AND/OR RESIDENTIAL AND  
 15 COMMERCIAL USE, AND TO DEVELOP INFORMATION FOR USE BY THE STATE IN REGULATORY PROCEEDINGS RELATED TO NORTH SLOPE NATURAL GAS.  
 16 THE \$150,000 APPROPRIATED TO THE RESEARCH DIVISION OF THE LEGISLATIVE AFFAIRS AGENCY IS AN ESTIMATE, AND THE ACTUAL  
 17 APPROPRIATION MAY NOT EXCEED THE AMOUNT LAPSED FROM THE APPROPRIATION OF \$300,000 FOR SJR 50 IN SECTION 13, CHAPTER 113, SLA  
 18 1978.

19 LEGISLATIVE COUNCIL

|                                            |                              |        |        |
|--------------------------------------------|------------------------------|--------|--------|
| 20 STUDY, LICENSED GUIDES - ALASKA NATIVES | Combined in Operating Budget | 30,000 | 30,000 |
|--------------------------------------------|------------------------------|--------|--------|

21 THIS \$30,000 APPROPRIATION TO THE LEGISLATIVE AFFAIRS AGENCY, LEGISLATIVE COUNCIL, IS FOR A STUDY RELATING TO PROBLEMS  
 22 EXPERIENCED BY ALASKA NATIVES IN BECOMING LICENSED GUIDES.

23 LEGISLATIVE ADMINISTRATIVE SERVICES

|                                    |         |        |         |         |
|------------------------------------|---------|--------|---------|---------|
| 24 COURT BUILDING SPACE Renovation | 152,339 | 23,020 | 130,000 | 130,000 |
|------------------------------------|---------|--------|---------|---------|

25 LEGISLATIVE FINANCE DIVISION

|                                      |     |   |         |         |
|--------------------------------------|-----|---|---------|---------|
| 26 CAPITOL BUILDING, 4th Flr. Renov. | 708 | 0 | 200,000 | 200,000 |
|--------------------------------------|-----|---|---------|---------|

27 ALL SPACE ON THE FOURTH FLOOR OF THE CAPITOL BUILDING SHALL BE ASSIGNED TO THE LEGISLATIVE FINANCE DIVISION AND SHALL BE  
 28 UNDER THE CONTROL OF THE LEGISLATIVE FINANCE DIVISION.

29 \* SEC. 26 THE FOLLOWING LIST SETS OUT THE FUNDING OF APPROPRIATIONS MADE IN THE PRECEDING SECTIONS OF THIS ACT. THE LIST  
 30 IS ARRANGED IN PROGRAM CATEGORY ORDER AND IS INCLUDED FOR INFORMATIONAL PURPOSES ONLY.

31 EDUCATION

|                                           |             |
|-------------------------------------------|-------------|
| 32 FEDERAL RECEIPTS                       | 23,863,000  |
| 33 GENERAL FUND MATCH                     | 1,848,600   |
| 34 GENERAL FUND                           | 333,928,600 |
| 35 INTER-AGENCY RECEIPTS                  | 2,543,700   |
| 36 PROGRAM RECEIPTS                       | 1,116,700   |
| 37 SCHOOL FUND (CIGARETTE TAX)            | 2,003,200   |
| 38 DONATED COMMODITY HANDLING FEE ACCOUNT | 85,700      |

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Attachment 1

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

June 1, 1979

The Honorable Clem Tillion  
President of the Senate  
The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

RE: FCCS SB 53  
CHAPTER 80

Dear Mr. President and Mr. Speaker:

I am today signing Free Conference Committee Substitute for Senate Bill 53 into law. For the first time in four years the legislature has passed an appropriation bill beneath the ceiling I presented to them in my budget message. This is a most significant precedent and one which I encouraged by assuring the legislature that so long as administrative priorities were accommodated, I would not be forced to veto legislative programs falling beneath such ceiling. While I may not agree with some of the specific uses proposed for these funds, compared to those proposed in my budget, joint acceptance by the legislature and administration of a budget ceiling is a far greater consideration.

I am, however, vetoing a portion of Section 15 of this bill, which would have amended Sections 1 and 2 of chapter 2, SLA 1978 by reducing the appropriation made last year to the Department of Transportation and Public Facilities for delineation of a utility corridor and right-of-way extension of the Alaskan Railroad to the Canadian border from \$865,000 to \$600,000. This section then appropriated \$265,000 to the Legislative Council for a similar purpose which I have allowed to stand. The Department of Transportation and Public Facilities had already obligated the majority of these funds when the Free Conference Committee on the budget was taking this action and, therefore, these funds are not available for lapse.

## APPENDIX

### Review of Riders on FY 80 General Appropriations Bill May 17, 1979

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#### OPERATIONAL BUDGET.

1. Positions. After many of the entries indicating the purpose of an appropriation is a parenthetical indicating a number of positions, i.e., permanent personnel. Appropriation bills must be confined to appropriations. Alaska Const., art. II, § 13. Fixing the numbers of positions in various offices is not an appropriation. Accordingly, these parentheticals are treated as informational, reflecting a likely understanding, but not having the force of law.

2. Page 9, lines 16-19 \*/ (Capital '80): An appropriation bill must be confined to appropriations. Alaska Const., art. II, § 13. The Fiscal Procedures Act covers purchases of goods and services by all state agencies. AS 27.05.220-280, 320(2). The rider on lines 12-13 cannot be construed to amend the Fiscal Procedures Act.

3. Page 11, lines 25-28, 30-33 (University of Alaska): This rider would require a transfer of \$125,000 from the "UNIVERSITY PLANT FUND TO THIS APPROPRIATION AS PROGRAM RECEIPTS FROM EXCESS COLLECTIONS OF DEDICATED REVENUE BOND FEES." The university has title to all its personal property. Alaska Const., art. VII, § 2. Its property is to be managed and disposed of as provided by law. Id. There is nothing in AS 14.40.280--450 which provides for the university to match appropriations from the general fund with money from one or another of its funds or accounts. Because it must be confined to appropriations, it is unlikely that an appropriation bill can be used to achieve that effect. The appropriation probably can be made conditional on a match from the university's own money. Specifying the source, however, gets into managing the university's money directly, and probably goes too far to be valid as a condition.

4. Page 12, lines 5-13, 17-25 (University of Alaska): This

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\*/ Page references are to the print of the bill as it will appear as a session law. The print is longer (84 pages) than the bill (71 pages) due to printing style differences. Thus, for example, page 56 of the print is page 47 of the bill.

# **CORRECTION**

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

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

June 1, 1979

The Honorable Clem Tillion  
President of the Senate  
The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

RE: FCCS SB 53  
CHAPTER 80

Dear Mr. President and Mr. Speaker:

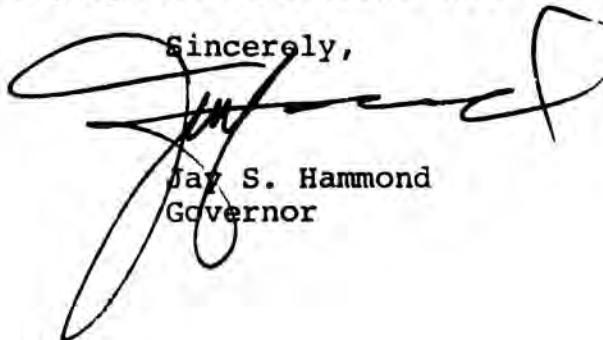
I am today signing Free Conference Committee Substitute for Senate Bill 53 into law. For the first time in four years the legislature has passed an appropriation bill beneath the ceiling I presented to them in my budget message. This is a most significant precedent and one which I encouraged by assuring the legislature that so long as administrative priorities were accommodated, I would not be forced to veto legislative programs falling beneath such ceiling. While I may not agree with some of the specific uses proposed for these funds, compared to those proposed in my budget, joint acceptance by the legislature and administration of a budget ceiling is a far greater consideration.

I am, however, vetoing a portion of Section 15 of this bill, which would have amended Sections 1 and 2 of chapter 2, SLA 1978 by reducing the appropriation made last year to the Department of Transportation and Public Facilities for delineation of a utility corridor and right-of-way extension of the Alaskan Railroad to the Canadian border from \$865,000 to \$600,000. This section then appropriated \$265,000 to the Legislative Council for a similar purpose which I have allowed to stand. The Department of Transportation and Public Facilities had already obligated the majority of these funds when the Free Conference Committee on the budget was taking this action and, therefore, these funds are not available for lapse.

In addition to this veto, I feel I must notify you that there are other sections and "riders" that you placed in the bill which are not legally binding. Since these are not binding, I have -- with notable exception of the bill of attainder at page 18 -- not lined them out in the bill, but I am attaching the review of the bill performed by the Department of Law which outlines the legal responsibilities imposed by the various "riders." As you will note when you read this attachment, many of the "riders" that were placed in the bill have no legal force and in other cases are in direct violation of existing law. Of course, state agencies must follow existing law when there is a conflict between the "rider" and other statutes.

The bill in Section 20 contains language that would lead the public, and perhaps some legislators, to believe that there would be no reduction in services below the level provided in fiscal 1979. This is simply not the case. While the budget I submitted could have retained such service levels, because the legislature shifted funds from my proposed operational budget to capital projects there will be a decrease in certain services. State agencies will, of course, attempt to minimize the service reductions, but there needs to be an understanding that service and employment reductions will occur.

Sincerely,

A large, stylized handwritten signature in black ink, likely belonging to Jay S. Hammond, is written over the typed name and title.

Jay S. Hammond  
Governor

## APPENDIX

### Review of Riders on FY 80 General Appropriations Bill May 17, 1979

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#### OPERATIONAL BUDGET.

1. Positions. After many of the entries indicating the purpose of an appropriation is a parenthetical indicating a number of positions, i.e., permanent personnel. Appropriation bills must be confined to appropriations. Alaska Const., art. II, § 13. Fixing the numbers of positions in various offices is not an appropriation. Accordingly, these parentheticals are treated as informational, reflecting a likely understanding, but not having the force of law.

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rider contains a conditional exception to the statutory prohibition against making transfers between appropriations. Generally, an appropriation cannot amend other, substantive law. There are two reasons why the provisions here are probably valid. One, the exception made by them is one recognized by case law at any event. Even without these provisions, a reorganization which combined the two units to which the money was appropriated would result in the money's being combined. Two, the subject of the substantive law is appropriations; therefore, the bill is acting only on appropriations and does not exceed the constitutional restriction.

5. Page 13, lines 7-10 (University of Alaska): This is the same as 3, above, i.e., probably over intrusive and invalid. A less intrusive condition requiring a match from the university probably would be valid.

6. Page 13, line 21 (Ketchikan Community College): This is an explanatory item within an allocation and has no real effect.

7. Page 15, lines 20-24 (U of A, Mineral Industry Research Laboratory): The provisions in this rider for lapsing money in the event of a shortfall in the receipt of matching monies appear to duplicate the provisions of section 3 of the bill.

8. Page 16, lines 23-30 (Child Support Enforcement): This rider conditions the expenditure of funds on their not being used to invade constitutionally protected rights. It is directly and substantially related to the appropriation, and therefore, is valid.

9. Page 17, lines 14-16. (Youth Services): The use of the appropriations bill for pass-through grants where a grants program has not been established by law creates both legal and administrative problems because of the absence of standards for determining recipients and amounts. For example, if there are entities similarly situated to the named grantees which are ready, willing, and able to perform the same services, how is one selected and the other not. Does that deny equal protection. Is the legislature by selecting out a single, identified entity to perform a service for a specific amount of money actually contracting for the state for it. Does that violate the separation of powers. The Fiscal Procedures Act. Grants to municipalities (or their agencies) are clearly permissible; they are the state's political subdivisions. But grants to others must be treated as appropriations for contractual services and the provisions of the Fiscal Procedures Act must be followed.

10. Page 17, lines 18-31 (Adult Supportive Services): These

provisions create the same problems as 9, above. Of course, many of the named recipients provide a singular service, and it can be argued that, as a practical matter, each constitutes a single source. However, under ordinary and customary practice, the state agencies would make requests for proposals and by doing so could create additional sources. As a result, legislative identification of the grantee evades the requirements of the Fiscal Procedures Act. Because this bill cannot amend that Act, its provisions must be followed.

11. Page 18, lines 5-7 (Social Services, Southern Region): This appropriation bill cannot be used to impose a legal requirement that there be a night in-take program at Ketchikan. These provisions are valid as a statement of intent and are entitled to great weight. They also afford ample reason for the agency administrators to assume that the elimination of the program will be followed by a reduction in the appropriation by an amount equal to support two positions.

12. Page 18, lines 8-10 (Social Services, Southern Region): What is true for Ketchikan is also true for Wrangell. This appropriation bill cannot dictate the staffing of the Wrangell office.

