

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2753

ADMINISTRATIVE SERVICES - Research & Planning

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 305.7. There being no objection, the figure was adopted.

ADMINISTRATIVE SERVICES - Training

Chairman Cowper moved for adoption of the House and Senate figure of 1296.9. There being no objection, the figure was adopted.

JUDICIAL SERVICES - A.S.T.

Ron Lind advised that this program relates to the Cordova Jail situation. Senator Tillion asked how many prisoners the facility would hold. Ron Lind advised that it would hold approximately 5 persons. He added that now prisoners have to be taken from Cordova by troopers. Cordova wants to contract with the state for care of the prisoners. The amount to be added for Cordova would be 25.0. Public Safety has contracts with other facilities around the state to provide services similar to those contemplated for Cordova. He added that a budget amendment had not been written and submitted but one would be forthcoming. Chairman Cowper stated that he wished it understood that this 25.0 is the Governor's addition. He then moved for adoption of the House and Senate figure of 2136.9 with 25.0 added in contractual for the Cordova Jail facility. New total: 2161.9.

DEBT SERVICE

Chairman Cowper moved for adoption of the Governor's figure of 953.1. There being no objection, the figure was adopted.

ALASKA COURT SYSTEM - Supreme Court

Chairman Cowper advised that he understood the court system really needed the funds for assistance to the bar association. Mr. Snowden stated that grievance complaints against bar members are piling up and must be handled. Senator Orsini suggested raising bar fees. Chairman Cowper objected, and moved the Senate figure of 1406.0 with the exception of contractual which should be the House figure of 253.2, for a new total of 1426.0. There being no objection, the figures were adopted. Mr. Snowden stated that both houses also allowed the research attorney and secretary. Senator Sackett replied that he felt that with a total of 33 people within the supreme court, the additional typing can be taken care of.

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ALASKA COURT SYSTEM - District & Superior Courts

Mr. Snowden advised that neither the House or Senate budget allowed for a needed clerk position in Fairbanks, the Clerk II in Anchorage, or the Domestic Relations Master for divorces. Senator Sackett advised that the Senate budget did not allow much for the Anchorage courts. The Senate did allow the transcriber positions but did not appropriate for the Clerk in Fairbanks or the Divorce Master. Representative Gruening advised that the traffic area also needs assistance and added that this is one area where the public comes into contact with the court system more often than any other time. The Traffic Hearing Officer would help alleviate the court load and also benefit the public. Lengthy discussion followed during which many proposals for position distribution were considered and rejected. At length Chairman Cowper proposed the following positions be allowed:

Page 133	Transcriber II, Juneau Divorce Master, Anchorage Court Clerk I, Anchorage Transcriber II, Anchorage (2 positions) Traffic Hearing Officer, Anchorage Intake Officer, Kenai Court Clerk I, Kenai Secretary II, Kenai Law Clerk I, Kodiak
Page 134	Court Clerk I, Valdez Court Clerk I, Homer Court Clerk I, Seward Court Clerk I, Glennallen (1/2 time) Court Clerk II, Fairbanks Assistant Library Clerk, Fairbanks (1/2 time)
Page 135	Transcriber II, Fairbanks Secretary II, Bethel Clerk, Kotzeburo, (1/2 time)

The above positions result in a total of 16 full time positions and three 1/2 time. Chairman Cowper advised that there appeared to be approximately 8.0 difference in contractual between the House and Senate budgets and moved for adoption of the Senate figure of 14298.4 and position distribution as set out above. There being no objections, the above figure and position distribution were adopted.

ALASKA COURT SYSTEM - Administration & Support

Senator Sackett advised that the Senate had deducted the merit increase from salaries. Chairman Cowper moved for adoption of the House figure less the merit increase of 16.0. Mr. Snowden advised that the Senate had allowed a secretary but the House had deleted the position. Chairman questioned the current figure for personal services for this program under the House budget. Bob Schroeder agreed that there was some problem with the figure. Mr. Snowden suggested that the committee adopt the Senate figure but remove the secretary. Chairman Cowper moved for adoption of 1148.2 for personal services with the remaining figures to be those set out in both the House and Senate budgets for a total of 2054.4. There being no objection, the figure was adopted.

JUDICIAL COUNCIL

Chairman Cowper moved for adoption of the House figure. Senator Sackett moved to amend the motion to the Senate figure of 201.7. Senator Orsini advised that the Judicial Council has gotten into a number of different programs. The Council is eligible for additional federal funding and Senator Orsini stated that there was no reason to use general funds when LEAA money is available. He added that the subcommittee had met with the Executive Director of the Council and as a result of the meeting felt that there was federal money available for Council projects if the Council will only apply for it. The Senate figure of 201.7 was adopted with the following intent: The program shall reflect projected federal funds.

INTENT

JUDICIAL QUALIFICATIONS

Chairman Cowper moved that the committee adopt the Governor's, House, and Senate figure of 28.0. There being no objection, it was adopted.

The meeting adjourned at approximately 6:00 p.m.

ADJOURN

FREE CONFERENCE COMMITTEE

April 28, 1977

8:48 a.m.

All members of the Committee were in attendance. Also present: Senator Butrovich; Jay Hogan, Director, Legislative Finance; Bob Grogan, Fiscal Analyst, Legislative Finance; Ron Lind, Director, Budget and Management; Kent Dawson, Administrative Assistant, Office of the Governor; members of the Press.

PRESENT

Chairman Cowper called the meeting to order and advised the next budget category to be discussed was NATURAL RESOURCES.

NATURAL
RESOURCES

Office of the Governor:

Limited Entry: Discussion on limited entry fees. Rep. Haugen moved to accept the Senate figure of \$850.0. There being no objection, it was so ordered. Rep. Haugen moved that legislative intent be included stating that if receipts are over expenditures, additional funds are to lapse into General Fund. There being no objection, it was so ordered. Chairman Cowper moved to include House and Senate legislative intent stating - This appropriation and its expenditure is contingent upon the following: None of the appropriation shall be transferred, either directly or indirectly, to central data processing in the Department of Administration for implementing any merger or consolidation of data processing operations prior to the review and approval of the proposed central data processing organization structure by the Legislature. There being no objection, it was so ordered.

LEGISLATIVE
INTENT

LEGISLATIVE
INTENT

Fisheries Commissions, International North Pacific: Chairman Cowper moved to accept the figure of \$12.7. There being no objection, it was so ordered.

Fisheries Commissions, International Fisheries: Chairman Cowper moved to accept the Senate figure of \$115.6. There being no objection, it was so ordered.

Fisheries Commissions, Pacific Marine Fisheries: Mr. Lind advised the Governor deleted the program but has stated that if the Legislature funds the Program he will not take it out. Senator Tillion stated it is a worthwhile program. Chairman Cowper moved to accept the House figure of \$27.4. There being no objection, it was so ordered.

Fisheries Commissions, Law of the Sea: Chairman Cowper moved to accept the Senate figure of \$22.7. There being no objection, it was so ordered.

Coastal Zone Management & Oceans Planning: Chairman Cowper moved to accept the figure of \$2135.2. There being no objection, it was so ordered.

Alaska Fisheries Council: Chairman Cowper moved to accept the House figure of \$170.0. There being no objection, it was so ordered.

State Pipeline Surveillance, Oil Pipeline Surveillance: In answer to a question from Chairman Cowper, Mr. Lind stated this is the component operated by Alyeska. Mr. Dawson stated there will be approximately six months between the end of Alyeska Pipeline and the start of the gas pipeline and they want funds to keep the qualified people so they don't leave the State. Chairman Cowper moved to accept the figures of \$864.5. There being no objection, it was so ordered.

State Pipeline Surveillance, Gas Pipeline Review: Senator Sackett advised the difference between the House and Senate figures is the Governor's Budget Amendment #11. Mr. Dawson stated this is where they are trying to hold the people that are leaving, rather than under Oil Pipeline Surveillance. Chairman Cowper asked what would happen if the construction of the gas pipeline didn't start for another ten years. Mr. Lind stated that specs and plans still need to be set up. Rep. Haugen moved to accept the Senate figure of \$156.2. Rep. Gruening objected stating he understands it will be at least two years before the gas pipeline comes in. Question on the motion. Senator Sackett and Rep. Gruening opposed; motion carried.

Department of Revenue:

Fish & Game Licensing: Chairman Cowper moved to accept the figure of \$577.5. There being no objection, it was so ordered.

Department of Natural Resources:

Land Management, Central Office: Mr. Lind advised the Governor has submitted a Budget Amendment requesting \$75.0 for land selection in Tongass and Chugiak National Forest. He stated this is a request for FY 78 only. He stated Administration is requesting the Governor's figure plus \$75.0. Senator Butrovich advised the Senate took the Governor's figures except they disallowed the new positions. Discussion on the new position of Historian which was disallowed. Mr. Lind advised this person would determine navigability of State lands. Rep. Gruening moved to accept the Senate figure plus funds for the new position of Historian and \$75.0 for land selection in Tongass and Chugiak National Forests. Senator Sackett objected, stating the Department has an attorney who could do what the proposed historian would do. Motion carried. Chairman Cowper moved that legislative intent be included stating - The \$75.0 included in contractual for Land Selection is a one time capital appropriation. There being no objection, it was so ordered.

LEGISLATIVE
INTENT

Land Management, Classification: Chairman Cowper moved to accept the House figure of \$257.1. There being no objection, it was so ordered.

Administration & Support, Cadastral Engineering: Mr. Lind stated the effect of the House reduction was that they would not be able to survey to dispose of property. Rep. Haugen asked about cost of contracting and Mr. Lind stated they could contract out at a rate much less than what it would cost to have surveyors in-house. Chairman Cowper moved to accept the Senate figure of \$815.1. There being no objection, it was so ordered.

Administration & Support, Administration: Rep. Haugen moved to accept the House figure of \$747.7. There being no objection, it was so ordered.

District Operations, Southeast District: Rep. Haugen moved to accept the House figure of \$353.5 and asked for unanimous consent. There being no objection, it was so ordered.

District Operations, Southcentral District: Mr. Lind advised there was an error in the position count and the Governor's request figure should have been 28. Chairman Cowper moved to accept the House and Senate figures of \$1125.8 with a position count of 27. There being no objection, it was so ordered.

District Operations, Northcentral District: Mr. Lind advised the additional funding is necessary as the fire suppression activity must either be taken from the Bureau of Land Management or the State will have to contract with BLM at a cost of \$88.0. Chairman Cowper moved to accept the Senate figure of \$619.7 plus \$55.8 to be added in personal services for the new positions of Forester II, Fire Dispatcher and Labor Foreman. There being no objection, it was so ordered.

Geological & Geophysical Program, Resource Investigations: Chairman Cowper moved to accept the figure of \$517.8 for personal services and all other figures to be those of the Senate, for total expenditures of \$946.1. There being no objection, it was so ordered.

Geological & Geophysical Program, Publications: Senator Sackett moved to accept the Senate figure of \$149.7. There being no objection, it was so ordered.

Geological & Geophysical Program, Mineral Laboratory: Senator Sackett moved to accept the figure of \$214.2. There being no objection, it was so ordered.