13. Page 18, lines 13-16 (Social Services, Central Office): So too, no appropriation is made by a provision, such as in the rider here, relating to deleting a position. Moreover, since this rider applies to a clearly ascertainable person, and is clearly intended as a punishment, it is a bill of attainder prohibited by the constitution. United States v. Lovett, 328 U.S. 303, 315 (1946). Its invalidity is beyond reasonable dispute.

14. Page 18, lines 21-24 (Office on Aging): This is another grant where the selection of the grantee must follow the Fiscal Procedures Act as discussed in 9, above.

15. Page 18, lines 26-27 (Grants): Same problem.

16. Page 19, lines 9-12 (Internal Audit): The Legislative Auditor probably should be funded directly by program receipts rather than by a rider for these and similar audits.

17. Page 20, lines 17-20 (Social Services, CETA): This provision creates the grants problem discussed in 9, above.

18. Page 20, lines 21-37 (Adventure-Based Education Program): Notwithstanding the need for prompt action expressed by these provisions, the agency's administrators must comply with the applicable law covering contracts for goods and services. It is not the agency's fault that this appropriation came so late in the year. The directive to encumber

\$25,000 and transfer the money from other appropriations is of dubious validity. It does not effect a transfer by law as has been done in other bills this year.

19. Page 21, lines 28-29, 37-38 (Handicapped Children and Regional Labs): The direct grant raises the questions raised in 9, above.

20. Page 22, lines 7-13 (Public Health Administration): Same.

21. Page 23, lines 16-21 (Alcohol Abuse): The direct grants, because they are made to a municipality, are valid items.

22. Page 23, lines 30-34 (Mental Health): To the extent the grants are to municipalities, they are valid. To others, section 9, above, applies.

23. Page 24, lines 5-8 (Residential Care): Same.

24. Page 24, lines 10-15 (Family Support): Same.

25. Page 24, lines 20-21 (Mental Health): Same.

26. Page 25, lines 10-19 (Natural Resource Administration): Partial funding is patently inconsistent with the Executive Budget Act. This comment will not be repeated with respect to other agencies which are also partially funded.

27. Page 26, lines 35-38 (Commercial Fisheries): This appropriation bill cannot be used to set the staffing for Haines or Dillingham. This "condition" is invalid.

28. Page 27, lines 19-27 (Admin. and Support): The direct grants raise the questions discussed in 9, above. Contracts for performing the specific projects must be let under applicable law.

29. Page 27, lines 33-35 (Investigations and Research): Same as 27, above.

30. Page 30, lines 33-35 (Occupational Licensing): As this rider does, an appropriation bill can set the period for which an appropriation is made and it need not be the same as others in the same bill. Alaska Const., art. IX, § 13.

31. Page 31, lines 37-39 (Highway Safety): Same.

32. Page 32, lines 30-32 (Criminal Justice Planning): Same.

33. Page 35, lines 35-39 and page 36, lines 4-24 (Renewable Resources Board): While these provisions, being part of an

appropriations bill, can have no lawful force or effect, they constitute a valid statement of the legislature's wishes and should be responded to accordingly.

34. Page 36, lines 36-39 and page 37, line 4 (Economic Enterprise): The problem with this provision is that the \$65,000 appropriation referred to is not one expressly contained in the bill. Nevertheless, Budget and Management should be able to see that the sums come out as intended by the legislature.

35. Page 37, lines 19-21 (Tourism): Again, the direct grants must be governed by law as discussed in 9, above.

36. Page 38, lines 10-13 (Community Planning): Same.

37. Page 39, lines 5-10 (DOT/PF Commissioner's Office): These provisions add nothing to the existing law and, being part of an appropriations bill, cannot impose a legal duty on the commissioner beyond that imposed by existing laws.

38. Page 39, lines 28-36 (M & O, Administration): These provisions cannot compel the department to contract with the railroad for the specified service. This is an invalid rider on an appropriations bill.

39. Page 40, lines 14-19 (Highways): Nor can a rider be attached to provide for road maintenance on an off-system road in violation of existing law. The money probably could be used to support ferry service.

40. Page 40, lines 31-34 (Airports): The rider for a direct grant for air-taxi mail delivery raises the problems discussed in 9, above.

41. Page 42, lines 5-23 (Executive Office): The rider requiring the Governor to report on the consolidation of certain functions has no legal force or effect. The Governor can, of course, honor the rider as a request.

42. Page 42, lines 28-34 (Budget & Management): This rider, being part of an appropriation bill, has no legal force or effect. Moreover, insofar as it would intrude the legislative branch into the exercise of a power over the budget vested exclusively by the constitution in the executive, it would probably be invalid even if enacted as a separate law.

43. Page 43, lines 6-9 (Internal Audit): A rider in an appropriations bill cannot be used to effect a transfer of an agency or function between the principal departments of the executive branch. Accordingly, this is an invalid condition. The function of the Internal Auditor is not, however, placed

in the Department of Administration by law; and therefore, the Governor has authority to relocate it.

44. Page 43, lines 10-13 (Internal Audit): A rider on an appropriations bill cannot establish a legal duty. Nevertheless, duplication of functions by the executive and legislative auditors should be avoided.

45. Page 43, lines 16-20 (Bethel Office): The legislature may refuse to fund a given function, and when it does, that will generally be the end of it. The rider here, however, has no effect on the Governor's use of his contingency fund, which may be used to fund a trouble shooter at Bethel. Additionally, the legislature's power to refuse funding cannot be used to inflict a punishment, for to do so would make the rider an unconstitutional bill of attainder.

46. Page 43, lines 25-30 (HWCF Services): This is merely an explanation of an accounting adjustment.

47. Page 43, lines 34-38 (U of A Audit): This rider has no legal force or effect.

48. Page 44, lines 6-18 (Salary Increases): This rider has no legal force or effect. Neither the executive nor legislative branches are bound by it. Nevertheless, it is a valid statement of the consensus of the 11th State Legislature and entitled to great deference and respect.

49. Page 44, lines 26-32 (Risk Management): It is highly unlikely that a \$13.6 million appropriation for insurance, half of which will be expended before the so-called condition can occur, will be held to be conditioned on a report concerning four positions. This rider merely illustrates how any requirement can be stated as a condition.

50. Page 44, lines 35-39 and page 45, line 4 (General Services): The rider requiring the Departments of Administration and of Transportation and Public Facilities to establish joint car rental policies can have no legal effect.

51. Page 45, lines 13-17 (Data Processing): This rider appears to make storage space a purpose of the FY 79 appropriation for data processing. In effect, it amends last year's appropriation bill. That is almost certainly permissible.

52. Page 45, lines 19-38 and page 46, lines 4-9 (Data Processing): This rider appears to both explain and reflect an adjustment by the legislature in the budget for data processing. It relates directly and solely to appropriations, and therefore, is valid.

53. Page 46, lines 23-26 (FERC Proceedings): This language provides for a lapse of the appropriation when the tariff proceedings terminate. It is valid.

54. Page 46, lines 33-36 (Permanent Fund Management): This is a similar provision for a lapse.

55. Page 47, lines 23-31 (Procurement): This language specifies the period of a portion of the appropriation. That is valid.

56. Page 47, lines 32-35 (Tenakee Health Center): This rider has no legal force or effect.

57. Page 47, lines 36-39 and page 48, lines 4-5 (Combined Facilities): This rider has no legal force or effect.

58. Page 48, lines 17-19 (Communications): This rider has no legal effect, but it is a proper statement of legislative intent, as are similar riders mentioned above and below. Ordinarily, it is the kind of statement which is placed in a committee report, as are many of this bill's riders.

59. Page 48, lines 21-25 (Communications): This rider has no legal force or effect.

60. Page 48, lines 29-37 (Communications): The breakdown of the appropriation item contained in this rider does not impose a legal restriction on the use of the appropriated money.

61. Page 49, lines 4-19 (Television): These riders place no legal duty on anyone to do anything.

62. Page 49, lines 20-38 (Television): This rider appears to state that, notwithstanding the actual apparent appropriation of \$2,170,815 for television, the agency should spend \$2,553,000, the "full funding" for FY 80. Unfortunately, the language does not parallel that used by other riders which clearly state the legislature's intent to fund at a higher level than the amount appropriated in the bill. Accordingly, that intent probably cannot be inferred, and the expenditures cannot be made, absent some other evidence of it.

63. Page 50, lines 11-19 (Vehicle Repairs and Rentals): These riders have no legal force or effect.

64. Page 50, lines 24-27 (Audits): This rider has no legal force or effect.

65. Page 51, lines 5-35 (Legislative Council): This rider

is explanatory and has no legal effect. Again, it is the kind of material which ordinarily appears in a committee report.

#### CAPITAL BUDGET.

66. Page 55, lines 8 and 19 (Election District): The indication of election districts is informational only. An error in district designation has no effect on the appropriation or its expenditure.

67. Page 60, lines 18-27, 32, 36, etc. (Grants): The capital budget, like the operating budget, includes a large number of "grants" to nongovernmental entities for services or facilities or both. The same questions raised under 9, above, are raised by the "grants" in this portion of the bill. They will have to be handled as discussed in 9, above, i.e., under applicable statutes, most particularly the Fiscal Procedures Act and the Public Facilities Procurement Act.

68. Page 62, lines 29-30 (Sutton Community Building): There is no municipality of Sutton, and the "community of Sutton" is not a juridicial entity with which the state can transact business. It appears, therefore, that the agency must, in this and similar situations, seek out a responsible group or association in the community to be responsible legally for the community building, and to contract with the state for the money.

69. Page 63, lines 20-22 (St. James Mission): There is a City of Tanana. Presumably, the grant is to it. The purpose of the grant, rehabilitation of a mission, raises establishment of religion problems. In order to expend public funds, it must be for a non-religious purpose.

70. Page 63, lines 23-26 (Gateway R.E.A.A.): Direct grants to the named villages raise public purpose questions. This appropriation appears to be to the Department of Natural Resources for Parks and Recreation (page 62, lines 4-5) for the Gateway REAA, to be divided among five communities. No purpose is stated. Presumably it relates to recreation. The agency and the intended recipients are, however, apparently left to devise a purpose. This is almost certainly an overly broad and unconstitutional delegation of the power of appropriation. It appears that the bill contains a large number of such items. Unless there is some legislative documentation of the purpose of these grants, they raise real questions of validity.

71. Page 66, lines 9-12 (Commercial Fisheries and Agriculture Bank): The rider's explanatory material limits the appropriation. It is a valid limitation, relating solely and directly to the appropriation.

72. Page 66, lines 22-29 (AHFC Mobile Homes): This rider states an "intent" rather than a condition. "Legislative intention without more is not legislation." Train v. City of New York, 420 U.S. 35, 45 (1975). Had the legislature intended to make \$1 million solely available for a mortgage insurance for mortgage financing for mobile homes, it would have appropriated it that way. A statement of intent must be perceived as a lesser restriction.

73. Page 68, lines 8-13 (Farm Projects): These are more examples of the problems discussed above in 9 relating to legislatively prescribed, non-governmental grantees.

74. Page 68, lines 15, 17-35 (Grants): Same.

75. Page 70, lines 23-26 (Firehalls): Volunteer fire departments fall into a category which is quite close to municipalities. They probably constitute de facto service areas in the unorganized borough, and because of the statutorily prescribed governmental functions they perform, may well be de jure service areas. Grants to them should, therefore, be treated much the same as grants to municipalities.

76. Page 70, lines 30-33, 34-36, 37-39 (Grants): While these riders name entities within municipalities, it is best to infer that they are part of the object or purpose of the appropriation and that the grant is to the respective municipalities for those purposes, e.g., for recreational facilities in Spenard.

77. Page 71, lines 7-9 (Grant): The grant to the Thomas Bay Power Authority raises questions concerning its purpose. If there is no legislative documentation on the purpose, it may well be an invalid appropriation.

78. Page 71, lines 21-24 (Takotna Grant): Takotna does not appear to be a city. If not, the grant must be handled so as to ensure its expenditure is for a public purpose and not for private benefit.

79. Page 73, lines 13-15, 16-18 (Grants): Chalkyitsik and Cantwell were not incorporated cities as of 1978. Where a grantee does not exist, the grant probably fails. Legislative documentation (or lack of it) should be determinative.

80. Page 73, lines 22-24 (Grants): Healy Lake was not an

incorporated city in 1978.

81. Page 73, lines 31-35 (Grants): These grants may be too indefinite as to recipient and purpose to be valid constitutionally. It will depend upon the existence of legislative documentation identifying both more precisely.

82. Page 75, lines 7-9 (Traffic Signals): This rider merely further identifies the purpose of the appropriation.

83. Page 75, lines 11-12 (Street Repairs): As a general rule, a "community council" cannot be given power to supervise the expenditure of public funds. This rider, therefore, does not have the force of law.

84. Page 75, lines 21-24 (Road Improvements): Same.

85. Page 76, lines 11-13 (Paradise Haven Lodge): This rider is invalid. First, in order for a condition on an appropriation to be valid, it must have a direct and substantial connection to the appropriation. Second, the law-making power is not the power to pick and choose the buildings to be used for park facilities.

86. Page 77, lines 19-20 (Priorities): While a valid statement of concern and entitled to great weight, this rider can have no legal effect.

87. Page 79, lines 12-23 (Landscaping): This rider's statement of intent does not have the force of law required to remove these projects from the application of other laws which could frustrate the very intent stated by the rider.

88. Page 81, lines 19-22 (Fourth Floor): This rider -- vesting the Legislative Finance Division with control over the fourth floor in the capitol -- has no legal effect. First, so long as there is space on the fourth floor of the capitol occupied by another branch of the government, an agency of the legislature cannot -- under the separation of powers -- usurp that space or have supervening control over it. Second, under existing law, space occupied by the legislature and its agencies is under the control of the Legislative Affairs Agency. AS 24.20.060(5). A rider on an appropriations bill cannot amend that substantive law. Of course, the second consideration is solely a matter of internal concern to the legislature, and no law on the subject is required at all.

JAY S. HAMMOND  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

May 5, 1979

The Honorable Russ Meekins  
The Honorable John Sackett  
Chairmen, Finance Committees  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Chairmen:

I have reviewed the budget estimates supplied by the Free Conference Committee and find that I am in agreement with their estimated total of expenditures for 1980.

These estimates provide sufficient latitude to accommodate beneath my budget ceiling the approximately \$16.6 million required to fund the proposed pay bills. Accordingly, I can assure you that should the pay bills pass, no reductions will be required of other items the Free Conference Committee on the Budget has included.

Moreover, I'm pleased to be able to assure you that there will be no veto of those items you have identified as included in your budget estimates. However, of course, should other appropriation bills be passed which were not considered in these calculations, they may be subject to veto should they exceed my budget ceiling.

My appreciation to those of you who worked in good faith and cooperation to remain within the predetermined budget ceiling. This unprecedented action sets a pattern which if continued augurs well for the future of the state.

Sincerely,

Jay S. Hammond  
Governor

cc: The Honorable Terry Gardiner  
Speaker of the House

The Honorable Clem Tillion  
President of the Senate

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

TREASURY DIVISION

JAY S. HAMMOND, GOVERNOR

ELEVENTH FLOOR  
STATE OFFICE BUILDING  
POUCH SB  
JUNEAU, ALASKA 99811

January 31, 1980

J. H. Hogan, Director  
Division of Legislative Finance  
Legislative Budget and Audit  
Committee  
Pouch WF, State Capitol  
Juneau, Alaska 99811

Dear Mr. Hogan:

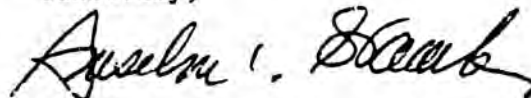
Enclosed is the following information you requested which was recently supplied to the State Bond Committee.

1. Schedule of Activity of all Bond funds for fiscal years 1969-1979;
2. Schedule of Activity by Authorization for those Bond funds with open accounts during fiscal year 1979; and,
3. Schedule of Bond Funds Current Cash Position, (all funds);
4. Schedule of Comparative Cash Position of those Bond funds with unissued authorizations.

In general terms, Federal regulations require expenditure of 85% of the proceeds of a Bond sale within three years from the date of issuance of the bonds and 95% within four years to avoid arbitrage problems. We have attached a copy of a letter from Bond Counsel Wohlforth and Flint on this subject along with extracts from the relevant U. S. Treasury regulations.

If you require additional information, please contact us.

Sincerely,



Anselm C. Staack  
Comptroller

ACS:dw  
Enclosures

## Exhibit I

ACTIVITY - ALL BOND FUNDS  
FISCAL YEARS 1969-1979  
(In 000's)

12/7/79

| <u>Fiscal Year</u> | <u>Bonds Sold</u> | <u>Federal Receipts</u> | <u>Other Receipts</u> | <u>Total</u>     | <u>Construction Expenditures</u> (1) | <u>Over (Under) Total Receipts</u> |
|--------------------|-------------------|-------------------------|-----------------------|------------------|--------------------------------------|------------------------------------|
| 1969               | 21,225.0          | 7,528.3                 | --                    | 28,753.3         | 40,674.3                             | 11,921.0                           |
| 1970               | 32,231.0          | 6,099.7                 | 56.0                  | 38,386.7         | 37,619.8                             | ( 766.9)                           |
| 1971               | 69,380.0          | 9,496.6                 | --                    | 78,876.6         | 37,087.5                             | ( 41,789.1)                        |
| 1972               | 53,445.0          | 8,419.6                 | 649.1                 | 62,513.7         | 58,794.8                             | ( 3,718.9)                         |
| 1973               | 47,000.0          | 7,124.6                 | 730.7                 | 54,855.3         | 70,688.4                             | 15,833.1                           |
| 1974               | 31,000.0          | 1,333.1                 | 11,630.5              | 43,963.6         | 67,434.9                             | 23,471.3                           |
| 1975               | 112,300.0         | 13,961.0                | 1,649.6               | 127,910.6        | 58,940.3                             | ( 68,970.3)                        |
| 1976               | 82,915.0          | 5,981.0                 | 10,300.4              | 99,196.4         | 119,906.0                            | 20,709.6                           |
| 1977               | 80,000.0          | --                      | 12,367.3              | 92,367.3         | 94,596.0                             | 2,228.7                            |
| 1978               | 85,000.0          | 16,970.9                | 1,053.1               | 103,024.0        | 84,263.3                             | ( 18,760.7)                        |
| 1979               | <u>100,000.0</u>  | <u>11,551.9</u>         | <u>3,710.3</u>        | <u>115,262.2</u> | <u>103,058.8</u>                     | <u>( 12,203.4)</u>                 |
| Cumm.<br>Totals    | <u>714,496.0</u>  | <u>88,466.7</u>         | <u>42,147.0</u>       | <u>845,109.7</u> | <u>773,064.1</u>                     | <u>( 72,045.6)</u>                 |

(1) Includes expenditures from Planning Funds.

**BOND FUNDS CURRENT CASH POSITION  
COMPARED WITH FISCAL 1979 YEAR END**  
(In 000's)

12/11/79

| <u>Chapter</u>         | <u>Purpose</u>                          | <u>Fund #</u> | <u>Balance<br/>6/30/79</u> | <u>Balance<br/>12/10/79</u> |
|------------------------|-----------------------------------------|---------------|----------------------------|-----------------------------|
| <u>Authorized 1966</u> |                                         |               |                            |                             |
| 168                    | Reg. High Schools                       | 204           | \$ -0-                     | \$ -0-                      |
| 167                    | Airport Const.                          | 352           | 38.0                       | 38.0                        |
| 86                     | Outdoor Recreation                      | 451           | 126.3                      | 103.8                       |
| <u>Authorized 1968</u> |                                         |               |                            |                             |
| 167                    | Airport Const.                          | 354           | 13.2                       | 5.1                         |
| 227                    | Fish Hatcheries                         | 456           | 3.4                        | 3.4                         |
| <u>Authorized 1970</u> |                                         |               |                            |                             |
| 170                    | School Const.                           | 206           | 177.9                      | 177.9                       |
| 224                    | U. of A. Const.                         | 253           | 51.4                       | 51.4                        |
| 223                    | Ferry Const.                            | 302           | -0-                        | -0-                         |
| 221                    | Hwy. Main. Fac.                         | 330           | 355.1                      | 344.4                       |
| 222                    | Airport Const.                          | 355           | 59.9                       | 117.0                       |
| 183                    | Correctional Fac.                       | 405           | 116.5                      | 116.5                       |
| 190                    | Health, Medical Fac.                    | 406           | 121.7                      | 121.7                       |
| 181                    | Recreational Fac.                       | 452           | 92.2                       | 91.7                        |
| 220                    | Water, Sewer Const. <i>Gen'l</i>        | 465           | 393.8                      | 420.6                       |
| <u>Authorized 1972</u> |                                         |               |                            |                             |
| 195                    | St. Operated Schools                    | 207           | 1,380.4                    | 1,156.3                     |
| 194                    | Airport Const.                          | 356           | 1,196.8                    | 878.7                       |
| 97                     | Health, Medical Fac.                    | 407           | 89.9                       | 89.9                        |
| 202                    | Water, Sewer Const.                     | 466           | 3,984.9                    | 3,538.2                     |
| 201                    | Flood Cont'l, Sm. Boat Harbors          | 470           | 6,863.6                    | 7,061.2                     |
| <u>Authorized 1974</u> |                                         |               |                            |                             |
| 142                    | Rural Schools                           | 208           | 2,655.0                    | 2,589.7                     |
| 116                    | Library Fac.                            | 240           | 925.6                      | 661.7                       |
| 144                    | U. of A. Const.                         | 255           | 2,447.3                    | 2,447.3                     |
| 122                    | Hwys., Ferries, Local Roads             | 313           | 1,947.1                    | 740.4                       |
| 118                    | Trunk & 2nd Air.                        | 357           | 3,078.5                    | 2,257.2                     |
| 135                    | Pioneer Homes                           | 408           | 50.4                       | 50.4                        |
| 132                    | Health Care Fac.                        | 409           | 1,704.1                    | 1,667.4                     |
| 62                     | Fire Protection Fac.                    | 453           | 1,297.5                    | 1,227.9                     |
| 133                    | Fish & Game Fac.                        | 457           | 948.4                      | 755.4                       |
| 86                     | Port Facilities                         | 471           | 2,800.6                    | 2,048.9                     |
| <u>Authorized 1976</u> |                                         |               |                            |                             |
| 131                    | School Const.                           | 209           | 11,777.4                   | 2,091.5                     |
| 247                    | Hwys., Ferries, Local Roads             | 314           | 7,246.0                    | 2,978.8                     |
| 248                    | Airport Const. & Facilities             | 358           | 910.2                      | 570.6                       |
| 239                    | Sr. Citizen Housing                     | 410           | 2,912.0                    | 2,058.2                     |
| 124                    | Reg. Fire Fighting Centers              | 454           | 1,302.0                    | 1,302.0                     |
| 168                    | Parks Const.                            | 455           | 3,227.1                    | 3,139.6                     |
| 214                    | Fish & Game Const.                      | 458           | 5,186.2                    | 2,241.8                     |
| 271                    | Water Sply., Sewer Systems              | 467           | 2,160.6                    | 768.6                       |
| <u>Authorized 1978</u> |                                         |               |                            |                             |
| 137                    | Voc. Ed. & U. of A.                     | 210           | 8,577.8                    | 7,866.0                     |
| 138                    | Hwys., Ferries, Airports,<br>Local Rds. | 315           | 25,777.4                   | 12,715.6                    |
| 122                    | Health, Sr. Ctr., Pioneer<br>Homes      | 411           | 4,491.0                    | 3,750.2                     |
| 139                    | Correction, Pub. Safety Fac.            | 450           | ( 197.5) <sup>(1)</sup>    | ( 1,636.0) <sup>(2)</sup>   |
| 96                     | Recreational Fac.                       | 459           | 1,497.0                    | 1,492.2                     |
| 140                    | Fish Mgt. & Dev. Fac.                   | 461           | 3,884.1                    | 2,534.5                     |
| 145                    | Water Sply., Sewer Systems              | 468           | 1,839.1                    | 1,173.1                     |
| 95                     | Flood Cont'l, Ports, Harbors            | 472           | 2,587.8                    | 2,559.1                     |
| <b>TOTALS</b>          |                                         |               | <u>\$116,097.7</u>         | <u>\$ 74,367.9</u>          |

(1) No Bonds issued due to litigation; settled after date of last sale. Advance from General Fund in April -- \$1,227.2.

(2) Advance from General Fund in October -- \$5,577.0.

ERIC E. WOHLFORTH  
ROBERT B. FLINT  
TIMOTHY G. MIDDLETON  
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TELEPHONE  
AREA CODE 907  
276-6401

October 15, 1979

The Honorable Pete Bushre  
Deputy Commissioner of Revenue  
Treasury Division  
Pouch SB  
Juneau, Alaska 99811

Re: Arbitrage Regulations

Dear Pete:

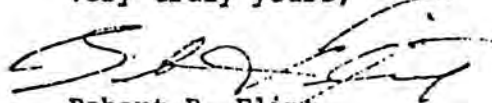
As we discussed on the telephone, I am enclosing copies of the Arbitrage Regulations relating to the temporary period.