Geological & Geophysical Program, Regulations & Information: Chairman Cowper moved to accept the Senate figure with an increase in equipment, for total expenditures of \$150.0. There being no objection, it was so ordered.

Geological & Geophysical Program, Administration: Rep. Haugen moved to accept the Senate figure of \$207.1. There being no objection, it was so ordered.

Mineral & Energy Management, Mineral Leasing: Rep. Haugen moved to accept the Senate figure of \$215.0. There being no objection, it was so ordered.

Mineral & Energy Management, Evaluation & Operations: Senator Sackett advised that two positions deleted in Senate budget were put in by Revised Programs. Rep. Haugen moved to accept the Senate figure of \$644.6 and asked for unanimous consent. There being no objection, it was so ordered.

The meeting recessed at 9:55 a.m. and Chairman Cowper recalled the meeting to order at 1:50 p.m. RECESS

Mineral & Energy Management, Mining: Chairman Cowper moved to accept the figure of \$54.5. There being no objection, it was so ordered.

The meeting recessed at 1:52 p.m. for a call of the joint Houses. Chairman Cowper recalled the meeting to order at 2:35 p.m. RECESS

Mineral & Energy Management, Pipeline: Mr. Lind stated the idea in funding these new positions was to keep expertise funded with General Fund money until next July when it is thought the Right-of-Way will be approved. Senator Butrovich stated the reason the Senate deleted this BRU was they didn't think these positions should be funded with General Fund money when there is no need for the positions. He stated that previously Alyeska was reimbursing the State for these positions. Chairman Cowper asked what makes them so sure the Right-of-Way will be chosen by next July. He stated the indications he has received are that it will be years away. Mr. Lind stated that once the Route is chosen they will need people to evaluate the route. Rep. Haugen moved to accept the Senate figure of zero. Chairman Cowper objected. Motion carried.

Mineral & Energy Management, Administration: Senator Butrovich stated the only change the Senate made was a deletion in equipment. Chairman Cowper moved to accept the Senate figure of \$168.2. There being no objection, it was so ordered.

Oil & Gas, Conservation: Chairman Cowper stated \$15.0 deleted in the Senate budget under contractual is needed for a reservoir study. Chairman Cowper moved the House figure of \$840.6. There being no objection, it was so ordered.

The meeting recessed at 2:45 p.m. Chairman Cowper recalled the meeting to order at 3:05 p.m. RECESS

Royalty Oil & Gas Board: Mr. Lind stated the purpose of the Governor's request was to give the Royalty & Gas Board a staff. He stated the Board currently does not have a staff. Rep. Gruening stated the Legislature is going to have to determine whether the Board should be a "rubber stamp" organization or give them authority to act independently. Rep. Gruening moved to accept the House figure of \$167.4. There being no objection, it was so ordered. Rep. Gruening moved that legislative intent be included stating - The Board and the Commissioner of Natural Resources should come back to the Legislature with recommended changes in the Royalty statutes, including requirements of Board members. There being no objection, it was so ordered.

LEGISLATIVE
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Forest Protection & Management, Fire Protection - State: Chairman Cowper moved to accept the Senate figure of \$147.4. There being no objection, it was so ordered.

Forest Protection & Management, Fire Protection - BLM: Chairman Cowper moved to accept the figure of \$1200.1. There being no objection, it was so ordered.

Forest Protection & Management, Research & Technical: Chairman Cowper moved to accept the Senate figure of \$47.9. There being no objection, it was so ordered.

Forest Protection & Management, Management & Timber Sales: Chairman Cowper moved to accept the Senate figure of \$137.0. There being no objection, it was so ordered.

Forest Protection & Management, Administration: Chairman Cowper moved to accept the figure of \$58.9. There being no objection, it was so ordered.

Conservation Action Corps: Chairman Cowper moved to accept the Senate figure of \$467.9. There being no objection, it was so ordered.

Parks & Recreation - Districts, Mat-Su: Senator Butrovich advised the Senate reduced the amount for equipment rental. Mr. Lind stated the Division's equipment rental costs are fixed costs and the only way they can live with the deletion of \$26.0 in equipment rental is to reduce their refuge collection. Gruening moved to accept the Senate figures, except Contractual will be changed to \$145.0, for total expenditures of \$409.7. Senator Sackett amended the motion to include legislative intent stating - the Division is not to cut any contract for picking up litter. There being no objection, the motion was passed.

LEGISLATIVE
INTENT

Parks & Recreations - Districts, Chugach: Chairman Cowper moved to accept the Senate figure of \$377.7. There being no objection, it was so ordered.

Parks & Recreation - Districts, Kenai-Kodiak: Chairman Cowper stated the House increased this area because of the increase in litter from those traveling out of the Anchorage area. Senator Butrovich stated the Senate disallowed the new positions and reduced equipment rental by \$5.6. Chairman Cowper moved to accept the House figure in personal services to allow for two new positions and the Senate figures elsewhere, for total expenditures of \$217.9. There being no objection, it was so ordered.

Parks & Recreation - Districts, Southeast: Chairman Cowper moved to accept the Senate figure of \$189.0. There being no objection, it was so ordered.

Parks & Recreation - Districts; Copper Basin: Rep. Haugen moved to accept the Senate figure of \$105.5. There being no objection, it was so ordered.

Parks & Recreation - Districts, Interior: Rep. Haugen moved to accept the Senate figure of \$329.3. There being no objection, it was so ordered.

Park Management, Operations Administration: Chairman Cowper moved to accept the Senate figure of \$34.9. There being no objection, it was so ordered.

Park Management, Park Development: Rep. Haugen moved to accept the Senate figure of \$135.2. There being no objection, it was so ordered.

Park Management, State-Federal Coordination: Rep. Haugen moved to accept the Senate figure of \$98.0. There being no objection, it was so ordered.

Park Management, Administration & Support: Rep. Haugen moved to accept the Senate figure of \$256.5. There being no objection, it was so ordered.

Statewide Programs, Historic Preservation: Rep. Haugen moved to accept the Senate figure of \$93.5. There being no objection, it was so ordered.

Statewide Programs, Archaeology: Rep. Haugen moved to accept the Senate figure of \$65.2. There being no objection, it was so ordered.

Statewide Programs, Grants: Senator Sackett requested this category be held open.

OPEN

Statewide Programs, Direction & Support: Rep. Gruening moved to accept the House figure of \$131.8. There being no objection, it was so ordered.

Land Use Planning, Planning Unit: Chairman Cowper moved to accept the figure of \$130.7. There being no objection, it was so ordered.

Land Use Planning, State-Federal Commission: Chairman Cowper moved to accept the figure of \$600.2. There being no objection, it was so ordered.

Management & Administration, Office of the Commissioner: Mr. Lind stated that this division has a strain in its accounting system. Chairman Cowper moved to accept the House figure of \$528.9 minus \$10.0 for the Commissioners' salary, for total expenditures of \$518.9. There being no objection, it was so ordered.

Management & Administration, Office of the Assoc. Comm.: Senator Sackett stated they have deleted funding for equipment as the people are being transferred from somewhere else. Rep. Haugen moved to accept the Senate figure of \$54.2. There being no objection, it was so ordered.

Management & Administration, Pipeline Admin. & Support: Rep. Haugen moved to accept the figure of \$61.0. There being no objection, it was so ordered.

Management & Administration, Coastal Zone Coordination: Chairman Cowper stated the House deleted this and feels it should be put in the Commissioners' Office. Mr. Grogan stated one position has been added in the Commissioners' Office but it was not funded. Chairman Cowper moved to accept the Senate figure of \$35.1. Rep. Gruening objected, stating this BRU should be in the Commissioners' Office. Motion carried.

Management & Administration, Planning & Research: Mr. Lind stated the Division requests the position deleted by both houses (research analyst) be kept in. They also need the \$12.0 deleted by the Senate in contractual. This is the cost of running the computer. Chairman Cowper moved the following figures be accepted: Personal Services \$310.7 (Gov's.); Travel \$14.5 (Senate); Contractual \$33.5 (House); Commodities \$2.5 (House & Senate); and Equipment \$.4 (House and Senate); for total expenditures of \$361.6. There being no objection, it was so ordered.

Department of Fish and Game:

Commercial Fish, Research: Committee members expressed concern that Biologists assigned to specific areas are not spending all their time in the specified area; they are doing their field work there and returning to larger cities to spend most of their time. Chairman Cowper moved to accept the Senate figure of \$1840.9 and the following legislative intent - \$22.0 additional to fund shellfish research program in Prince William Sound. The approved Biologist position shall be stationed full time in the Yukon-Kuskokwim/Bristol Bay area. There being no objection, it was so ordered.

LEGISLATIVE
INTENT

A recess was called at 3:55 p.m. and Chairman Cowper reconvened the meeting at 4:30 p.m. RECESS

Commercial Fish, Management: Discussion on the differences between the House and Senate figures. Rep. Haugen moved to accept the House figure of \$4032.4. Senator Hohman moved to amend the motion to increase it by \$65.5 to fund a new position of a Biologist in Kotzebue, for total expenditures of \$4088.9. There being no objection, it was so ordered. Senator Hohman moved to accept the House legislative intent stating - \$40.0 added to fund troll log program; \$50.2 of the contractual services figure is to be used to fund Western Alaska Salmon Tagging program. There being no objection, it was so ordered.

LEGISLATIVE
INTENT

Commercial Fish, Administration & Support: Chairman Cowper moved to accept the Senate figure of \$678.7. There being no objection, it was so ordered.

Commercial Fish, Federal Aid Programs: Mr. Lind stated the Department has indicated they will take the reduction in the shellfish assessment work in Cook Inlet. Rep. Haugen moved to accept the Senate figure of \$1364.7. There being no objection, it was so ordered.

Game, Investigations & Research: Discussion on Revenue received from Game fees. Senator Sackett stated the Senate Finance Committee was advised that revenue received due to the increase in license fees last year was so great that there would be enough money to cover this year's entire budget. Rep. Haugen stated he would like to see a break-out on the amount of money Fish & Game will receive in fees by next year. Senator Butrovich stated that from July 1, 1975 to June 30, 1976 Sport Fish received net receipts of \$2.6 million. He stated that from July 1, 1976 to January 31, 1977, net receipts were \$1.8 million. He advised the increase in license fees did not take effect until January 1, 1977. Senator Tillion moved to accept the Senate figure of \$4347.6. Rep. Gruening objected, stating in his area they need fewer biologists and more enforcement officers. Question on motion. Reps. Gruening, Cowper and Haugen opposed. Motion failed. Mr. Lind advised the Governor's revised figure is \$4209.6 and he would transfer one Biologist from Anchorage to Talkeetna and one from Fairbanks to Galena. Rep. Haugen moved to include legislative intent stating - Two existing biologist positions in the Southeast area are to be transferred to areas of the State where there is a shortage. Senators Sackett, Hohman and Tillion objected. Motion on intent failed. Rep. Gruening moved to accept the Governor's revised figure of \$4209.6. After further discussion, Rep. Gruening withdrew his motion and this BRU was held open.