Section 1.103-13(a) (2) provides that the test for arbitrage is as of the date of issue and is based on the issuer's reasonable expectations as to use of proceeds. In sub-section (ii) (F), you will note that subsequent events do not change that certification.

Section 1.103-14 provides the standards for investment during the temporary period preceeding the expenditure of bond proceeds. Sub-section (b) (1) states the three year period allowed. This period may be extended to five years with an architect's certificate attached to the Arbitrage Certificate and beyond if an advanced ruling is received from the IRS. Within the temporary period, sub-section (b) (2) states that 85% of the spendable proceeds must be used during that time. The temporary period is measured from the date of delivery which is the date of issue rather than the date of the bonds themselves.

As a fail-safe measure, any issuer who believes that there might be arbitrage problems due to delay in their projects beyond three years can always elect to reduce the interest on its investments to a rate one-eighth of one percent over the bond rate thus not arbitraging the proceeds at all.

Very truly yours,



Robert B. Flint

RBF/lw

Enclosure

## CERTIFICATE OF THE STATE BOND COMMITTEE

The State Bond Committee, acting by its Secretary, will provide to the purchaser of the Bonds a certificate confirming to the purchaser that, at the time of delivery of the Bonds, to the best of the knowledge of the State Bond Committee, insofar as the governmental affairs of the State of Alaska, including its financial affairs, are concerned, the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

## LEGALITY FOR INVESTMENT IN ALASKA

The Bonds are legal investments for all State of Alaska funds, for funds under State control, and for all funds of political subdivisions of the State. The Bonds are also legal investments for banks, mutual savings banks, trust companies, savings associations and insurance companies organized under Alaska law.

## AUTHORIZATIONS

The table below shows, by respective legislative authorization, the State's currently authorized but unissued general obligation bonds, the portions included in the present offering of \$60,000,000 State of Alaska 1979 Bonds, Series B, and the balance to remain authorized and unissued after this sale. The State does not expect to offer additional general obligation bonds for sale prior to July, 1979.

| Authorization |      | Purpose                                                        | Authorized<br>but<br>Unissued | Current<br>Offering | Remaining<br>Authorization<br>Unissued ✓ |
|---------------|------|----------------------------------------------------------------|-------------------------------|---------------------|------------------------------------------|
| Chapter       | SLA  |                                                                |                               |                     |                                          |
| 194           | 1972 | Airports                                                       | \$ 1,000,000                  | \$ —                | \$ 1,000,000                             |
| 201           | 1972 | Flood Control Facilities and Small Boat Harbors                | 1,000,000                     | —                   | 1,000,000                                |
| 202           | 1972 | Water Supply and Sewerage Systems                              | 6,900,000                     | —                   | 6,900,000                                |
| 86            | 1974 | Port Facilities Development                                    | 4,500,000                     | —                   | 4,500,000                                |
| 116           | 1974 | Library Facilities                                             | 2,900,000                     | —                   | 2,900,000                                |
| 118           | 1974 | Trunk and Secondary Airports                                   | 2,100,000                     | —                   | 2,100,000                                |
| 132           | 1974 | Health Care Facilities                                         | 2,000,000                     | —                   | 2,000,000                                |
| 124           | 1976 | Regional Fire Fighter Training Center                          | 3,800,000                     | —                   | 3,800,000                                |
| 131           | 1976 | School Construction                                            | 11,840,000                    | 500,000             | 11,340,000                               |
| 214           | 1976 | Fish Management and Development Facilities                     | 13,805,000                    | 3,000,000           | 10,805,000                               |
| 239           | 1976 | Senior Citizen Housing Development                             | 1,400,000                     | —                   | 1,400,000                                |
| 247           | 1976 | Highways, Ferries and Local Service Roads                      | 12,785,000                    | —                   | 12,785,000                               |
| 248           | 1976 | Airports                                                       | 2,396,000                     | 500,000             | 1,896,000                                |
| 271           | 1976 | Water Supply and Sewerage Systems                              | 24,000,000                    | 1,400,000           | 22,600,000                               |
| 95            | 1978 | Flood Control, Port Facilities and Small Boat Landing          | 33,290,000                    | 2,600,000           | 30,690,000                               |
| 96            | 1978 | Parks and Recreational Facilities                              | 5,850,000                     | 1,500,000           | 4,350,000                                |
| 122           | 1978 | Health Facilities, Senior Citizen Centers and Pioneer Homes    | 25,000,000                    | 4,500,000           | 20,500,000                               |
| 137           | 1978 | Vocational Educational Facilities and the University of Alaska | 33,656,000                    | 10,900,000          | 22,756,000                               |
| 138           | 1978 | Highway, Ferry, Airport and Local Service Roads                | 88,450,000                    | 29,000,000          | 59,450,000                               |
| 139           | 1978 | Correctional and Public Safety Facilities                      | 30,504,000                    | —                   | 30,504,000                               |
| 140           | 1978 | Fisheries Management and Development Facilities                | 26,965,000                    | 4,100,000           | 22,865,000                               |
| 145           | 1978 | Water Supply and Sewerage Systems                              | 27,640,000                    | 2,000,000           | 25,640,000                               |
|               |      |                                                                | <u>\$361,781,000</u>          | <u>\$60,000,000</u> | <u>\$301,781,000</u>                     |

Partial Transcript from HOUSE FINANCE COMMITTEE Meeting,  
Friday, February 1, 1980, at 1:45 p.m.

[Tape HFC 80-12, Side 1, approximately #450 - #575]

Vice Chairman Freeman called a recess at 3:15 p.m. and reconvened the meeting at 3:40 p.m. The following is testimony by Robert Ward, Commissioner, Department of Transportation and Public Facilities:

Freeman: Commissioner Ward, do you have further statement you wish to make?

Ward: This is one thing that probably hasn't been said (inaudible). But one of the bond projects in the Department of Transportation category--all the bond issues going from way back--we can identify projects for every issue for those funds with one exception, and that is the '76 Highway bond issue. We haven't got that to work out yet, but it looks like that there may be more State funds programmed to match federal funds than is appropriate. But we haven't got that squared away, but we will. But...for... so what I'm trying to point out is that it isn't money left over in pots nobody knows what to do with. There are projects identified for all of them. Some of them it takes a long time, you know, and a lot of our highway projects, a seven-year time lag isn't all that unusual--unfashionable maybe--but not unusual.

Freeman: Commissioner, in the past, has it been...as a matter of fact, as far as bonds for the highways, is that you kind of always appropriated, you know, like kind of always in advance. Hasn't that always been...you know, it always seems to me that we've been through this before. You say, well, here you're asking for, this year, 'X' number of million dollars for highway bonds, and you already have 'X' number of millions. Why do you need more? And the answer has always been because it's a long, stretched-out process, and we have to do this in advance. Isn't that the reason... wouldn't that account for what the situation is here?

Ward: Yes, and it still is.

Freeman: And it's still the same?

Ward: For the Transportation bond issue that we're asking for for '80, for the '80 election...

Freeman: I'm aware of that. I think most...

Ward: And the construction program, the physical construction program of the Department, for calendar year 1980 is going to be carried over from prior projects, and the supplemental that is before you. That will be the construction program. There won't be something that's authorized in the '81 budget or for bonds for the '81-'82 capital cycle. That won't be this year, and the bonds probably won't be next year.

Freeman: Well, isn't that, again correct me if I'm wrong, but I recall, in the past, if we...when we authorized 'X' number of millions of dollars for highways, for instance, what you do then...that just provides you the authorization, and then you didn't really sell the bonds until you need them. And that might be this year or next year or whatever. Is that the way you work that?

Ward: Yes. The bonds are marketed on a projected cash flow that provides for contract payments in the interim (inaudible).

Freeman: In other words, what you're saying, when we take a look at this list that lists bonds authorized in 1966--not really (inaudible)... But then, all down the line, somewhere on all these, you can track these and say well, there's a reason why, some reason or another, we had too much money and not enough money, and the federal funds didn't come through or something of this sort? You can track every bit of it? Is that what you're saying?

Ward: Yes, with the exception of, right today, we have some concerns with the '76 bond issue, as I mentioned, because perhaps, there is a little bit more over-programming of State funds there. But otherwise, you know, it's pulling together those projects...

Freeman: Those bonds, the '76 bonds you're talking about, those have been sold?

Ward: No.

Freeman: No. Okay, well what would the result of that be if you had an authorization for so many bonds and federal funds didn't come through. Would that mean...wouldn't that mean that the next time you needed bond authorization to match federal funds that you would need less State? Does it work that way?

Ward: No. In general, the State...in other words, if we have more GO bonds--State funds to match federal funds than there are federal funds available, that doesn't... See, we're still going ahead like what we're asking you now, but we anticipate there're going to be available in the '81-'82 cycle to fully obligate those federal funds. It might be that we wind up with more...with the State funds...having more State funds appropriated and authorized under the bond issues than we have federal money to match in highways, and that's what we're not sure about.

Freeman: The net result of that, though, is that you just wouldn't sell the bonds. Isn't that...?

Ward: Yes, and ultimately, sometime when we get ready to close out, we might have more State funds...we might have some excess State funds that aren't committed to a project, in which case we would come back and ask you what to do with them.

Freeman: Mr. Rogers.

Rogers: If I understood your question right, then those excess couldn't be used against some federal funds you're receiving this year, for example. I mean, as long as we've given you the authorization to use that as matching funds for federal funds. To get the federal funds this year, couldn't you use our 1976 authorization--what is it that we're talking about--to match those and, thus, reduce this year's bond issue by that amount?

Ward: The bond issue that we're going to ask for?

Rogers: Yeah.

Ward: I'm confident, right now, Mr. Chairman and Brian, that we won't be able to tell the 'specificity' (sic)--identify projects that those are going to be surplus for. I'm not...we won't be at that point, I'm confident, by the time...

Rogers: But if we have a ball park figure, we could just reduce it by that much (inaudible)...

Ward: Well, obviously, the Legislature can do anything it wants with the bond issue. I'm not sure we'd be in a position to recommend that, if you reduced by 'X' amount, that we would have enough State funds authorized to match federal funds for the '81-'82 program.

Rogers: Thank you.

HOUSE FINANCE COMMITTEE  
February 4, 1980  
1:45 p.m.

[Tape HFC 80-12, Side 1 #658]

All Members of the Committee were present. [Representatives Haugen and Duncan arrived later in the meeting.] Also present were: John Exter, Consultant to the Department of Revenue, Treasury Division; Al Johner, Mike Riley, Maxine Sickly and Peter Bushre, Treasury Division; John Larson, Budget and Management; Cherie Shelley, APEA; Deana Cline, Department of Revenue; Senator Sturgulewski; Milt Barker, Legislative Finance Division; and members of the press.

PRESENT

Chairman Meekins called the meeting to order and said the purpose of the meeting was to receive testimony relating to HB 208.

HB 208

"An Act relating to pension fund investments; and providing for an effective date."

Chairman Meekins advised the specific part of the bill the Committee would be receiving testimony on today concerned whether or not to invest a portion of the pension fund in gold bullion.

Mr. Peter Bushre, Deputy Commissioner of Treasury, Department of Revenue, advised HB 208 is a proposed expansion of the State's investment outline for the pension fund; if passed it would give them the ability to do four things new to what they are doing today. He briefly outlined these items and said he believed the better part of this afternoon's meeting would be necessary to cover the subject of gold.

Mr. Bushre said Alaska's economy has been based on the extraction and sale of oil for a number of years. What is happening here is that whenever the state sells its oil resources, it is converting an asset of determinable value into a wasting asset -- cash. In response to this, they have put this bill together. Mr. Bushre commented that over the past ten years the cost of living has doubled and under current inflation rates the cost of living will be doubled again in five years. The latest estimates they have received indicate the inflation rate for January will be approximately 17% and the projection for March is 20%. He said they believe this bill to be the best answer to this problem.

Mr. Bushre said that to keep even with inflation the state must invest its money in store of value assets because in inflationary times they have proven their effectiveness. He then introduced Mr. John Exter, a consultant to the Treasury Division, and gave some of his credentials.

[Representative Haugen arrived at this time.]

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Mr. Exter said he thinks investing in gold as outlined in this bill is a very intelligent thing to do. He commented Alaska is not the only state to consider doing this. The state of New York also has a bill in the hopper for this purpose. He commented briefly on New York's bill and said the problem of preserving pension funds against inflation is not just a state problem, it is a worldwide problem.

[Tape change HFC 80-12, Side 2]

Mr. Exter made the following comments about money and the function of money:

In past years we have not paid any attention to the "store of value" in money. Look at the Continental dollar during and after the Civil War when it became valueless. What about paper? We all use paper as money. Paper is not a good store of value. The only reason that paper has ever been money is because of the ink on it in the form of certain words -- promise to pay on demand at a fixed price. The paper system of the world is based on that promise.

Mr. Exter commented on the rising value of gold.

We started out with the paper dollar promise to pay in gold at \$35 an ounce. Since 1933 -- when Roosevelt prohibited us from holding gold, but the dollar was still convertible into gold by foreign governments and private people outside the United States. The problem is the Federal Reserve has pursued inflationary policies. The first run on our gold (and on a number of other central banks) came in late 1967 and early 1968 after the British devalued the pound and private people took gold from central banks in the amount of 3,000 tons. In March 1968 the gold market was closed to private people. Then gold had to be put in the two-tier system. The official tier remained at \$35 an ounce for three years. On August 15, 1971 President Nixon had to close the gold windows in central banks as well. Since then the dollar has been irredeemable paper money. As a consequence we could no longer have a stable exchange rate, so that system broke down and we have had floating exchange rates since that day.

At that time the federal reserve began adopting "expansion policies". The dollar became irredeemable paper money, but every other currency in the world became irredeemable paper money as well. We have today something unprecedented in history; in the past irredeemable currencies were always isolated cases. The whole system has broken down, and once it broke down paper had to stand on its own feet. Every currency today in the world is an "I.O.U. Nothing" currency. Yet we are all using these currencies.

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[Representative Duncan arrived at this time.]

For the first time in history we have inflation in all currencies. Not even the Swiss franc is a good store of value.

It is not governments who decide what money is. Governments try to decide. Governments have tried to create a new paper money -- "Special Drawing Rights" -- I call it an "I.O.U. Nothing When", but they call it paper gold. It was first introduced in 1967 and they have been trying to foist the SDR on the system since then.

Economists don't decide what money is either. They define the money supply only as paper; M-1 is paper dollars and demand deposits in commercial banks, and it goes on to M-2 through M-6, but it is all paper, they don't define gold as money.

It is the people in the market places of the world who decide what money is. If you pass this bill you are deciding that gold is better money than dollars.

Representative Freeman responded that his first impression is what Mr. Exter is saying is correct but that it is about 47 years late. He said "gold is money" doesn't mean anything to him. Regardless of paper being backed by gold, it seems to him that as long as people have faith in paper and have come to use it as a medium of exchange the rest is not important. Mr. Exter said what he is trying to say is that the store of value function is most important.

Chairman Meekins asked that he explain again the purpose of money. Mr. Exter said he is using money as a standard of value. This is when you go into the supermarket and use the money to pay for groceries. He is saying the store of value of money is more important. He said that is what the pension fund is all about. He said when the promise to redeem paper dollars in gold is broken, then paper has no value and that's when depreciation and devaluation begins. Since 1971 depreciation has been really startling. Mr. Exter commented on the point of confidence. He said that when the governments of the world defaulted on their promise to pay, people began to flee paper and they went into gold. The price of gold has risen to as high as \$850 per ounce. He commented further:

The people in the market places of the world began to flee paper into gold money. They were doing that because paper money was losing value. If the State passes this legislation they will become part of this flight. I think you should because the gold money is the best store of value and has been for thousands of years. The whole system is based on gold.

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Representative Freeman said it seems the time of the real catastrophe will be when the people no longer have faith in paper money. If that time comes it is going to be disastrous, and he doesn't think there will be any way to protect pension funds by going into gold because everyone will "go down the tube together". Also, with the price of gold fluctuating as much as \$100 a day, Representative Freeman said it seems needless to buy gold at this time.

Mr. Exter commented those who continue to have confidence in paper money in this kind of world are going to be the losers on a vast scale. He commented on the redistribution of wealth and said in his view the Arab countries have made a tremendous mistake in selling their oil for paper dollars. He said they are beginning to wake up to this now and are buying gold. He said the big redistribution of wealth in the future is going to be between those that do not hold gold and those that do.

Mr. Exter said:

The freezing of Iranian assets, in my view, was a major mistake. It made everyone else who held dollars concerned about their dollars and they began to flee. The flight used to be away from paper dollars into different currencies. But the market realizes that if you go away from one paper dollar into another you will be just as bad off. People are beginning to realize that gold is not just an alternative to dollars but to every other paper currency in the world. The flight out of paper into gold has only begun.

Mr. Exter said this could be seen on all sides, and he commented on Japan's \$62 billion deficit.

Representative Moss wondered if as an oil producing state Alaska might not be better to trade oil for gold and Mr. Exter said "you certainly would".

Representative Montgomery said as individuals we each take certain steps in our investment portfolios, but he wondered what would occur worldwide if we all made such a step as investing in gold. Mr. Exter said he has a strong belief in the gold standard, and would like to take the country back to the gold standard and make our money "honest again". He said the problems of doing this are fantastic, the trouble is that currencies are being created so fast in all parts of the world that it would be very hard to go back to the gold standard. He said he thinks we are going to have to go through a great depression -- the process going on now has to come to a stop, but it is very difficult because we are now living with inflation; Going back is going to be a very painful process.

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Mr. Exter commented on credit creation where financial institutions borrowed short term and lent long term at fixed interest rates. He said:

It got out of hand in the Kennedy Administration. The Federal Reserve began to buy U.S. Government Securities in large amounts. They were lending long. They became long term loans because even if they were 90-day notes they rolled them over every 90 days. Anyone borrowing short and lending long in a period of time will go bust. Government securities were going up on the balance sheets and gold was going down. In 1971 they closed the gold window. . . . What is new in history is that the Federal Reserve deliberately got involved and kept bailing savings institutions out.

Mr. Exter commented briefly on Certificates of Deposit which he created.

Chairman Meekins asked if when talking about underwriting, Mr. Exter is saying it is o.k. to borrow short and lend long as long as the rate stays the same; but what we have now is a situation where you can get more money on short term than long term. Mr. Exter said:

That is correct. People can go on borrowing short and lending long for a time, but it drives interest rates up and short term rises more rapidly than long. Normally short term is more than long term, but when this goes on at the rate it has, money becomes very hard to come by and rates go up. And short term rates go up faster than long.

There was brief discussion between Chairman Meekins and Mr. Exter.

Representative Rogers commented that what they are trying to do with pension funds is buy a future value for recipients of the pension fund. He gave an example and asked if what Mr. Exter was saying is that if the State puts money into money we won't get "eight loaves of bread" for the same price anymore, but if we put it into gold the gold will stay "constant with the price of bread". Mr. Exter responded that gold will improve. Representative Rogers asked why gold and not silver or another resource. Mr. Exter said for over a thousand years the market place has found gold to be the best store of value over any commodity. He said silver has been second. He said about a year ago the gold/silver ratio was 40/1; in the meantime the U.S. treasury has been selling gold out of its stock -- over 700 tons a month -- and the price of gold went up. He said the market place wants gold more than it wants silver.

Representative Rogers commented that maybe next year gold will not be the best store of value. Mr. Exter said it is the best store of value. He said both silver and platinum

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are important industry materials that are consumed, but gold is not an important industry material. He said almost all the gold is still in the world today in stocks. He said central banks hold almost one-half of all the gold in the world; they hold almost no silver.

Mr. Exter said he is not telling the Committee what he necessarily thinks is best; only what the market place has decided over the centuries. Representative Rogers commented Mr. Exter's first statement was that the system has broken down. Mr. Exter agreed and said never has the whole system been based on silver; it has always been based on gold.

Representative Rogers commented that HB 208 would also allow them to invest in silver and platinum. Chairman Meekins asked if Mr. Exter also recommended that. Mr. Exter said no, he has never recommended to a client that he buy silver or platinum except as an item for trading. He continued:

There are many ways to make money and there are other good stores of value in the world. I'm only saying gold is the supreme. Gold is going to be the best of all over the long run.

Chairman Meekins commented it has been suggested they take oil in the ground as a store of value. Mr. Exter said he thinks selling oil for gold is a good idea.

Mr. Exter continued his testimony concerning the commercial rate of interest rising above the commercial rate of interest of triple A bonds. He said:

If the Federal Reserve had not tried to resist that we would already have had a recession by this time. But the Federal Reserve resisted by continuing to pump money into the system. The dollar got very weak in October 1978 and in November we had the Carter program increasing the deposit program to 9 1/2%. For a time the dollar got stronger and interest and prime rates went up to 10 1/2%. But the Federal Reserve "kept pumping". Banks continued to use reserves and make loans. Then the dollar began to get into more trouble. By October 6th the dollar was so weak Voker (Federal Reserve) put the rate to 12%, and interest rates went to an all time high.

In answer to a question from Chairman Meekins concerning Voker's actions, Mr. Exter said what Voker did first was good, but then he lost his nerve and began putting reserves into the system and interest rates began going up again. He said we are in the worst liquidity crunch now that the world has ever known. He explained further.

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Mr. Exter said this would cause the "debt pyramid" to slow down its expansion and even begin to contract. He said this is why he thinks we will be going into a very severe depression. He said he thinks unemployment is going to rise and commodity prices will double; the rate of inflation will abate and we will be in a very severe depression, probably this year. He said he thinks the time will then come when the dollar actually begins to gain in value. However, he said that even in that condition gold will continue to be a better value than dollars.

Mr. Exter commented further on the price of gold. He said that when Roosevelt directed that everyone turn their gold in, the price of gold was \$27.67 an ounce. At that time 35% of the people turned in their gold -- 65% refused to turn in their gold in spite of the penalties. Mr. Exter said the point is that we continually think of gold as being a good store of value hedged in inflation. He said gold is always a better store of value than paper, even during periods of deflation.

Representative Freeman commented that it seems reasonable to expect that government is going to wise up to the problems and start doing something to restore confidence in the dollar, and when that happens the cost of gold is going to go down. He asked Mr. Exter what he thought would happen from the political standpoint if they followed his suggestions and put millions of dollars into gold at \$800 an ounce, and in three years the price of gold went down to \$200 or \$300 an ounce. Mr. Exter said that would be a disaster, but in his observations of the market place what Representative Freeman is suggesting would not happen.

Mr. Exter said:

It is contrary to all reason because people know now that paper is not a good store of value, so the prospect is just the opposite -- It is going to get a lot worse and not better. I do not have confidence in the people in Washington, that they will wise up one of these days and make the dollar a sound currency. In my view it will be market forces that bring this about. . . . In my view the Federal Reserve will make reserves available to banks but there will be so little confidence on the part of the customers that the banks will not use the reserves. This is what happened in the 30's.

Representative Montgomery asked if this would occur more rapidly if the State invested huge amounts of money in gold. Mr. Exter said yes, but the sooner the printing presses stop the better. Anything that is done to make the printing presses stop is going to make the situation better. He commented on the situation in the 20's.

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Chairman Meekins commented that anything the pension fund invests in would be subject to certain risks. He thinks this Committee should be concerned about whether investing in gold is essentially gambling or worth the risk. He said no one can predict the future, but they should consider how investing in gold would compare to other scenarios. Mr. Exter said the real risk is in holding paper assets. He said paper gets its value from gold so anyone holding paper is holding a depreciating asset. He explained further and commented that if a money does not serve as a good store of value people are not going to enter into long term contracts with it. He said pension funds are really long term contracts. He said the purpose of this legislation is to try to save to some extent the value of the pensions. Mr. Exter said if Alaska does this, he can visualize other states following rapidly.

Chairman Meekins said it appears that what Mr. Exter is talking about is like a "world wide chain letter" -- where the system works fine as long as you get new recruits, but once the chain is broken, it breaks all the way down the line. Mr. Exter explained what he meant by debt pyramid. He said there is more liquid debt than there have ever been before. He said this can go on only as long as you can find new creditors.

Mr. Exter said the price of gold has risen dramatically since the U. S. Treasury froze Iran's assets in November. He explained:

The Treasury froze Iran's assets because Iran announced to the world that they were going to take their dollars out of American banks. Once they heard this Treasury froze their (Iran's) assets -- they froze all their dollar assets not only in American banks in this country, but American banks in Euradollar countries. They also froze the gold in the Federal Reserve bank in New York. This shattered the confidence in our system -- other countries and other central banks felt that if their dollars could be frozen they better get out of dollars, so they began to go into gold. Freezing Iran's assets gave the gold price a shot in the arm. This country is in the position of being an enormous power for central banks all over the world. They hold about \$160 billion in dollars.

[Tape Change HFC 8013, Side 2]

Chairman Meekins asked who Mr. Exter considered to be a prominent person in opposition to his view. Mr. Exter commented on Keynesian philosophy and said one of Keynes' followers is Paul Samuelson who writes a column for Newsweek. He said that more recently there has been the school of Milton Freidman. Chairman Meekins asked if both schools of thought were opposed to his views and Mr. Exter said this was correct.