LEGISLATIVE
INTENT/
FAILED

OPEN

Game, Management: Rep. Haugen moved to accept the House figure of \$392.5. There being no objection, it was so ordered.

Game, Hunter Safety: Chairman Cowper moved to accept the figure of \$117.9. There being no objection, it was so ordered.

Game, Administration & Support: Chairman Cowper moved to accept the figure of \$318.5. There being no objection, it was so ordered.

Sport Fish, Investigations & Research: Chairman Cowper moved to accept the Senate figure of \$2107.7. There being no objection, it was so ordered.

Sport Fish, Management: Chairman Cowper moved to accept the figure of \$739.6. There being no objection, it was so ordered.

Sport Fish, Sport Fish Restoration: Chairman Cowper moved to accept the figure of \$46.7. There being no objection, it was so ordered.

Sport Fish, Administration: Chairman Cowper moved to accept the figure of \$192.7. There being no objection, it was so ordered.

The meeting recessed at 5:15 p.m.

RECESS

FREE CONFERENCE COMMITTEE
Friday, April 29, 1977
8:25 a.m.

Chairman Cowper convened the meeting at approximately 8:25 a.m. All committee members were present. Also in attendance were Ron Lind and staff from the Division of Budget & Management; Jay Hogan and Bob Grogan from Legislative Finance, Commissioner of Revenue, Sterling Gallagher; Judy Crondahl, Administrative Assistant to Senator Sackett; and Elaine Mitchell of the Press. Also in attendance following reconvening of the meeting in the afternoon were: Senator Butrovich, Senator Ray, Senator Ferguson, Senator Willis, Commissioner of Public Works Don Harris, Director of the Division of Marine Transportation Bill Hudson, and Arthur Snowden, Administrator of the Court System. Fiscal Analysts Alison Farnan, Milt Barker, and Bob Grogan were also present for discussion of their respective budget areas.

Chairman Cowper advised those present that the committee would be returning to the Natural Resources budget to continue review of the programs within the budget category.

NATURAL
RESOURCES

FRED - Administration (p. 195)

Ron Lind advised that this program was attempting to "beef-up" administrative capabilities. He advised that a consultant had studied the program and concluded it was short on administrative personnel. The department is requesting a total of four positions in an effort to supplement this area. Chairman Cowper questioned the need for a microbiologist in administration. Ron Lind replied that the sub-program was actually Administration and Support and the biologist would handle all of the districts. Chairman Cowper questioned the need for a clerk typist in Cold Bay. Ron Lind advised that the department has an enhancement program in that area and it has need of the typist. Senator Tillion advised that he usually supported the administration but he did not feel that the FRED program has done a good job and added that he would not support an increase in the program. Representative Haugen stated that the problem with the program was that an interagency fight had developed. He advised that the program needed more professional people but he didn't like to see these professionals sitting around in offices when they should be out in the field. He added that other states aside from Alaska have been successful with their enhancement programs. Representative Haugen moved for adoption of the Senate figure of 679.7, with intent. Bob Grogan advised that the Senate

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had only taken out the position previously held by Alex McCrea. Ron Lind advised that the department had been directed not to fill the position until it had effected a reorganization. Senator Tillion moved for adoption of the Senate figure without intent, and further moved the House figure for the following page (p.197) FRED Hatcheries Administration. Ron Lind stated that he felt if the legislature cuts out the high level positions, the program is going to have more problems. Senator Tillion asked Mr. Lind what would happen if the committee took the 679.7 for Administration and zeroed out the hatcheries administration on the next page. Ron Lind replied that he felt it would limit the program, advising that some of the positions were research and some were fisheries production. Chairman Cowper advised that the committee had already accepted the Senate figure of 679.7. Representative Gruening moved the Senate figure of 0 for p. 197. Ron Lind advised that the department had combined the administration and hatcheries administration even though the budget did not come in that way when printed. He suggested that the committee take the 104.5 from page 197 (hatcheries) and add it to the figure on page 195 (administration). Chairman Cowper advised that the committee had accepted the Senate figure of 679.7 without intent for page 195 (Administration) and added that there was now a motion for the Senate figure of 0 on page 197 (hatcheries). There being no objection to the above motion, the figures were accepted.

ADMINISTRATION AND SUPPORT - Office of the Commissioner
Chairman Cowper moved for adoption of the Senate figure of 191.6. There being no objection, the figure was adopted.

ADMINISTRATION AND SUPPORT - Information and Education
Representative Haugen moved for adoption of the Senate figure of 168.9. There being no objection, the figure was adopted.

ADMINISTRATION AND SUPPORT - Administrative Services
Senator Sackett advised that the Senate figures included advisory boards for fish and game. Representative Haugen moved for adoption of the Senate figure of 2244.1, and inclusion of both the House and Senate intent. There being no objection, the Senate figure and House and Senate intent were adopted.

Senate Intent: \$5.0 additional for Anchorage Zoo.
Intent: This appropriation and its expenditure

INTENT

is contingent upon the following: None of the appropriation shall be transferred, either directly or indirectly, to central data processing in the department of administration for implementing any merger or consolidation of data processing operations prior to the review and approval of the proposed central processing organization structure by the legislature.

INTENT

House Intent: Governor's recommendation. \$5.0 additional for Anchorage Zoo. House Finance Committee is to receive by the First day of the legislative session an equipment inventory and purchase record of all purchases made between July 1, 1977, and January 1, 1978. House Finance Committee is also to be provided a status report of all capital projects by January 1, 1978.

House Intent: All remote area employees are to live in remote areas.

House Intent: This appropriation and its expenditure is contingent upon the following: None of the appropriation shall be transferred, either directly or indirectly, to central data processing in the department of administration for implementing any merger or consolidation of data processing operations prior to the review and approval of the proposed central data processing organization structure by the legislature.

ADMINISTRATION AND SUPPORT - Vessels

Senator Tillion advised that vessels used under this program are in need of a great number of repairs. Senator Hohman advised that he understood the program also had a new boat coming. Senator Sackett stated that the House argument in favor of reduction was that the maintenance was unjustified. Representative Haugen asked if the above program included maintenance of the RESOLUTION. Ron Lind replied that 50.0 would be applied to the RESOLUTION. Representative Haugen stated that he recalled passage of a bond in the amount of 105.0 designated for the RESOLUTION. Ron Lind replied that he thought the bond was for purchase of a new small vessel. Senator Sackett question the purpose of the 105.0 bond issue stating that if the program has funds available through the bond, there is no need to reappropriate in the budget. Ron Lind advised that the bond moneys could not be used for maintenance. Senator Tillion advised that he did not believe in cutting maintenance; it is a cost the State just has to pay. Chairman Cowper moved that the program

be held open pending an explanation of the purpose for the bond. Upon reconvening later in the day Ron Lind advised that the bond money is going to be used to take the RESOLUTION to Seattle for repairs. If the program does not get the maintenance figures in the budget, it will not take the vessel to Seattle for bond money repairs. Chairman Cowper moved for adoption of 1219.2 (Senate figure minus 10.0 in contractual). There being no objection, the figure was adopted.

ADMINISTRATION AND SUPPORT - Board of Fisheries

Ron Lind advised that there is a budget amendment for this program. Senator Tillion asked if the budget amendment put someone on the advisory board. Ron Lind replied that it did and the increased cost would be 55.0. It would allow for reclassification of the Director and Assistant Director and secretarial staff, and would provide more staff input. It would also give the board autonomy from the department. Ron Lind advised that the total position increase would be one. Chairman Cowper advised that his understanding was that the department has three people between the board of fish and board of game. What the department wants to do is add a coordinator for a total of four positions. Senator Tillion advised that he would go along with giving the board its autonomy. Senator Sackett moved for adoption of the Governor's, House, and Senate figure of 91.4. There being no objection, the figure was adopted.

ADMINISTRATION AND SUPPORT - Board of Game

Senator Sackett moved for adoption of the Governor's, House, and Senate figure of 66.9. There being no objection, the figure was adopted.

ADMINISTRATION AND SUPPORT - Housing Program

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 128.7. There being no objection, the figure was adopted.

(Representative Gruening left the meeting at this time for attendance at the House Session, 10:00 a.m.)

HABITAT PROTECTION - Marine/Coastal Habitat Mgmt.

Chairman Cowper advised that the Senate pulled out 5.0 in commodities. Representative Haugen moved for adoption of the Senate figure of 176.5. There being no objection, the figure was adopted.

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HABITAT PROTECTION - Land and Water Protection

Representative Haugen moved for adoption of the figure for the House and Senate of 264.5. Ron Lind advised that one of the new positions was set up to coordinate with the Forest Service to see that the Forest Service action is not harmful to the fish. There being no objection to the proposed figure of 264.5, it was adopted.

HABITAT PROTECTION - Land and Water Management

Chairman Cowper moved for adoption of the Senate figure of 270.0. There being no objection, the figure was adopted.

HABITAT PROTECTION - Administration and Support

Chairman Cowper moved for adoption of the House figure. Representative Haugen amended the motion for acceptance of the Senate figure of 185.5 rather than the House figure. There being no objection to the amended motion, the Senate figure was adopted.

HABITAT PROTECTION - Pipeline Monitoring

Representative Haugen moved for adoption of the Senate figure of 952.1. Ron Lind advised that this program included funds to follow up on inspection subsequent to Alyeska construction. Bob Grogan advised that the Senate figure does not allow any general funds, while the House included 110.0 in general funds. Ron Lind stated that the lack of general funds would mean that the inspectors will not be able to work on anything that Alyeska will not reimburse them for. Chairman Cowper stated he objected to the Senate figure if it meant that the inspector could not go and take a look at an area unless Alyeska allowed him to do so. Senator Tillion stated that he understood the inspector could go look, but he would not be reimbursed by Alyeska. Chairman Cowper advised that he would concur in the Senate figure of 952.1 with the following intent: If lack of general funds-handicaps the agency in doing proper pipeline monitoring, the legislature will consider a supplemental if properly documented. There being no objection to the motion and proposed intent, they were both adopted.

INTENT

PROTECTION - Enforcement

Senator Tillion moved for adoption of the Senate figure which he advised was 1/2 way between the Governor's figure and the House figure. Chairman Cowper advised that the Senate had placed enforcement officers in Cantwell, Cordova and Anchorage while the House placed them in Dutch Harbor, Seward, Galena, and Chugiak-Eagle River. Representative Haugen advised

that there was a need for an additional enforcement officer in Wrangell. Chairman Cowper moved for adoption of the Governor's figure, with six additional positions: Cantwell, Prince William Sound, Nenana, Dutch Harbor, Wrangell, and Chugiak-Eagle River. Senator Butrovich advised that the Senate allowed 77.2 for replacement, that in effect the Senate allowed all new equipment plus 20% for replacement. Chairman Cowper moved for adoption of the Senate figure for equipment, and adoption of the Governor's figures plus six positions. (3396.7 personal services, 177.1 travel, 665.0 contractual, 99.6 commodities, 147.8 equipment, 66.8 lands and buildings, plus six positions) There being no objection to the above motion, the figures were adopted. Senator Tillion proposed the following intent with regard to overtime: No trooper may be reprimanded for the use of overtime duty for which he does not file a claim. There being no objection to the above intent, it was adopted.