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Chairman Meekins asked Mr. Exter what he thought gold would do in the next year. Mr. Exter said he would rather answer this question by telling the Committee why he is very bullish on gold. He said:

The problem with the question is that gold doesn't go up in a straight line. Gold is subject to the whims of the market place. I'm telling you today that gold is going to go ahead in bigger steps than it steps back, especially in the immediate future. The longer the paper money whirl goes on, the more confidence in paper money is going to erode. Gold now is quoted in the media and newspapers about as much as the stock market is. This is becoming a matter of concern to people all around the world. On the supply side, the supply is shrinking dramatically. The supply is falling and the demand is increasing. That is why I am confident that gold will be going over \$1000 an ounce.

There was brief discussion between Chairman Meekins and Mr. Exter on the supply of gold. Chairman Meekins commented that HB 208 puts a limit of 15% on the amount of the pension fund that could be invested in gold.

The meeting adjourned at 3:45 p.m.

ADJOURN

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Tape HFC 80-12 Side 1 #658 to end  
                  Side 2 #001 to end  
      HFC 80-13 Side 1 #001 to end  
                  Side 2 #001 to 409

2/4/80

HOUSE FINANCE COMMITTEE  
February 5, 1980  
2:20 p.m.

All members of the Committee were in attendance, with Representatives McKinnon and Guy arriving later in the meeting. Also present: Representatives Hugh Malone and Sam Cotten; Mike Doogan and John Crandall, Administrative Assistants to Chairman Meekins; Milt Barker, Fiscal Analyst, Division of Legislative Finance.

PRESENT

Chairman Meekins called the meeting to order and stated topic for discussion today is the State's comprehensive loan program. He referred to a memorandum (see attachment to HFC minutes of January 3, 1980, pages 96-110) from Mike Doogan on State Loan Programs/Revenue Bonding Authorities.

STATE LOAN  
PROGRAM

[Representative McKinnon arrived at this time.]

Mr. Doogan presented an overview of his memorandum in which, he stated, he has attempted to analyze the current situation on the State loan program and revenue bonding and provide an explanation of the current loan policy. Primarily, he said, funds for housing have been shut off as a result of the Al Ulman bill in Congress which removes housing issues from their tax-exempt status. He discussed veteran and Alaska Housing Finance Corporation loans--the State's two largest volume loan programs. He added that, in fact, AHFC was the big mortgage lender before it was shut down last year.

In answer to a question, Mr. Doogan indicated the money was put in several funds, but the main one was the mortgage insurance fund. Representative Duncan asked where the mortgage insurance fund money is and how much it involves. Milt Barker advised it is invested in securities and that it is currently 50 to one. He added there are bonds outstanding of almost \$600 million, which would make the total probably about \$12 million.

Representative Malone pointed out the market is still there; it is just not tax exempt anymore. Representative Freeman asked about the difference in the interest rate. Regarding AHFC, Mr. Doogan indicated a rough spread of 5-6 points. Mr. Barker added the last bond sale was 8.75%, and before that it was 5.6%.

Discussing the other loan programs, Mr. Doogan referred to the securities list, by Mr. Barker, attached to his (Doogan) memorandum. He noted they have not been funded by appropriation but by the Commissioner of Revenue. He

advised the \$90 million from Revenue that went to the Division of Small Business Loans was not the Legislature's figure but that of Revenue. He noted there are essentially two sources of funding: through appropriations to the revolving loan funds and the buy-out from Treasury. He also pointed out some of the funds, such as the Residential Care Facility Revolving Loan Fund, have had little or no activity.

There was brief discussion on several of the State's revolving loan funds. Representative Rogers commented he feels applicants for the Alternative Technology and Power Resource Revolving Loan Fund were scared off by the paperwork. He added he thinks there is a big problem there because the Department does not want to administer it.

Using the Tourism Revolving Fund as an example, Representative Freeman asked how much the Legislature has appropriated since it began and if there is any left. During his explanation, Mr. Doogan advised there is \$17 million in loans that Revenue has bought out. Representative Freeman commented, the way it is now, there won't be any loan funds when Treasury runs out of money.

Discussion followed, with Chairman Meekins commenting the Legislature needs to take a good look at the loan processing. Under the current policy, he stated, the decision making on how many loans the State is going to make is fragmented and out of control. With Revenue purchasing, he pointed out, the Commissioners are making some loans, and legislative control can be by-passed.

Representative Freeman asked how many State dollars is tied up in loans. Mr. Doogan replied about \$483 million in general fund, and with 52 revolving loan funds, the revenue bond money is something over a billion dollars.

There was discussion on the January 28 market analysis by Milt Barker.

Representative Malone stated he feels, if the Legislature wants to make loans available at lower than market rates, it should appropriate to the Department of Revenue. With the current situation, he stated, the Legislature has, in effect, given the Commissioner of Revenue the power to appropriate from the State treasury.

During discussion, Mr. Doogan pointed out the gross to \$600 million in State general funds for loans can only be sold in State discount, now that the tax-exempt market is gone. He added there are no valid statistics available

as to how this money has affected the State's economy. He recommended the Committee keep in mind the following points when considering a comprehensive State loan program: that it be tied in with the annual appropriation process and that the Legislature establish where these loans would go; that there be appropriate decentralization; that "sunset" provisions be considered; have appropriate administrative procedures and require proper reporting; and avoid the consequences of politically powerful authority.

There was discussion on general obligation bonds and revenue bonding and the reason New York City went broke.

Chairman Meekins noted that in Representative McKinnon's bill \$50 million is the limit, and if the authority is over that amount, it would require a resolution of the Legislature. Representative Freeman stated he has no problem with the Legislature determining how much to put in the loan program but objects to "an open end to the treasury". Chairman Meekins commented he feels the normal course is for the Legislature to appropriate the authority.

Mr. Doogan explained the four program options, contained in his memorandum (page 5), the Committee might wish to consider. A fifth option, Mr. Doogan stated, which is not outlined in his memorandum, is to structure or create a single development bank to accommodate these loans. Discussion followed.

[Representative Guy arrived at this time.]

Chairman Meekins stated one of the real questions is what to do with AHFC, whose original purpose was to access the tax-exempt market, and now they can't do it. Discussing the possibilities, he stated AHFC could be allowed to go to the taxable market or they could be wiped out and not utilized anymore. AHFC has a good reputation and has established a good track record in terms of default rate, etc., he noted. Providing background information, Chairman Meekins advised AHFC was established four years ago to provide low-income people with a chance at mortgage loans. It was then increased, he stated, to include moderate as well as low income and fill in the gap for rural--meaning Bush--areas and blighted areas. Three years ago, he commented, 90% of the loans went to Anchorage, and the rest went to Fairbanks and Juneau. For three years, he added, the Legislature has appropriated \$3 million for establishing a rural housing program and to try to get AHFC to comply with the enabling legislation. Then two years ago, he

advised, the Legislature appropriated \$1 million for a mobile home loan program to insure the mortgages and \$10 million to purchase them. That program, he said, is not established yet. AHFC has, however, done exceptionally well with moderate income people, he advised.

Commenting on the accountability problems with AHFC, Representative Malone stated he feels the Legislature should replace AHFC or change the advisory board. He said it is criticism of what AHFC is not doing, not what they are doing.

Referring to the Ulman bill, Representative Cotten pointed out many states have the same problem with low-cost housing loans. He indicated restructuring AHFC and placing it under the Executive Budget Act is a good idea.

Chairman Meekins stated restructuring AHFC's advisory board so that it is composed of private individuals instead of Commissioners of State government would be the quickest solution. In answer to a question from Representative Montgomery, Chairman Meekins advised, if AHFC were under the Executive Budget Act, they would have to come before the Legislature for their operating funds. In defense of AHFC, he added, the Legislature did set up contradictory statutes by having them go to the tax-exempt market, which is the most conservative market. Discussion followed.

Chairman Meekins advised what he would like to do is set up an Ad Hoc Committee on the State Comprehensive Loan Program to address the bills, hear testimony, etc., and work up a proposal to present to the Finance Committee. There was no objection.

Chairman Meekins brought HB 577 up for consideration:

HB 577

HB 577 - "An Act making supplemental appropriations for the operating expenses of state government; and providing for an effective date."

There was brief discussion on whether to include a possible amendment by Representative McKinnon on oil and gas conservation. (Representative McKinnon was not present for this portion of the meeting.) Representative Rogers indicated he would object to including a supplemental in this bill. As the bill stands now, he stated, it just contains the quarter funding of those budgets that were short-funded last session.

Representative Rogers moved to report out Finance Committee Substitute for HB 577. There being no objection, it was so ordered. Finance CS for HB 577 was reported out with a "do pass" recommendation.

FINANCE CS  
FOR HB 577  
REPORTED OUT

The meeting adjourned at 3:45 p.m.

ADJOURN

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Tape HFC 80-13 Side 2 #410 - End  
          80-14 Side 1 #001 - End  
                  Side 2 #001 - #295

HOUSE FINANCE COMMITTEE  
February 6, 1980  
2:40 p.m.

[Tape HFC 80-14, Side 2 #295]

All Members of the Committee were present except Representatives PRESENT  
Smith, McKinnon, Rogers, Schaeffer and Guy. Present to testify  
were Rod Pegues, Assistant Attorney General and Commissioner Tom  
Williams, Department of Revenue.

Chairman Meekins called the meeting to order and said the  
purpose of today's meeting is to consider HB 684.

HB 684

"An Act to allow certain investments of the general  
fund in insured mortgages; and providing for an  
effective date."

Commissioner Tom Williams, Department of Revenue, said the  
Committee is familiar with the intent of HCR 33 and the Gov-  
ernor's Budget Message \$100 million loan program to tide the  
disastrous housing situation in Alaska over until the Legis-  
lature adopts ongoing solutions to this problem. He commented  
on the Legislature's past action concerning the \$50 million  
loan program. He said this was reviewed by the Ombudsman's  
Office and the Legislative Budget and Audit Committee, and  
both recommended that any further activities such as this  
required more direct control over how the money should go  
out. Commissioner Williams said their own evaluation came  
to the same conclusions.

Commissioner Williams advised the Committee that AS 37.10.-  
070 (a)(10) required 25% participation from the lending  
institutions when they buy mortgages. They don't have that  
kind of deposits on hand, and are being forced into the  
situation of covering 8%-10% mortgages with six month money.

Representative Moss asked if this bill eliminates the 25%  
requirement. Commissioner Williams said the 25% participation  
in commerce loans is a matter of administrative decision.  
The cash shortage has made it difficult for the banks to  
participate, so they reevaluated the 25% requirement and cut  
it back to 10% last month. He said in this bill they essen-  
tially have a mechanism whereby they finance the entire amount  
of the mortgage, but the individual still has to come up with  
the equity. He said that with the equity and personal  
mortgage insurance, there is a lot of security for the loans.  
He explained this bill is the same authority that is in the  
pension fund statutes.

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Chairman Meekins commented the situation is that money was made available in a number of ways, and ended up with the state purchasing \$26 million worth of mortgages at 100% of the amount financed. He said recently the Department discovered they were not allowed to do that by the Statutes, and this bill is to make it legal. He asked why the Department decided to do it this way and why have they included in this bill a variation in how much is required based on loan amounts. Commissioner Williams said he didn't know why this was put into the investment act of the pension fund. He said this bill copies the entire section from the pension fund as it was amended in 1977.

Commissioner Williams said their intention was to come up with a bill that was clear and simple to understand, and their way of doing that was to confer on the general fund the same things that are on the pension fund.

Representative Montgomery asked what the cost of mortgage insurance was and who pays for it. Commissioner Williams said the buyer pays for it usually and it runs from 1/4 to 1/2%. He said the State does not pay for it.

Representative Montgomery asked what happens if the bill isn't passed. Commissioner Williams said with regard to what they have already done, they would have to clean up their own mess, which could be done in a few weeks. He said were not passing this bill would really have an impact would be with regard to the new programs envisioned -- they could not be implemented unless they used the less attractive alternatives that the Legislative Budget and Audit Committee criticized them for.

Representative Freeman moved and asked unanimous consent that HB 684 be reported out of Committee. There being no objection, it was so ordered. HB 684 was reported out with a "do pass" recommendation.

HB 684  
REPORTED  
OUT

The meeting adjourned at 3:00 p.m.

ADJOURN

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Tape HFC 80-14 Side 2 #295 to 607

2/6/80

HOUSE FINANCE COMMITTEE

February 7, 1980

1:50 p.m.