INTENT

PROTECTION - Directors Office

Chairman Cowper advised that this program has had a large vacancy which the House budget took advantage of. Budget and Management staff advised that vacancies were due to the fact that the department had problems recruiting for these positions. Chairman Cowper moved for adoption of the House figures with the Senate figure for travel, for a new total of 603.3. There being no objection, the above figure was adopted.

PROTECTION - Aircraft Section

Chairman Cowper advised that if there was a reason for the % of increase, the committee should be made aware of the reason. Budget and Management staff advised that the increase was primarily related to repairs to aircraft, helicopter parts and repairs, etc., and replacement of hangar door which had fallen off. Chairman Cowper moved for adoption of the Senate figures with the amount of 50.0 for equipment, for a new total of 634.4. There being no objection, the above figures were adopted.

PROTECTION - Marine Enforcement

Budget and Management staff advised that the new positions were for the 100 footer which will be on line sometime in May. Bob Grogan advised that

the committee had an RP for this program to include the above positions. Senator Tillion moved for adoption of the Senate figure of 919.6. There being no objection, the figure was adopted.

WATER PROGRAMS - Water Pollution Control

Chairman Cowper moved for adoption of the Senate figure of 180.1. There being no objection, the figure was adopted.

WATER PROGRAMS - Water Supply

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 371.0. There being no objection, the figure was adopted.

WATER PROGRAMS - Facility Construction and Oper

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 183.7. There being no objection, the figure was adopted.

WATER PROGRAMS - Directors Office

Chairman Cowper moved for adoption of the Senate figure of 86.9. There being no objection, the figure was adopted.

WATER PROGRAMS - Environmental Analysis

Representative Haugen moved for adoption of the Senate figure of 268.6. There being no objection, the figure was adopted.

TERRESTIAL PROGRAMS - Air Quality

Chairman Cowper moved for adoption of the House and Senate figure of 160.3. Ron Lind asked if it was the legislature's intent that where it has left out 100% federal funded positions, may the agency come back with a Revised Program, or does the legislature not want the program. Senator Tillion and Representative Haugen replied that the legislature does not want the program. There being no objection to the original motion, the above figure was adopted.

TERRESTIAL PROGRAMS - Land Use

Chairman Cowper moved for adoption of the Governor's, House, and Senate figures of 194.0. There being no objection, the figures were adopted.

TERRESTIAL PROGRAMS - Directors Office

Representative Haugen moved for adoption of the Governor's, House, and Senate figure of 89.7. There being no objection, the figure was adopted.

PROGRAM COORDINATION

Representative Haugen moved for adoption of the House and Senate figure of 229.9. There being no objection, the figure was adopted.

ADMINISTRATION AND SUPPORT - Office of the Commissioner

Representative Haugen moved for adoption of the House figure. Ron Lind advised that the Commissioner's travel had been substantially cut. Chairman Cowper moved for adoption of the Senate figure of 288.8. There being no objection, the Senate figure was adopted.

ADMINISTRATION AND SUPPORT - Advisory Board

Representative Haugen moved for adoption of the House figure of 11.2. Senator Tillion objected. Upon a show of hands the vote was five in favor of adoption of the House figure and Senator Tillion against adoption. The motion carried and the House figure was adopted.

ADMINISTRATION AND SUPPORT - Management Services

Representative Haugen moved the Senate figure of 263.0. There being no objection, the figure was adopted.

ADMINISTRATION AND SUPPORT - Technical Services

Representative Haugen moved for adoption of the Senate figure of 309.6. There being no objection, the figure was adopted.

FIELD OPERATIONS - Pipeline Monitoring

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 252.9. There being no objection, the figure was adopted.

REGIONAL OFFICES - Southeast Region

Representative Haugen moved for adoption of the House figure of 238.7. There being no objection, the figure was adopted.

REGIONAL OFFICES - Southcentral Region

Representative Haugen moved for adoption of the House figure of 453.0. There being no objection, the figure was adopted.

REGIONAL OFFICES - Northern Region

Representative Haugen moved for adoption of the House figure of 404.4. There being no objection, the figure was adopted.

REGIONAL OFFICES - Prince William Sound Region
Representative Haugen moved for adoption of the House figure of 152.2. There being no objection, the figure was adopted.

DEBT SERVICE - Fish and Game Facilities - 2038.0
Water and Sewer 3284.7
Parks and Recreation 386.0
Fire Protection 83.2

Chairman Cowper moved for adoption of the Governor's, House, and Senate figures for the above Debt Service Programs. There being no objection, the figures were adopted.

TANKER INSPECTION - Commissioner's Office (p.267)
Coastal Protection

Ron Lind advised committee members that his office had a budget amendment (No. 20) dated March 14, 1977. The amendment is for coastal protection, requesting 8 positions. These positions are safety inspectors who would inspect tankers in Valdez and Cook Inlet and deal with oil spills. Bob Grogan advised that rather than begin another BRU for this program that the 366.3 be placed in the Commissioner's Office (p. 267) in the miscellaneous line item, for a new total for this budget category of 655.1. There being no objection to the figures or the above suggested procedure, the figures were adopted and placed in the Commissioner's Office under the miscellaneous line item.

RECESS

(Tape reading at recess: FCC-77 No. 6 (0545-1213))

RECONVENE 1:25 p.m.

Chairman Cowper directed the committee's attention to page 53 of the Public Protection Budget in order to close a category previously held open.

REGULATION OF BUSINESS & PROFE. - Alaska Pipeline Commission PUBLIC PROTECTION

Chairman Cowper moved for adoption of the House figure of 578.9. Senator Sackett advised that the legislature had given this agency a supplemental and the agency said it didn't need it, and later came back in to the legislature and said they needed it after all. He further advised that Senate Finance Committee disallowed 116.0, and advised that the agency had been double budgeted in the referred to area. Chairman Cowper again restated his motion for adoption of the House figure of 578.9. Without objection, the figure was adopted.

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Chairman Cowper next directed the committee's attention toward the Transportation Budget. He advised that one of the questions remaining regarding Marine Transportation - Southeast Operations was whether the legislature should adopt intent pertaining to the proposal by the Department of Public Works to move out of the Ferry System's present facilities at Pier 48 in Seattle. The legislative intent the committee was considering would require that legislative approval be obtained prior to making the contemplated move. Commissioner Harris was on hand to give his point of view regarding the contemplated language. He advised that he would prefer that the legislative intent not be included, adding that he believed the administration should be able to make an administrative decision on the question based upon facts obtained. He further stated that to date only half of the facts are available and sufficient information is not on hand to determine the difference in cost of operating from the Port of Seattle vs. the Port of Bellingham. From what the department currently has, it would appear that operations through the Port of Bellingham could effect a possible savings of approximately 620.0 to 730.0 per year. The amount of the savings would depend upon whether or not the State puts up the capital for the facility at Bellingham, and the difference in the debt services would be carried over about an eight year period.

TRANSPORTATION

COMMISSIONER
HARRIS

Commissioner Harris further advised that Traffic Consultant, Fred Tolan, has indicated the cost for moving perishable products in Southeast Alaska to market in Seattle. The cost, if there is no back haul, would be \$125.00 per van. If a back haul could be developed under the return system, then the department would have movement each way. To date the department has not evaluated the cost of moving people. Grayhound says they would meet the ferry schedule. It would cost \$4 to \$5 per person from Bellingham to Seattle on the bus. There is a high possibility of nearly all shipping of refrigerated vans for back hauling. This back haul would be due to fish production and will add about 2 million pounds per month going South.

Commissioner Harris advised committee members that the department would bring all available information before the Legislative Budget & Audit Committee, and would place the question before the people at public

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hearings throughout Southeast Alaska before adopting a program for one port over the other. He again stated that he felt this should be an administrative decision made by the administration.

Chairman Cowper asked what effect the change of ports would have on the tourist traffic should tourists be required to go to Bellingham to catch the ferry. Representative Haugen stated his understanding of Commissioner Harris' opinion to be that before the department puts its thinking into effect, it would discuss the matter with the communities in Southeast Alaska. The department feels strapped by legislative intent and would prefer that the committee not adopt the intent language. Commissioner Harris advised that the department has advised everyone that the necessary hearings would be had prior to effecting a change. He added that another aspect of the question was the fact that the legislative intent places prohibition on the department, and the department will be in the position of having the Port of Seattle lay a head tax on the state's operation. Senator Hohman asked if an agreement couldn't be signed which would fend off the head tax. Commissioner Harris advised that the department has gotten the feeling that the Port of Seattle feels it is doing the state a favor by applying the existing rates. He added that the Port's proposal to put a restaurant in the building currently occupied by the Ferry System Office in Seattle will limit the Office's operating space. The area is extremely crowded when loading even now. Also, immediately adjacent to Pier 48 is a proposed new hotel building and the largest container loading pier in the Port of Seattle.

Commissioner Harris stated that the department didn't know how the proposal would ultimately work out, but the department has pretty well concluded that the savings to the Marine Highway System would be in excess of \$600.0 per year.

Mr. Bill Hudson, Director of the Marine Highway System presented comparison cost figures for the Port of Bellingham vs. the Port of Seattle (a portion of his presentation follows).

MR. HUDSON

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	<u>Seattle</u>	<u>Bellingham</u>	<u>Alaska*</u>
Lease costs	\$260,000.00	\$142,000.00	\$62,597.00
Line			
Handlers	31,602.00	19,136.00	19,136.00
Labor for			
Refueling	123,602.00	0	0
Waste			
Pumping	49,000.00	0	0

* Costs should Alaska make the capital expenditure necessary to construct the ferry terminal facility.

In addition to the above savings Mr. Hudson advised that there would be a fuel savings due to the fact that the distance from Alaska to Bellingham is shorter than that from Alaska to Seattle, and the fuel rate is lower at Bellingham. The ferry system might be able to save 6 to 8 hours running time and move at a lower rate of speed resulting in more economical use of fuel and a savings of approximately 30%. In addition, the shorter running time might provide more dock time in Alaska for crew members who reside within the state.

Representative Gruening questioned the effect the move would have upon the tourism industry in Alaska. Mr. Hudson advised that the tour operators would adjust their advertisement campaigns to the new port facility. He added that information the department has indicates that the majority of the tourists do not come from the Seattle area. He added that he honestly did not believe the department would experience any serious tourism problems by relocating in Bellingham.

Chairman Cowper inquired into the possible use of hydrofoils for the ferry runs. Mr. Hudson advised that the department had been keeping track of developments pertaining to hydrofoils but has found that they are somewhat limited to particular types of operation, weather conditions, etc. Also, the hydrofoils move people but not vehicles.

Representative Haugen stated that he felt there would be a certain amount of inconvenience in getting from the ferry to the bus, and also questioned the cost of trucker standby time.

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Commissioner Harris and Mr. Hudson introduced Mr. Fred H. Tolan, a transportation specialist, who presented comparison figures pertaining to freight costs (including groceries and produce) between Alaska, Seattle, and Bellingham. (A copy of Mr. Tolan's presentation is attached to these minutes.)