[Tape HFC 80-14, Side 2 #607]

All Members of the Committee were present except Representatives Schaeffer and Smith. (Representative Duncan arrived later in the meeting.) Present to provide testimony were: Art Snowden, Alaska Court System; Robert D. Bacon and Grant Callow, Supreme Court; Representative Charlie Parr, Chairman, House Judiciary Committee; Peggy Burke, Judiciary Committee attorney; Senator Ziegler; Jay Hogan and Robert Grogan, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order and brought up SB 104 am for consideration.

SB 104 am

"An Act establishing the court of appeals; and providing for an effective date."

Chairman Meekins advised there is a House Judiciary Committee Substitute for SB 104 am, and he invited Representative Parr to testify on that bill.

Representative Parr advised the bill was introduced at the request of the court system to eliminate the problems the court system is having with a tremendous caseload. He said they considered a number of ways to go about reducing the caseload, and determined the best way would be to establish an intermediate court of appeals. He said that basically this intermediate court of appeals will handle criminal appeals.

Representative Parr advised the HCS allows for three judges and requires them to have five years of residency in the state and three years of law practice. He advised the pay is half way between supreme and superior court judges. He said the court would handle appeals from the superior court and might handle appeals started in district court appealed to the supreme court. He advised the channel for civil cases would be as it is now.

Representative Parr advised the Court System does not agree with the five year residency requirement, they think that might be too much. He advised the Court System also disagrees with the section stating a district court case can be appealed to superior court and then the court of appeals. He commented on the reasons the Judiciary Committee made these changes, and said the second right of appeal has been made discretionary with the higher court.

Chairman Meekins said a problem he has with the bill is there is no right of appeal from the appellate court to the supreme court level. He said it is a philosophical problem he has, where he would like to let the people go as far as possible.

Representative Parr further explained the bill and answered questions from Committee members. He said the reason the bill was drafted this way was because most criminal appeals deal with items that are established law, they are not really complicated matters to handle; but civil law is not the same. For that reason the supreme court should be handling the civil cases. He said the decisions on criminal cases are much less complicated.

[Tape HFC 8015, Side 1] [Representative Duncan arrived.]

Representative Parr further explained that the appellate courts do not deal with the facts of the case. They look at the court records to see if a person received due process.

Chairman Meekins read portions from a news article, "The Case Against a Separate Court of Criminal Appeals" (attached), and asked Representative Parr if he would like to respond. Representative Parr commented he would prefer to accept the opinions of chief justices in the supreme court over an associate professor in political science.

Mr. Art Snowden, Administrative Director, Alaska Court System said that three years ago the supreme court asked them to start investigating ways to eliminate the tremendous backlog of appeals. He explained what they did during that period, and advised their findings were included in their annual report which was submitted to each legislator. He advised the supreme court adopted their findings and requested that this legislation be introduced last year.

Mr. Snowden explained some of the alternatives they looked into. He explained they limited the court of appeals to criminal appeals because they believe with only 400,000 people in the state, they don't need a "full blown" intermediate court at this time; however, they do expect there will be a need in the future.

Regarding the House Judiciary CS change on appealing to superior court and then the court of appeals, Mr. Snowden said they prefer the Senate version of the bill. He said the Supreme Court didn't want to give the court that latitude. He commented further.

Mr. Snowden said the Supreme Court also objects to the five year residency requirement. He commented that 40% of the judges in the District Court would not be eligible to sit on the court if this were enacted. He said this section would limit the number of people who would be eligible to sit on the court. He said the Supreme Court feels it is very important that they foster a bright, young, energetic people on this district court. He said they would hope the Committee would consider amending this back down to a three year residency requirement.

After brief discussion, Chairman Meekins said the Finance Committee would be reluctant to make substantive changes to the bill without a great deal more testimony. He said a substantial amount of work

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has been done on this bill in the lower committee, and he would prefer that the Finance Committee look at the costs and not make changes in the substance. Committee members concurred with this approach. Several members indicated they would consider supporting the changes Mr. Snowden suggested as amendments on the Floor of the House.

Mr. Snowden advised the fiscal note on this bill is for \$619.0. Chairman Meekins asked if changing the appeals procedure would have an impact on the fiscal note. Mr. Snowden said it wouldn't affect the cost, the impact will be on the workload of the court.

Representative Moss said the fiscal note includes the higher salary range, and asked if by passing the Bill they would be approving an immediate pay raise. Mr. Snowden said the bill would tie to salary range to a Range 29, and until that salary schedule is changed, the rate will not go up. Representative Moss asked if the \$66,000 includes any benefits, and Mr. Snowden said no, it is direct salary.

Representative Rogers said the bill would take effect immediately, but the fiscal note would not approve any funds until July 1, and he asked if there would be any costs between now and July 1. Mr. Snowden said there would be no costs until July 1. He explained they requested an immediate effective date so they could begin soliciting nominations and appoint people, so that on July 1 they would be ready to go to work. He said they will need no money until FY 81.

Representative Duncan asked where the court of appeals will be located. Mr. Snowden said the court would be headquartered in Anchorage. He said they will not travel as extensively as the supreme court, but they will probably travel three or four times a year. He advised they will be moving the Clerk's Office of the Supreme Court to Anchorage. Representative Duncan requested more information on this. Mr. Snowden said they would probably be leaving two people in Juneau, but the main office will be in Anchorage. He advised this is included in their FY 81 operating budget. He explained that they will not be closing the Clerk's office in Juneau, but will be moving the bulk of the people to Anchorage. He said they will be moving five or six people.

Representative Duncan asked how much they projected would be saved by doing this. Mr. Snowden said the savings would come because they will not be adding five or six more people in Anchorage.

Mr. Snowden said they think this bill is very important because their backlog is unmanageable and the court can't keep up with it. He said he believes the two amendments he suggested to the House Judiciary Committee Substitute are important, and he hopes the House will consider them.

Representative Duncan said the fiscal note takes into account the moving of the supreme court office to Anchorage. He asked that Mr. Snowden provide him with information on what the fiscal note would be if they did not move the office. Mr. Snowden said he would provide this information by tomorrow afternoon.

Representative Duncan asked if anyone would be moving from the Clerk's office before July 1. Mr. Snowden said they might move in June to get ready, but they wouldn't move without Legislative approval.

[Tape HFC 80-15, Side 2]

Senator Ziegler said he would like to commend the House Judiciary Committee on the work they have done on this bill. He advised the bill, in its current form, will probably have to go to free conference. He said he questions the five year residency requirement. Chairman Meekins asked if he was familiar with the change in the appeals procedure and Senator Ziegler said he was also concerned about that.

Committee members briefly discussed the two recommended changes.

Representative Duncan moved and asked unanimous consent that HCS SB 104 (Judiciary) be reported out. There being no objection, HCS SB 104 (Judiciary) was reported out with a "do pass" recommendation.

HCSSB 104  
(Judiciary)  
Reported  
Out

Chairman Meekins advised that h 77 was returned to the Finance Committee.

HB 577

"An Act making supplemental appropriations for the operating expenses of state government; and providing for an effective date."

Representative Freeman advised that one of the reasons this was returned was because of the problems he is having concerning land disposal. He advised he found, after looking into the situation, that the Ketchikan borough assembly had planned a disposal in Ketchikan, and they found that the disposal as proposed would require construction of a sewage system, and no one had money to do that. Representative Freeman explained the problems he has had obtaining information, and said at this point it appears the problem is the Department of Environmental Conservation.

Representative Duncan said he understands what Representative Freeman is saying and why he is upset, and he would support holding up on funding for the lands portion of the bill, but he has a problem with holding up every other agency just because of lands.

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Chairman Meekins advised he had originally requested the bill be returned to the Finance Committee because of drafting problems in the CS that had been reported out. He said Representative Freeman's problem came up after than. Representative Duncan commented that pulling this bill back into Committee without discussing it with the Committee first has created a tough problem for him. There was discussion among members.

Representative Freeman moved and asked unanimous consent that a 2nd Finance Committee Substitute for HB 577 be prepared taking out the Division of Lands and the Department of Environmental Conservation appropriations. There being no objection, it was so ordered. CSHB 577 (Finance) Reported Out

Representative Rogers moved and asked unanimous consent that CSHB 577 (finance) be reported out. There being no objection, it was so ordered.

Chairman Meekins appointed a subcommittee of Representatives Haugen, Duncan, Freeman and Meekins to expedite the operating portions only of the supplemental appropriations. He said this subcommittee would put all the supplementals into one bill. He advised the full Committee would still have the opportunity to go through the entire supplemental budget; the purpose of the subcommittee is to try and expedite the process. Subcommittee Appointed Re: Supplemental Appropriations

Representative Haugen requested that when the Committee considers energy the Director of the Alaska Power Authority be invited to participate. Chairman Meekins concurred. Energy

The meeting adjourned at 4:30 p.m. Adjourn

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Tape HFC 80-14 Side 2 #607 to end  
HFC 80-15 Side 1 #001 to end  
Side 2 #001 to 667

# ● The Case Against a Separate Court of Criminal Appeals

by Ronald M. Labbe

↓ The reallocation of appellate jurisdiction to relieve the Supreme Court of the staggering burden imposed on it by its exclusive authority to review criminal cases has been an item on the agenda of judicial reform in Louisiana for quite some time. Until recently efforts at a solution have focused on means of transferring initial responsibility for criminal appeals to the existing Courts of Appeal. The judges of the Courts of Appeal at first disputed both the wisdom and need for a transfer of jurisdiction.<sup>1</sup> But much of this early resistance has evaporated in the face of the Supreme Court's worsening predicament. To there is widespread willingness among individual judges of the Courts of Appeal to accept criminal jurisdiction provided that the transfer be accompanied by measures that are fully adequate to enable them to shoulder the increased workload successfully.

Yet a successful transfer of criminal jurisdiction to the courts of appeal is still by no means assured. In recent months a debate has arisen in professional circles within the state over the desirability of establishing a separate intermediate court of criminal appeals. Although strongly opposed in various professional quarters, the idea has a beguiling attractiveness for both lawyer and layman alike.<sup>2</sup> It is virtually certain that the idea of a specialized court for criminal appeals will not be far from the legislature's mind when the problem is finally laid before it.

● The theme of this essay is that the establishment of a separate appellate court with jurisdiction limited to criminal cases, whether in the form

of a new court or a division of the existing Courts of Appeal, is the least desirable method of handling criminal appeals.

That the Supreme Court is overburdened by its caseload is probably the one point on which there is virtually unanimous agreement. Between 1968 and 1977 total filings increased by nearly 300 percent and the average number of opinions rendered per justice by nearly 500 percent.<sup>3</sup> These increases can be explained largely by the extent to which the court's docket has come to consist of criminal cases. Louisiana is unique among the twenty-nine states whose appellate structures include intermediate Courts of Appeal in permitting appeals as a matter of right

in every felony conviction and in every other conviction "in which a fine of more than five hundred dollars or a sentence of more than six months is actually imposed."<sup>4</sup> In the other states appeals of right to the Supreme Court are permitted in only a few of the more serious felonies or not at all.

This extraordinary degree of mandatory jurisdiction is made necessary by the fact that the Supreme Court is the only court with appellate jurisdiction in criminal cases. The effect on the Supreme Court's docket is illustrated by the fact that in 1976 criminal cases accounted for 59 percent of all filings,<sup>5</sup> 76 percent of all mandatory appeals,<sup>6</sup> and 77 percent of all full opinions.<sup>7</sup>

It is crucial to a fruitful analysis of the problem to recognize that the exclusive jurisdiction of the Supreme Court in criminal appeals does more than merely overwork the court. It also prevents it from fulfilling its unique role in the judicial system. The proper relationship of the Courts of Appeal to the Supreme Court in a two-tier system of appellate courts was amply described by the Institute of Judicial Administration in its 1972 study of the Louisiana courts. "The intermediate appellate court is assigned the function of correcting mistakes" whereas

the highest court is assigned as its primary function the obligation of law development, of resolving conflicts among lower courts, of teaching the other courts and lawyers and public about the law.<sup>8</sup>

Louisiana has subscribed in principle to this model of the relation-



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## Case Against Separate Court of Criminal Appeals

ship of its appellate courts for years. But the stranglehold that criminal appeals have obtained over the Supreme Court is leading to widespread doubt concerning its ability to maintain uniformity of decision and to guide the development of the state's jurisprudence. Having provided an elaborate system of appellate courts, the state continues to be deprived of the full measure of benefits to be derived from a properly functioning appellate structure.