MR. TOLAN

Following Mr. Tolan's presentation Senator Ferguson asked what the difference in cost between the two ports would be for a driver and automobile. Mr. Tolan replied that the difference would be approximately \$29.00 per car and \$6.00 per passenger, and that the passengers would arrive in Seattle two hours earlier by bus from Bellingham than they would have had the ferry gone all the way to Seattle.

Senator Ray asked Mr. Tolan if he worked for the Port of Bellingham. Mr. Tolan replied that he did. Senator Ray then asked Commissioner Harris and Mr. Hudson if they had anyone on hand from the Port of Seattle to present the other side of the economic picture. Commissioner Harris acknowledged that no one from the Port of Seattle was present. Senator Ray stated that this is the manner in which the department has always operated and he objected to the one-sided presentation. He added that both he and Commissioner Harris had traveled to Bellingham and could see no difference in cost between the two ports except for a possible difference in fuel price. He stated that overall he did not believe there would eventually be any great difference in costs effected by the switch from one port to the other. He added that the legislature had never been privy to the workings of the department. In the past, the department has used money contrary to the appropriation of the legislature.

Senator Tillion questioned Mr. Tolan regarding his statement that many of the fish producers in Alaska ship their fish from Seattle to Bellingham for storage. Mr. Tolan replied that the above was true, that this shipping between Seattle and Bellingham was frequently done due to the availability of better refrigeration facilities in Bellingham.

Senator Hohman questioned the large number of vans carried by the ferry system and asked if this could be considered a subsidy to commercial carriers.

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advised that the department would like more lead time than nine months, but that the department could come back in January with a report, and added that he didn't have any problem with the intent. He said the department would assign dollar figures to the move and "let the chips fall where they may." Chairman Cowper advised that he simply felt that the legislature should have a part in what is ultimately going to be done. He added that if the intent is not included, the decision will be made without legislative input.

Senator Ray advised that he and Commissioner Harris were friends of long standing who are both working to the same end--a competent, working ferry system in the state. He added that as chairman of the legislative Interim Committee on Transportation and Commerce, he would work to see that the committee came in with unbiased figures to review and compare with department figures.

Chairman Cowper again moved for adoption of the Senate intent. Senator Tillion objected. Upon a show of hands the motion passed on a vote of 5 to 1, Senator Tillion objecting.

Intent: This appropriation is contingent upon the following: None of the appropriation shall be used to lease, acquire, construct, equip or operate a southernmost vessel terminal other than the current facility at Pier 48, Seattle, Washington. Prior to the Division of Marine Transportation using any other facility as its southernmost terminal, the proposal for the new facility must be reviewed by the legislature and a budget for the new facility approved by the legislature.

Chairman Cowper advised that the committee would review some budget areas previously left open, and the following areas were considered by the committee:

CENTRAL REGION O & M - Highways (p. 119)

Mr. Hogan advised that during close outs for the Southeast Region, Senator Sackett moved for maintenance of the DEVELOPMENT Aliknigik Road. Mr. Hogan requested committee permission to move the allocation for maintenance of this road from the Southeast Region to the Central Region, the region in which the road is actually located. There being no objection, the transfer was approved.

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CORRECTION

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

Commissioner Harris replied that if the department provides a subsidy to Alaskans the commercial carriers benefit from it. Senator Hohman advised committee members that he also felt the committee did not have the full story before it. He added that Mr. Hudson had indicated in January that one week later the legislature would have a report on the proposed change of ports. Commissioner Harris indicated in March that the report would be available soon. The legislature still does not have the report and he added that as a legislator he would not feel like a responsible representative if he could not review the complete picture before making a decision. He asked Commissioner Harris what his time frame for information gathering prior to the next session appeared to be.

Commissioner Harris replied that the contract with the Port of Seattle runs out in January. The department needs nine months lead time to get construction going at the Bellingham Terminal. Senator Hohman then stated that a decision by the legislature next March would allow the department to proceed in time.

In reply to a question from Representative Gruening pertaining to contractual arrangements, Commissioner Harris stated that the state has basically a leasing arrangement with the Port of Seattle.

Chairman Cowper stated that he believed the purpose of the Alaska Ferry System was not to save money but to provide the best service. He added that he felt the legislature has the right to review everything before making a decision and moved for adoption of the Senate intent. Senator Tillion objected, advising that he did not feel the state should be running a ferry parallel to an existing highway. Representative Haugen suggest that the committee go on to another BRU and come back to this one for decision at a later time. He also asked Commissioner Harris if he could come back to the legislature with a completed report by next January. Commissioner Harris replied that the department could; that it could assign dollar figures in a very short time.

Representative Gruening stated that he understood the intent does not prevent the department from proceeding under the intent and advised that he was favorably inclined toward the proposal. Commissioner Harris

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advised that the department would like more lead time than nine months, but that the department could come back in January with a report, and added that he didn't have any problem with the intent. He said the department would assign dollar figures to the move and "let the chips fall where they may." Chairman Cowper advised that he simply felt that the legislature should have a part in what is ultimately going to be done. He added that if the intent is not included, the decision will be made without legislative input.

Senator Ray advised that he and Commissioner Harris were friends of long standing who are both working to the same end--a competent, working ferry system in the state. He added that as chairman of the legislative Interim Committee on Transportation and Commerce, he would work to see that the committee came in with unbiased figures to review and compare with department figures.

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STATEWIDE PROGRAMS - Grants (131)

NATURAL
RESOURCES

Senator Sackett stated that he believed this program should be in the capital budget, adding that the Senate Finance Committee put 800.0 into the capital budget for bike trails in Anchorage. Representative Gruening advised that the committee could take the above amount out of the capital budget and place it in this program. Representative Gruening moved for adoption of the House figure. Senator Sackett objected stating that he did not object to the project but he really felt it should be placed in the capital budget in order to keep the operating budget as low as possible. Bob Grogan advised that the Governor's analysis recommends moving the funds to the capital budget. Chairman Cowper advised that the motion was to put the 300.0 into the capital budget. There being no objection, this program was zeroed and the funds moved into the capital budget.

GAME - Investigations and Research (p. 165)

Chairman Cowper advised that in accordance with Budget Amendment No. 7, the total figure for this category should be 4209.6. There being no objection to the above figure, it was adopted.

PROTECTION - Enforcement (p. 233)

Bob Grogan advised that the new total for this category should be 4810.9, adding that the above figure includes the new enforcement offices added by the committee. There being no objection to the above total, it was adopted.

COMMUNITY MENTAL HEALTH CENTER (p. 71)

HEALTH

Representative Gruening moved that this program include the following intent: \$20.0 in grant money shall go to the Alaska Mental Health Association for community education. Senator Sackett advised that basically what the Senate Finance Committee had taken was the request of each mental health center. Senator Tillion advised he would go along with the above and the intent as long as it didn't cost additional money. Senator Hohman advised that he would support the above if the committee would increase the funds. Senator Sackett moved for adoption of the figure of 2163.7 with 20.0 for the program at McGrath. Senator Tillion objected. Upon a show of hands the vote was five in favor, Senator Tillion objecting.

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Chairman Cowper advised that the committee would commence review of the Social Services budget.

SOCIAL
SERVICES

CHILD ADVOCACY

Representative Gruening moved for adoption of the Governor's figure. Upon a show of hands the vote was 3 to 3, Senators Sackett and Hohman, and Representative Gruening voting for the motion; Senator Tillion and Representatives Haugen and Cowper voting against the motion. The motion failed and legislative figures for this program remain zero.

PIONEERS HOME ADVISORY BOARD

Chairman Cowper moved for adoption of the Governor's, House and Senate figure of 8.4. There being no objection, the figure was adopted.

ALASKA PLAN

Chairman Cowper moved for adoption of the Senate figure of 225.0. There being no objection, the figure was adopted.

LONGEVITY BONUS

Senator Tillion moved the Senate figure. Representative Cowper amended the motion for adoption of the House figure which consists of all general funds instead of the Senate figure. There being no objection, the House figure of 9783.0 was adopted.

PIONEERS HOMES - Sitka

Chairman Cowper advised that it appeared the Senate had cut contractual by about 60.0. Senator Tillion stated that the Senate Finance Committee had cut out MICA. Senator Sackett advised that the Homes do not have need for extensive MICA coverage due to the type of care they provide. Chairman Cowper moved for adoption of the Senate figure of 2182.3. There being no objection, the figure was adopted.

PIONEERS HOMES - Fairbanks

Chairman Cowper moved for adoption of the Senate figure of 2182.3. There being no objection, the figure was adopted.

PIONEERS HOMES - Palmer

Representative Gruening advised that the Governor had added in 78.1 for malpractice but the House took out 65.0. Milt Barker advised that the Homes were required to pay something for malpractice but they pay at a lower rate. Senator Tillion moved for adoption of the Senate figure. Senator Sackett advised that there was some problem with the figures for this program. Representative

Haugen stated that he believed this was the program in which the House had added on an additional nurse. Senator Tillion stated that the Senate had deleted a custodial position. Senator Sackett asked that this program be left open until a later time.

PIONEERS HOMES - Kotzebue

Chairman Cowper asked if the Senate figure was correct. Ron Lind replied that it was and that in addition to that amount he has learned they will need approximately 25.0. Senator Sackett moved for adoption of the figure of 625.0, to include the ASHA payment. There being no objection, the above figure was adopted.

PIONEERS HOMES - Anchorage

Senator Tillion advised that the Senate took out MICA and made other reductions due to the fact that the Home will not open on the expected date. Ron Lind advised that in February the Home said personal services could be reduced by 1600.0. The Home doesn't feel comfortable with the Senate figures, and feels appropriation of this amount may delay completion. Senator Tillion stated he would rather give the Home the option to come in for a supplemental. Representative Haugen moved for adoption of the Senate figure of 2266.5, plus intent that the Home may come back in for a supplemental if properly documented. There being no objection, the above figure and intent were adopted. INTENT

PIONEERS HOMES - Central Office

Representative Haugen moved for adoption of the Governor's, House and Senate figure of 104.4. There being no objection, the figure was adopted.

VOCATIONAL REHABILITATION - COUNSELING & Placement

Senator Tillion advised that the Senate cut 6 positions that had been vacant over a year, but kept all federal funds. Ron Lind requested a list of the PCN's deleted. He advised that the department had deleted two of the PCN's on its own. Milt Barker advised that due to the fact that two of the deleted PCN's have been filled, and the department had deleted two on its own, the committee should add 50.0 back into the budget. Senator Sackett moved for adoption of the Senate figure of 1493.1 with the additional 50.1 to be added to personal services for the deleted PCN's for a new total of 1543.2, and 56 positions. There being no objection, the figures were adopted.

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VACATIONAL REHABILITATION - Services to Clients

Senator Tillion advised that the Senate had not cut this program and that the program had a supplemental appropriation with a fiscal note. Chairman Cowper advised that it appeared the Senate tacked on an additional 600.0 for ARCA. Senator Tillion advised that there was no way out of this one. Chairman Cowper moved for appropriation of 100.0 to the Fairbanks Rehabilitation Center and adoption of the Senate figure of 2363.5. There being no objection, the above figures were adopted.

VOCATIONAL REHABILITATION - Administration

Senator Tillion moved for adoption of the Governor's, House, and Senate figure of 434.2. There being no objection, the figure was adopted.

VOCATIONAL REHABILITATION - Specialized Facilities

Senator Tillion moved for adoption of the Governor's, House and Senate figure of 110.9. There being no objection, the figure was adopted.

VOCATIONAL REHABILITATION - Disability Determination

Senator Tillion moved for adoption of the Governor's, House, and Senate figure of 119.1. There being no objection, the figure was adopted.

VACATIONAL REHABILITATION - Employment of the Handicapped.

Representative Gruening moved that this category be held open pending further information regarding the 86.1 (Grady Jackson) appropriation.

YOUTH EMPLOYMENT SERVICES

Senator Tillion moved for adoption of the House and Senate figures of zero. Ron Lind advised that the legislature had chosen to take this program out but the same program will not be continuing under the Dept. of Labor. The Federal program and the State Dept. of Labor employment program are not the same. Senator Sackett advised that he thought President Carter was going to be doing something about youth employment. Senator Tillion renewed his motion. Upon a show of hands the vote was 5 in favor of the zero figure, with Representative Gruening objecting.

ASSISTANCE PAYMENTS - AFDC

Chairman Cowper advised that he understood there was

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a budget amendment for this program. Ron Lind stated that the new total with the budget amendment would be 15360.3. Chairman Cowper asked if the increase was due to the pipeline. Mr. Lind replied that the increase is just a speculation, that instead of the caseload continuing according to projections, it had taken a great upward turn. Senator Tillion moved for adoption of the new figure of 15360.3. There being no objection, the figure was adopted. Ron Lind advised that the above figure assumes that child enforcement shall be operational.

ASSISTANCE PAYMENTS - Old Age Assistance

Senator Tillion moved for adoption of the Governor's, House and Senate figure of 2631.9. There being no objection, the figure was adopted.

ASSISTANCE PAYMENTS - Aid to the Blind

Senator Tillion moved for adoption of the Governor's, House, and Senate figure of 110.9. There being no objection, the figure was adopted.

ASSISTANCE PAYMENTS - Aid to the Disabled

Senator Tillion moved for adoption of the Governor's, House, and Senate figure of 2546.8. There being no objection, the figure was adopted.

ASSISTANCE PAYMENTS - General Relief

Senator Tillion moved for adoption of the Governor's, House, and Senate figure of 288.0. There being no objection, the figure was adopted.

PROGRAM SERVICES - Homemaker Services

Chairman Cowper moved for adoption of the Governor's, House, and Senate figures of 464.8. There being no objection, the figures were adopted.

RECESS FOR CALL OF THE SENATE 3:35 p.m.

RECONVENE 4:00 p.m.

PROGRAM SERVICES - Foster Care

Senator Sackett advised that the add-on effected by the Senate was for a demonstration program at the Studio Club in Anchorage. Ron Lind advised that part of the care had been spread out and costs reduced to 1927.5. He designated 437.4 in federal funds, 372.3 general fund match, 935.2 other general funds, 182.6 other receipts. Chairman Cowper advised that he would move

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for adoption of the 1927.5, plus an additional 25.0, for a new total of 2052.5, plus the Senate intent. There being no objection, the above figure was adopted. Intent: Contractual includes 125.0 for a demonstration program for adult protective services.

INTENT

PROGRAM SERVICES - Institutional Care

Ron Lind advised that there is a budget amendment in the amount of 667.3 pertaining to this program. He set forth the following amounts: 698.5 federal receipts, 698.5 general fund match, 2375.0 other general funds, 27.8 program receipts, for a new total of 3799.8. Chairman Cowper moved for adoption of the above figures, there being no objection, the figure was adopted.

PROGRAM SERVICES - Day Care

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 122.8. There being no objection, the figure was adopted.

PROGRAM SERVICES - Youth Services

Chairman Cowper moved for adoption of the House figure. Senator Tillion objected stating that he had taken a look at the maintenance figure and determined that if the legislature did not want this program permanently plugged into the public pocket, it should be stopped now. Senator Hohman moved that the program be held open for later consideration. A young lady named Melissa spoke regarding the purpose of the program and advised that it provided a safe place for kids to go for help and to keep out of trouble. She added that the additional funds were needed to extend the program into the rural areas as well as the presently served urban areas. Senator Hohman advised that he would still prefer to hold the program open for further review.

SOCIAL SERVICES - Southcentral Region

Senator Tillion advised that the would have deleted the position in Kay Poland's area in an effort to put more social workers in the field. Representative Gruening advised that he would like to use some of the funds for training; that case workers in Anchorage are handling 100 cases each. Representative Gruening moved for adoption of the Senate figure of 1763.1 with the provision that three more people be brought in and the three in Kenai be taken out. Senator Tillion moved

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for adoption of the Senate figure and a change of the number of full time employees to 53. Chairman Cowper moved for adoption of the figure 1691.2, taking out the three Kenai positions and adopting the House intent relating to Dillingham. There being no objection, the 1691.2 and House intent were adopted. Intent: A full-time social worker is to be located in Dillingham.

INTENT

SOCIAL SERVICES - Northern Region

Senator Tillion moved for adoption of the Senate figures. Chairman Cowper moved to amend the motion for adoption of the Senate figures but with the House figure for contractual, which in effect resulted in adoption of the House figure for a total of 964.6. There being no objection, the figure was adopted.

SOCIAL SERVICES - Southeastern Region

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 375.0. There being no objection, the figure was adopted.

SOCIAL SERVICES - Western Region

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 594.3. There being no objection, the figure was adopted.

SOCIAL SERVICES - Northwestern Region

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 472.1. There being no objection, the figure was adopted.

SOCIAL SERVICES - Southern Region

Chairman Cowper moved for adoption of the House figure of 359.9. There being no objection, the figure was adopted.

SOCIAL SERVICES - Kenai

Chairman Cowper moved for adoption of the House figure of 71.9. There being no objection, the figure was adopted.

PUBLIC ASSISTANCE - Eligibility

Ron Lind advised that both houses used the formula when figuring the budget, and that the formula calculates three more positions now. Senator Sackett moved for adoption of the House and Senate figure of 2788.9. Representative Haugen objected. Senator

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Sackett stated that the formula was much better, but the department didn't like it. Representative Haugen stated he would withdraw his objection for the sake of keeping the committee moving. Chairman Cowper moved for adoption of the House and Senate figure of 2788.9 and inclusion of the memorandum of April 25, designating the formula change. There being no objection, the above was adopted.

PUBLIC ASSISTANCE - Staff Development

Chairman Cowper moved for adoption of the House figure of 182.2. There being no objection, the House figure was adopted.

SOCIAL SERVICES ADMINISTRATION - Central Office

Representative Gruening moved for adoption of the House figure. Representative Haugen moved for adoption of the senate figure. Senator Sackett objected. Senator Tillion advised that he would like to add back in the following PCN's: 3032 Bone, 3273 Gleason, 3075 Borchek, and an additional PCN for Finger. Senator Tillion advised that he had deleted 25 positions and later found that four of them had people in them, so he wished to add the PCN's back in. Milt Barker advised that the new number for personal services would be 582.4, for a new total of 880.0 in general funds. He further advised that part of the general fund will be picked up by Title 20. The above figures were adopted. Representative Gruening moved for adoption of the House intent. Upon a show of hands Representatives Gruening and Cowper and Senator Hohman voted for the intent, Senators Tillion and Sackett and Representative Haugen voted against adoption of the intent. The intent failed.

(Representative Meekins entered the meeting at this time)

SOCIAL SERVICES ADMINISTRATION - Staff Development

Senator Tillion advised that this program is just the bare bones and not 504. He stated that it takes care of only people who will actually be working in social services. Chairman Cowper advised that he had talked with a lady in Fairbanks who indicated that this was a good training program. Representative Haugen advised that the state used to send its workers out to the University of Utah for training, but that the University of Alaska wanted to become involved in a training program within Alaska. Chairman Cowper advised that the courses

are at the community colleges not the University, and the social workers say they are good programs. Representative Gruening questioned whether or not there was enough money to continue the college training and moved for legislative intent specifying that these funds go to the community colleges. Representative Meekins advised that his subcommittee had really looked into the program and was satisfied that the House figure was a good figure. Representative Cowper moved for adoption of the figure of 210.0 and the House intent. There being no objection both the figure and House intent were adopted. Intent: A foster parent training program is to be conducted within the contractual funds provided.

INTENT

(Alison Farnan and Senator Ferguson entered the meeting at this time)

WIN

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 603.6. There being no objection, the figure was adopted.

OFFICE OF AGING

Chairman Cowper moved for adoption of the House figure. Senator Hohman amended the motion to add 20.0 in contractual to be used by the Director of the Dillingham Nursing Home in conjunction with approximately 1 million dollars from 74 bond moneys to begin construction preparations. Chairman Cowper renewed his original motion for the House figure plus the 20.0 for a new total of 2202.1, plus Senator Hohman's intent. Ron Lind advised that he would rather see the Dillingham 20.0 put into lands and buildings rather than contractual due to federal funding requirements on an ongoing basis. There being no objection to the proposed figures and intent and the removal of the additional 20.0 from contractual to lands and buildings, the above figures, intent, and rearrangement were adopted. Intent: \$20.0 from lands and buildings is appropriated for construction preparation for the Dillingham Nursing Home.

INTENT

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RECESS 5:10 p.m.

RECONVENE 5:35 p.m.

ALCOHOL & DRUG ABUSE - Administration

Senator Sackett advised that the Senate had consolidated this program with the BRU on page 129 (Drug Abuse) and cut 5 positions. Chairman Cowper moved for addition of the two Regional Manager positions. Ron Lind advised that these positions were already within the program by Revised Program. Representative Meekins advised that his subcommittee looked into grants and determined that the amount of the grants is not so important as the number. The theory behind subcommittee decisions was to prorate alcoholism needs according to the drug program needs for an effective function. Representative Haugen moved for adoption of the House figure and addition of the two management positions. Upon a show of hands the vote was 5 in favor and Senator Sackett voting against the motion. Chairman Cowper advised that the new House figure with the added positions would be 609.7, and that he also wished to adopt the House intent. There being no objection to the adoption of the intent, it was so adopted. Intent; Alcoholism and drug abuse administration are consolidated. INTENT

ALCOHOL ABUSE - Alcoholism Grants

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 2614.0. There being no objection, the figure was adopted.

DRUG ABUSE - Drug Abuse Grants

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 799.6. There being no objection, the figure was adopted.

DRUG ABUSE - Administration

This BRU consolidated with Alcohol & Drug Abuse Administration, figure should be zero.