Although the need for relief is great and the creation of a separate court may well be the route of least resistance, it is a solution that is likely to give rise to more problems than it will solve. The weight of authority is overwhelmingly opposed to the creation of a separate court for criminal appeals. All authorities agree with the ABA's basic policy, reiterated in at least four of its standards, that, "every level and division of appellate court should have authority to hear all types of cases."<sup>9</sup> and with the advice of the Institute of Judicial Administration that "the creation of a specialized court with jurisdiction limited to criminal cases is inconsistent with the basic principles of judicial administration."<sup>10</sup>

Only four states provide for specialized courts for criminal appeals. Alabama and Tennessee have separate intermediate courts for criminal appeals, and Texas and Oklahoma have separate criminal courts of last resort. Studies have recommended that the intermediate courts in Alabama and Tennessee be combined.<sup>11</sup> Other studies have advised against the establishment of separate courts for the federal appellate system and in several states.<sup>12</sup> Maryland gave civil jurisdiction to its separate court in 1970 only four years after creating it. In Texas ef-

forts have been underway for some time to transfer criminal jurisdiction from the Court of Criminal Appeals to the fourteen intermediate courts of appeal.

The widespread pessimism concerning specialized courts of criminal appeals can be explained on multiple grounds. The experience of Alabama, Tennessee and Texas suggests that a separate court results in an unequal distribution of the appellate workload and promotes delay. Intermediate courts with combined jurisdiction actually tend to process criminal cases somewhat faster than civil cases.<sup>13</sup> This is a matter of concern in Louisiana where criminal filings on appeal are expected to reach 2,000 in 1980.<sup>14</sup>

The Institute of Judicial Administration is opposed to a separate court partly "because it takes criminal cases out of the mainstream of the law and creates instead a slum area of the law."<sup>15</sup> A former chief judge of the Texas Court of Criminal Appeals complained that such courts suffer from a crisis of prestige. Their very existence suggests to the public that they are concerned with a subject matter that most members of the judiciary find unworthy of their attention. No influential segment of the bar or public is willing to espouse the interests of such a court.<sup>16</sup>

Several results are likely to follow. The public is induced to be less concerned with elections to this court and to leave them instead to prose-

cutors, defense attorneys, special interest groups. The court is likely to be less effective in dealing with the legislature. Very importantly, the most qualified members of the bar are less likely to run for these offices. To the extent that the promise of salary becomes the principal inducement to service, it fosters the damaging belief, already too widespread, that lawyers view the judiciary as a place to "retire."<sup>17</sup>

There is legitimate concern too for the effects of an exclusively criminal docket on the professional growth of the judges and the quality of their decisions. Judges of a specialized appellate court are cut off from the vast field of the general law with all of its potential for intellectual challenge. The risks have been frequently recognized: a kind of occupational boredom, an uncreative, mechanical approach to similar cases, a bureaucratic resistance to innovation and a penchant to become overly technical in fashioning rules and overly-protective of them once fashioned. Judges of specialized criminal courts run an additional risk of becoming cynical as they are continually subjected to the sordid details of criminal cases.

The law requires for its best development a process which encourages the widest possible professional participation. The intermediate appellate courts are more than mere filters in the stream of appeal; they are key actors in the process by

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which the law is developed. Ideally the courts should articulate as a system.<sup>18</sup> A separate court of criminal appeals would restrict the process to a bilateral relationship. It would deprive an important segment of the law of the knowledge, experience and intellectual maturity of the diverse minds serving on the several Courts of Appeal. In fact, the positive benefit to be derived by spreading responsibility for criminal appeals to the four corners of the state may well outweigh the Supreme Court's need for relief as an argument for the reallocation of jurisdiction.

It is also well to remember that, even with regard to the judiciary, we are not in a position to ignore the time-honored wisdom of American politics that only divided power is power safely allocated. The concentration of responsibility for criminal appeals in a specialized court, even at the intermediate level, would un-

necessarily expose the criminal appellate process to being unduly influenced by special interest groups or even by dominant individuals.

Proponents of the single court idea often argue that civil and criminal law together are too complicated for one court. But both the Federal Courts of Appeal as well as the intermediate Courts of Appeal in twenty-four of the twenty-nine states which have them successfully handle mixed dockets. There is no reason to believe that the *judicial expertise* which presently serves so well in civil cases will not serve as well in criminal cases. By all accounts the records in criminal cases are often less complex. Moreover, most Court of Appeal judges have had criminal experience on the district court bench.<sup>19</sup>

Proponents of a separate court also contend that a transfer of criminal jurisdiction to the Courts of Ap-

peal would result in decisional discord between the circuits resulting from the diverse philosophies of the judges regarding criminal cases. Consistency among circuits is a commonplace and inescapable problem. But there is nothing in the experience of the intermediate Courts of Appeal in other states or in the federal system to suggest that criminal cases are more problematic in this regard than civil cases. To the extent that the problem arises it can be handled by methods now in use and by occasional intervention by the Supreme Court. Moreover, the danger that a distinctive philosophical approach for criminal cases will emerge is actually increased precisely by centralizing the function of review in a single court of presumed special expertise rather than dividing it among a large number of generalists. This is the basis of the opposition to a specialized court ex-



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pressed in the ABA's standards and in one major research report of the American Judicature Society.<sup>20</sup>

Arguments in favor of a separate court based on cost need to be treated gingerly. The standard advice of judicial administrators on this point is that the creation of a new court is likely to be more costly than a mere shift of jurisdiction to existing courts. Even generous estimates allowing for the creation of several new judgeships and the additional staff positions to enable the Courts of Appeal comfortably to shoulder the increased workload place the annual costs of a transfer below the cost of a separate court.<sup>21</sup> Also, there are already indications that staff assistance and other forms of support for the Courts of Appeal will have to be increased in the future. It would seem far wiser to apply all new resources to the existing courts where they can be used for both civil and criminal purposes.

A separate division of the existing Courts of Appeal sitting perennially in the same place and made up of Courts of Appeal judges assigned on a rotating basis is sometimes suggested as an alternative to transferring jurisdiction to the several circuit courts. This suggestion promises to maintain some of the worst effects of the status quo and it is doubtful that it would be free of any of the problems of a specialized court. It is naive to believe that rotation of membership could be maintained for long. Then, too, a separate division would continually deprive the circuits of the services of seven or eight of their judges.<sup>22</sup>

The problems involved in transferring criminal jurisdiction to the Courts of Appeal need not be underestimated to advocate the rejection of a separate court for criminal appeals. The additional caseload will not be evenly distributed among the Courts of Appeal. More than half of the 2,000 criminal filings expected by 1980 will derive from the territory served by the Fourth Circuit.<sup>23</sup> The impact on the dockets of the

individual circuits and the resulting need for added resources and perhaps an additional circuit need to be carefully assessed. But the combined weight of authority, experience and reasonable expectations argue decisively that it is along this line that creative energies ought to be channeled.

#### FOOTNOTES

<sup>1</sup>See, Louisiana Conference of Court of Appeal Judges, *Report of the Committee on Appellate Jurisdiction and Procedures* (October 3, 1977).

<sup>2</sup>For a concrete proposal of a separate court see, Louisiana Supreme Court Committee to Study Appellate Caseloads and Procedures, *Proposal of the Subcommittee on Proposals for Transferring Criminal Appellate Jurisdiction*, circulated by letter of the Judicial Administrator, December 19, 1978. In opposition, Judicial Planning Committee, Subcommittee on Long-Range Planning, *Resolution of the Task Force on Appellate Structure*, January 10, 1979.

<sup>3</sup>Judicial Council of the Supreme Court of Louisiana, *Annual Report* 75 (1968); *Annual Report* 34 (1977). Maximum operating capacities are suggested in R. Leflar, *Internal Operating Procedures of Appellate Courts* (1976).

<sup>4</sup>La. Const. Art. 5, Sec. 5 (d).

<sup>5</sup>Memorandum, Eugene J. Murret, Judicial Administrator, to Committee to Study Appellate Court Caseloads and Procedures, September 27, 1976.

<sup>6</sup>*Ibid.*

<sup>7</sup>Clark, "Statistical Survey," in *Work of the Louisiana Appellate Courts for the 1976-1977 Term*, 38 La. L. Rev. 313, at 316 (1978).

<sup>8</sup>Dean Charles Joiner, "The Function of the Appellate System," in *Justice in the States: Addresses and Papers of the National Conference on the Judiciary* 97, at 103 (1971), quoted in Institute of Judicial Administration, *A Study of the Louisiana Court System* 220 (1972). In accord, ABA, *Standards Relating to Appellate Courts* 4 (1977).

<sup>9</sup>ABA, *Standards Relating to Court Organization*, Sec. 1.13(b) (1974); See also *Standards Relating to Appellate Courts*, Sec. 3.00(b) (1977); *Standards Relating to Criminal Appeals*, Sec. 1.2(b) (1977); *Standards Relating to the Appellate Review of Sentences*, Sec. 2.1 (1976).

<sup>10</sup>Institute of Judicial Administration, *supra* note 8, at 227.

<sup>11</sup>National Center for State Courts, *Report on the Appellate Process in Alabama* 86-92 (1973); Institute of Judicial Administration, *The Judicial System of Tennessee* 24-26 (1971).

<sup>12</sup>See Commission on Revision of the Federal Court Appellate System, *Structure and Internal Procedures: Recommendations for Change* 27-30 (1975); "Report of the Kansas Judicial Study Advisory Committee," 13 *Washburn L. J.* 271, 343-344 (1974); Colorado Legislative Council, *Intermediate Court*

*of Appeals for Colorado*, 40-44 (1968).

<sup>13</sup>Memorandum, National Center for State Courts, "Criminal Courts of Appeal," January 11, 1979.

<sup>14</sup>Memorandum, Eugene J. Murret, Judicial Administrator to Subcommittee on Proposals for Transferring Criminal Appellate Jurisdiction, January 12, 1979.

<sup>15</sup>Institute of Judicial Administration, *supra* note 8, at 222.

<sup>16</sup>See the summary of the Chief Judge's remarks in *Report on the Appellate Process in Alabama*, *supra* note 11, at 90.

<sup>17</sup>H. James, *Crisis in the Courts*, 7 (1971).

<sup>18</sup>F. Frankfurter and J. Landis, *The Business of the Supreme Court: A Study in the Federal Judicial System*, 3 (1929).

<sup>19</sup>Vines, "The Selection of Judges in Louisiana," 8 *Tulane Studies in Political Science*, 111 (1962); J. Harris, *Recent Trends in the Selection of Louisiana's Judiciary*, 65 (M.A. Thesis, University of Southwestern Louisiana, 1976).

<sup>20</sup>ABA, *Standards Relating to Court Organization*, Commentary, 37 (1974); M. Osthus, *Intermediate Appellate Courts* 13 (1976).

<sup>21</sup>Memorandum, *supra* note 14.

<sup>22</sup>Memorandum, Office of the Judicial Administrator, "Creation of Special Division of Courts of Appeal to Handle Criminal Matters," March 14, 1979.

<sup>23</sup>Memorandum, *supra*, note 14.

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HOUSE FINANCE COMMITTEE

February 8, 1980

1:17 p.m.

All members of the Committee were in attendance, except Representatives Duncan, Schaeffer and Smith. Representatives Guy and Freeman arrived later in the meeting. Also present: Bob Palmer, Chairman, Alaska Agricultural Action Council, and Bob Pollock, Special Projects Coordinator, Office of the Governor; Nick Carney, Director, Division of Agriculture, Department of Natural Resources. Delta Junction farmers present: Lee Spears, President, Board of Directors, Alaska Farmers Cooperative, Inc.; Lyle Carlson and Lee Fett. Also in attendance: Malcolm Mitchell, Vice President, InterSec Research Corporation, New York; Karl Van Horne, Senior Vice President, Morgan Guarantee Trust Bank, London; Halbert Lindquist of Carroll, McEntee & McGinley, Inc., New York and Tuscon; Pete Bushre, Deputy Commissioner of Treasury, and Mike Riley, Department of Revenue. Also present: John Larson, Division of Budget and Management; Milt Barker, Division of Legislative Finance; John Crandall and Mike Doogan, Administrative Assistants to Chairman Meekins.

PRESENT

Chairman Meekins called the meeting to order and announced the Committee would hear testimony on HB 275:

HB 275 - "An Act making a special appropriation to the agricultural revolving loan fund; and providing for an effective date."

HB 275

Representative Moss introduced a proposed amendment to Resources CS for HB 275 (see attachment). He explained the figures in Items 1 and 2--the \$7.8 million for spring planting--are transposed; i.e., Item 1 should read "\$4,200,000", and Item 2 should be "\$3,600,000". This amendment, he advised, would change the funding information to a total of \$5,600,000. There was brief discussion.

MOSS  
AMENDMENT

Bob Palmer, indicating he was speaking on behalf of the Governor, testified in support of HB 275 with the proposed amendments. He stated they actually need the \$7.8 million prior to March 1, 1980, in order to take advantage of the early spring planting season.

[Representative Guy arrived at this time.]