ADMINISTRATION (DHSS) - Commissioners Office

Representative Gruening moved for adoption of the Senate figure of 439.9 with the House intent. Senator Tillion objected to inclusion of the House intent advising that the intent limits travel expenses to all state funds. He added that he felt that if federal

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funds are available to assist in the payment of travel costs, that the state should take advantage of their availability. Representative Meekins advised that in addition to an analysis from the department as to how federal funds are spent, he would like to know how much time is actually spent on federal programs. Representative Haugen moved for adoption of the Senate figure of 439.9. There being no objection to the above figure, it was adopted. Chairman Cowper directed that Representative Meekins and Senator Tillion write appropriate intent pertaining to the handling of federal moneys.

ADMINISTRATION (DHSS) - Directors Office

Senator Sackett moved for adoption of the Governor's, House, and Senate figure of 253.5. There being no objection, the figure was adopted.

ADMINISTRATION (DHSS) - Personnel

Senator Sackett moved for adoption of the Governor's, House, and Senate figure of 301.2. There being no objection, the figure was adopted.

ADMINISTRATION (DHSS) - Supply

Senator Sackett moved for adoption of the Governor's, House, and Senate figure of 267.6. There being no objection, the figure was adopted.

ADMINISTRATION (DHSS) - Finance

Senator Sackett moved for adoption of the Governor's, House and Senate figure of 814.5. There being no objection, the figure was adopted.

ADMINISTRATION (DHSS) - Graphic Arts

Senator Sackett moved for adoption of the Governor's, House, and Senate figure of 62.8. There being no objection, the figure was adopted.

Q/C COLLECTION AGENCY

Senator Sackett moved for adoption of the Governor's, House, and Senate figure of 815.2. There being no objection, the figure was adopted.

CHILD SUPPORT ENFORCEMENT

Senator Sackett moved for adoption of the figure of zero. There being no objection, the figure was adopted.

FISHERMANS FUND

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 283.6. There being no objection, the figure was adopted.

SECOND INJURY FUND

Chairman Cowper moved for adoption of the Governor's, House and Senate figure of 334.8. There being no objection, the figure was adopted.

EMPLOYMENT SECURITY - Employment Services

Chairman Cowper originally moved for adoption of the House figure, but that action was rescinded. Senator Sackett advised he would like to add 4.0 each for offices at Tok and Petersburg. Chairman Cowper moved for adoption of the Senate figure of 7267.1, and the Senate intent. There being no objection, the above figure and intent were adopted.

Intent: This appropriation and its expenditure is contingent upon the following: An additional \$4,000 apiece shall be provided for office rent at Tok and Petersburg.

INTENT

EMPLOYMENT SECURITY - Unemployment Insurance

Chairman Cowper moved for adoption of the House figure of 1028.4. Representative Haugen amended the motion to include Senate intent. There being no objection, both were adopted.

EMPLOYMENT SECURITY - Administration

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 980.8. There being no objection, the above figure was adopted.

WIN

Chairman Cowper moved for adoption of the House and Senate figure of 956.4. There being no objection, the figure was adopted.

LABOR MARKET INFORMATION

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 394.6. There being no objection, the figure was adopted.

GAAB CETA CONTRACT

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 594.2. There being no objection, the figure was adopted.

ADMINISTRATION (DOL) - Commissioners Office

Senator Tillion advised that this program has vacancies, and there is also a recommendation for a Director of Labor Relations in the Commissioner's office. Ron Lind

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advised that the Director of Labor Relations should be located under the Department of Administration. Senator Sackett stated that it appeared the Assistant Commissioner's position has been vacant for more than a year, and also there has been a typist position vacant for more than a year. Ron Lind advised that an Administrative Officer position which had been vacant since 1976 was needed by the department and the department would like to have the position back. The cost would be approximately \$30.0 to \$35.0 for the Administrative Officer. Senator Sackett moved for adoption of the figure 480.5 with a total of 10 positions. There being no objection, the figure was adopted.

ADMINISTRATION (DOL) - Support

Chairman Cowper moved for adoption of the House figure. Ron Lind advised that the House budget did not fund the general fund cost for overhead. The Senate added in general fund money to fund that. Without the 120.0 in general funds, it will limit the program. Senator Sackett asked if the program could live with the House figure and 120.0 in general funds. Mr. Lind replied affirmatively. Chairman Cowper again moved the House figure, but with general funding so 120.7 shows up as general funds. Senator Sackett objected to the motion. Ron Lind advised that if the legislature takes the approach above suggested, the program would probably come in and request a revised program for 120.0. He stated that the best manner in which to proceed would be to put 120.0 more in the budget in general funds. Chairman Cowper moved for adoption of the Senate figure of 1803.4, advising that he had withdrawn his motion for the House figure. There being no objection to the Senate figure, it was adopted.

VETERANS SERVICES

Chairman Cowper moved for adoption of the House and Senate figure of 66.9. There being no objection, the figure was adopted.

SENIOR CITIZENS TAX EXEMPTION - Property Tax Exemption

Chairman Cowper moved for adoption of the House and Senate figure of 1292.3. There being no objection, the figure was adopted.

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SENIOR CITIZENS TAX EXEMPTION - Renters Equivalency
Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 654.2. There being no objection, the figure was adopted.

SENIOR CITIZEN TAX EXEMPTION - Special Assessments
Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 168.0. There being no objection, the figure was adopted.

CHILD ASSISTANCE - Day Care
Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 1706.0. There being no objection, the figure was adopted.

CHILD ASSISTANCE - Head Start
Chairman Cowper moved for adoption of the House and Senate figure of 444.5. There being no objection, the figure was adopted.

CETA - Classroom Training
Chairman Cowper moved for adoption of the Governor's, House, and Senate figures of 1528.2. Senator Sackett amended the motion to include the Senate intent. He asked that the intent be accepted and if it is necessary to come back and change it, that could be done at a later time. He asked that the committee flag the intent. There being no objection to the above figure and proposed intent, both were adopted. Intent: This appropriation and its expenditure is contingent upon the following: 701.0 is to be granted to the skill center to fund 100 slots year round; the stipend for all CETA eligibles undergoing training at the skill center shall be paid from this appropriation in addition to the 701.0 grant.

INTENT

CETA - On the Job Training
Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 637.1. There being no objection, the figure was adopted.

CETA - Work Experience
Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 2505.4. There being no objection to the above figure, it was adopted.

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CETA - Public Service Employment

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 2414.0. There being no objection, the figure was adopted.

CETA - Services to Clients

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 653.8. There being no objection, the figure was adopted.

CETA - Administration

Chairman Cowper moved for adoption of the House and Senate figure of 1588.4. There being no objection, the figure was adopted.

DEBT SERVICE - Pioneers Homes

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 1029.2. There being no objection, the figure was adopted.

DEBT SERVICE - Senior Citizen Housing

Chairman Cowper moved for adoption of the Governor's, House, and Senate figure of 66.3. There being no objection, the figure was adopted.

Chairman Cowper advised that the committee would return to the General Government category to review programs previously left open.

GENERAL
GOVERNMENT

EXECUTIVE OPERATIONS - Policy Development & Planning

Alison Farnan advised that the House budget cut contractual and the Senate deleted 100.0 due to the fact that the regional profiles had been completed. Kent Dawson advised that the department would like to have the deputy director back and the contractual appropriation raised. After numerous motions and proposals for funding this program, Chairman Cowper moved for adoption of the Senate figures with 215.0 for contractual, for a new total of 696.0. There being no objection, the above figure was adopted.

EXECUTIVE OPERATIONS - Telecommunications

Chairman Cowper discussed the above program with committee members and it was agreed that the committee had adopted the House figure of 584.7, and the Senate Intent. Intent: Management & Efficiency Review

INTENT

4/29/77

Recommendation No. 17 sets out a reorganization plan for the state's telecommunications function and recommends creating a Division of Telecommunications under the Department of Public Works. A net annual savings of \$600.0 is claimed. The newly created Department of Transportation does not reflect this reorganization, and no savings could be found in any of the telecommunications facilities, networks, and systems' FY 78 budgets.

The Office of the Governor shall present a specific plan concerning Management and Efficiency Review Recommendation No. 17 to the legislature on or before February 1, 1978.

PERSONNEL - Employee Negotiations/Relations

Senator Tillion moved that the committee put in the Director of Labor Relations at Range 26. Chairman Cowper questioned whether this should be done under Personnel or put into the Commissioner's Office for Administration. Ron Lind advised that he believed the state would create a new division, so the appropriation could be placed under Personnel, that in the end it would not make much difference. Senator Sackett moved for adoption of the Senate figure, including the Director, for a new total of 626.8. Senator Tillion amended the motion with intent that the 60.2 has been added to the program budget for the position of Director of Labor Relations. There being no objection to the figure or the above intent, both were adopted.

INTENT

Legal Services

Chairman Cowper moved for adoption of the House figure. Senator Sackett objected advising that he wished the program held open until Senator Croft could make his presentation.

OPEN

REVENUE OPERATIONS - OFFICE OF THE COMMISSIONER

Representative Gruening advised that he wished to have this program held open pending a presentation by Commissioner Gallagher pertaining to an add-on in conjunction with the Permanent Fund.

OPEN

EXECUTIVE OPERATIONS - Executive Office

Chairman Cowper advised committee members that it was his understanding from prior discussions

pertaining to this program that two positions had been deleted. There being no objection to the above understanding, the two positions were deleted.

The meeting adjourned at approximately 6:45 p.m.

ADJOURN

FCC-77 #6 (0545 to the end)
#7 (entire tape)
#8 (beginning to 0160)

4/29/77

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for
PORT OF BELLINGHAM
Bellingham, Washington

IN REPLY REFER TO MR.
FILE NO. W-353

April 28, 1977

TO: ALASKA MARINE HIGHWAY STATE OFFICIALS AND ALASKA FREIGHT SHIPPERS
WHO USE THE ALASKA MARINE HIGHWAY (ALASKA FERRY) FOR TRAILER
VAN MOVEMENTS TO SOUTHEASTERN ALASKA.

SUBJECT: Freight Cost Study - Using the Alaska Marine Highway
(Ferry) via Bellingham, Washington vs. via Seattle, Washington.

Here are three cost studies to document that the shift of the Alaska Marine Highway terminal from Seattle to Bellingham would have little (if any) freight-cost impact on freight trailers now moving via the Alaska Ferry. The shift to Bellingham definitely would NOT increase food prices in Alaska. The shift to Bellingham definitely would not raise the cost of moving frozen, fresh, and canned fish down to U.S. markets. Service from Bellingham would be more frequent and more dependable because of the 150-mile shorter haul on each trip.

Most traffic on the Alaska Ferries is either northbound perishable foods (milk, fresh fruit and vegetables, fresh meat, etc.); or south-bound fresh and frozen fish and shellfish; or general freight by Lynden Transfer (who supports the shift to Bellingham). Private trailers (primarily perishable grocery shipments) are the critical items. There service (and not rates) are the prime consideration for Foss Alaska Line's costs are less than ferry costs now, but Foss's service (by large) is much slower.

Three studies document the above conclusion on the traffic now moving by the Alaska Marine Highway (Ferry) Service as follows:

Annual Trailer Traffic (All Size Vans)

Lynden Transfer (common carrier)	40.0%	(Supports shift to Bellingham)
Wrangell Transport (common carrier)	12.8%	
Foss Alaska Line (common carrier)	19.0%	(Standby for barge overflows, etc.)
<u>Total Carrier Vans</u>	<u>71.8%</u>	
Juneau Dairy (dairy and milk)	3.5%	
Hames Corp. (Sitka Groceries)	4.6%	
Ketchikan Super Mart	8.0%	
Log Cabin Grocery	3.6%	
E. C. Phillips (fish, etc.)	5.7%	
<u>Total Private</u>	<u>25.4%</u>	(Private vans)
Other Vans (all)		
<u>All Others</u>	<u>2.8%</u>	(Miscellaneous)
<u>Total Vans</u>	<u>100.0%</u>	(All traffic)

April 28, 1977
Page Two.

The three studies attached document the negligible freight cost impact on food, etc. into Alaska and fish from Alaska, and the probable costs via Bellingham vs. via Seattle.

- Study #1 - Foss Alaska Line's costs are less than Alaska Ferry total costs today, so there can be no substantial cost increase on food into Alaska or fish from Alaska.
- Study #2 - The shift to Bellingham will not materially increase freight trailer costs over those applicable via Seattle.
- Study #3 - Potential added freight cost savings for freight shippers if the Alaska Marine Highway terminal is moved to Bellingham.

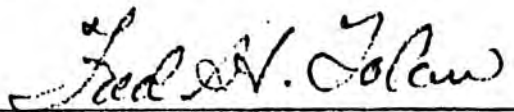
I will be in Juneau, Alaska, on Friday (April 29, 1977) to answer any questions and to further document any facts in the studies attached.

The Port of Bellingham pledges fullest cooperation with all Ferry shippers to work out a smooth, efficient, low-cost routing via Bellingham.

Respectfully submitted,

PORT OF BELLINGHAM

by:


Fred H. Tolan,
Freight Traffic Consultant

FHT:avm
Enc. 3 Studies
Extra Copies for Interested
Parties.

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IN REPLY REFER TO MR.
FILE NO.

Foss Alaska Line is a viable low-cost alternative to the Alaska Ferry System total cost on groceries (dry and perishable) moving to Alaska via the Marine Highway Routes.

Here is a current cost comparison via both routes:

(1) <u>Via Foss Alaska Line</u> <u>- Actual Average Cost</u> <u>with full pickup and</u> <u>delivery service (examples only):</u>	<u>From Seattle, Washington</u> <u>By Common Carrier ("Foss Alaska")</u>	
	<u>To</u> <u>Ketchikan, Ak.</u>	<u>To</u> <u>Juneau, Ak.</u>
Dry Groceries	\$2.09 per 100 lbs.(a)	\$2.20 per 100 lbs.(a)
Perishables (refrigerated)	\$4.15 per 100 lbs.(b)	\$4.63 per 100 lbs.(b)
Frozen Fish (southbound)	\$2.29 per 100 lbs.(b)	\$2.64 per 100 lbs.(b)

(2) <u>Via Alaska Ferry</u> <u>from Seattle, Wash.-</u> <u>Actual Total Average Cost</u> <u>included per 3(c) below:</u>	<u>Compare</u> <u>From Seattle, Washington</u> <u>By Private Truck via Marine Highway</u>	
	<u>To</u> <u>Ketchikan, Ak.</u>	<u>To</u> <u>Juneau, Ak.</u>
Dry Groceries	\$2.71 per 100 lbs.(c)	\$3.47 per 100 lbs.(c)
Perishables (refrigerated)	\$2.71 per 100 lbs.(c)	\$3.47 per 100 lbs.(c)
Frozen & Fresh Fish	\$2.71 per 100 lbs.(c)	\$3.47 per 100 lbs.(c)

(3) Authority for the above figures:

- (a) Foss Alaska Tariff 35 and 36, ICC 7 and 3, Item 2390 on dry groceries (not refrigerated) based on actual average loading of Associated Grocers (Seattle) on 24,000 lbs. in a regular 24-foot Foss Alaska van. Per Mr. Dave Wells, Transportation Manager, Associated Grocers, 4/27/77.
- (b) Foss Alaska Tariff 35 and 36, ICC 7 and 3, Item 2315 on all frozen and "chill room" foods - all perishable foods requiring refrigeration. This is based on average 21,000 lb. load per Mr. Dick Elzner, Traffic Manager, Pacific Fruit & Produce Co., on 4/27/77. Southbound fish per Item 2236 of the cited tariffs.

- (c) Alaska Ferry total costs are as follows. These costs are based on actual costs as of 4/27/77 by Associated Grocers per discussion with Mr. Dave Wells, Transportation Manager, and with other inputs as noted below. Associated Grocers use only 45-foot trailer vans and load an average of 37,000 pounds (d) per van - whether dry or perishable - for heavier loads are prohibited by ramp limitations in Alaska.

<u>Cost Factors (45' Van)</u>	<u>To Ketchikan</u>	<u>To Juneau</u>
Seattle cartage and loading	\$50.00 (d)	\$50.00 (d)
Alaska Ferry charge	792.00 (d)	1,073.00 (d)
Alaska unloading and delivery	50.00 (d)	50.00 (d)
Lease cost of reefer vans	105.00	105.00
Cargo insurance	5.00	5.00
Total Cost -	\$1,002.00	\$1,283.00
Cost per 100# on average load) of 37,000 pounds in 45' van)	Per 100# \$2.71	Per 100# \$3.47

- (d) Based on Associated Grocers (Mr. Wells) cost estimate of 4/27/77 based on actual experience on 4 or more vans per sailing of Alaska Ferry.
- (e) Based on current long-term lease cost of \$15.00 per day (very conservative) for a 45-foot refrigerated van. Estimated by Fred Tolan. (7 days northbound days only were counted - and assumed a southbound payload.)
- (f) Based on about 1½¢ per 100 pounds long-term cargo insurance cost. Estimated by Fred Tolan.

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IN REPLY REFER TO MR.
FILE NO.

THE MOVE TO BELLINGHAM WILL NOT MATERIALLY
INCREASE TRUCKING COSTS FOR THOSE NOW
USING THE FERRY AND COULD RESULT IN LESSER COSTS

If Ferry Terminal Moves to Bellingham

1. Actual cost to Bellingham by the largest food shipper (Associated Grocers) if the Marine Highway base was moved there from Seattle.

- (A) If no southbound "fish" payload or backhaul load from Bellingham.

Driving time loaded northbound, 2 hrs. @ \$18.60 per hr.	\$37.20(a)
Driving time empty southbound, 2 hrs. @ \$18.60 per hr.	37.20(a)
Port of Bellingham to load - Northbound Van	20.00(a)
Port of Bellingham to unload - Southbound Van	20.00(a)
Per Van - Total Cost (Trailer drop)	\$114.40
Cost per 100 lbs. on 37,000 lbs. Average Load	<u>\$0.31</u> Per 100 lbs.

- (B) If a southbound frozen fish or backhaul load from Bellingham.

Driving time loaded northbound, 2 hrs. @ \$18.60 per hr.	\$37.20(a)
Port of Bellingham to load northbound van	20.00(a)
Total Cost (See Note 1)	\$57.20
Cost Per 100 lbs. on 37,000 lbs. Average Load)	<u>\$0.15½</u> per 100 lbs.
Cost figured on one-way haul if a backhaul)	

Note 1: Alaska (and all interstate) frozen fish (all kinds and shrimp) is exempt from I.C.C. rate control and Associated Grocers or anyone can backhaul that and make money that could make each run pay its own way. Also backhaul paper from Georgia-Pacific in Bellingham is possible.

- (C) Authority for quotation.

Mr. David Wells, Transportation, Manager, Associated Grocers, Seattle, Washington, on April 27, 1977, based on vast daily trucking cost experience to Bellingham. Costs are actually \$18.60 per hour under existing conditions for tractor and driver pulling a 45-foot van for Alaska. A round trip takes 2 hours each way. This assumes the Port of Bellingham would load or unload the vans to and from the ferry and the staging area in Bellingham for \$20.00 for each operation. \$20.00 cost estimate for loading or unloading vans is by Mr. Tom Glen, Manager of the Port of Bellingham.

2. Service and not cost advantage is reason for using ferry from Seattle instead of Foss Alaska.

- (A) The largest fruit and vegetable shipper (Pacific Fruit & Produce) does not use the Alaska Ferry for cost reasons. Confirm with Dick Elzner - Pacific Fruit & Produce Co.
- (B) Associated Grocers uses it for time pressure perishables where shelf life is critical. Their prime need is a fast, dependable schedule. They would prefer Seattle, but would definitely work with the Alaska Ferry people and the Port of Bellingham to continue to use the ferry via Bellingham. Dave Wells, Director of Transportation for Associated Grocers in Seattle, will confirm the above facts.

3. Cost to haul via Seattle now from Seattle area points is about \$50.00 each way.

Western Cartage Co. is used for most hauls. Their cartage cost is charged to the Alaska buyer, according to Dave Wells of Associated Grocers. He estimates the cartage cost at something over \$50.00 per trailer for each direction of haul, which includes the haul on to the Ferry or from the Ferry to the dock.

4. Holding the present truck rates from Bellingham (as now applicable from Seattle) by the Marine Highway will more than offset the added trucking cost to Bellingham to ship the vans from there.

Cost Factors	Cost on a 45-Ft. Van			
	Via Seattle		Via Bellingham	
	To Ketchikan	To Juneau	No Backhaul	With Backhaul
Haul to Dock	\$ 50.00	\$ 50.00	\$114.40	\$57.20
Ferry Increase	59.40	80.48	None	None
	<u>\$109.04</u>	<u>\$130.48</u>	<u>\$114.40</u>	<u>\$57.20</u>

*Based on an estimated 7½% (estimate 5% to 10% increase) general rate increase on 45-foot van rated now at \$792. to Ketchikan and \$1073. to Juneau.

* * * *

FRED H. TOLAN
RONALD A. BURDICK
OLAV EKROM

DAVID B. NEELY
EDWARD H. TOLAN

FRED H. TOLAN
FREIGHT TRAFFIC CONSULTANT
5TH FLOOR
200 WEST THOMAS STREET
SEATTLE, WASHINGTON 98119

TELEPHONE
(206) 284-7050

IN REPLY REFER TO MR.
FILE NO.

Nine Potential Cost Savings via Bellingham vs.
Seattle not calculable at this time on facts
available on April 27, 1977.

- (1) The \$50.00 cartage cost in Seattle via Western Cartage (who hauls most Alaska Ferry vans) is unregulated and will certainly increase as congestion increases around the Alaska Ferry terminal in Seattle which has only one street for all traffic of all kinds.
 - (a) Many more baseball games and other activities in the Domed Stadium, 2 blocks away, will add many private cars to the area.
 - (b) Doubling ferry service to Alaska will materially increase congestion in the area and force more labor as staging area becomes more critical.
 - (c) The Port of Seattle's plan for an Indian Craft Center in the area will materially increase congestion and reduce staging area for vans, etc.
 - (d) The Port of Seattle's huge new container port for the adjoining dock will add much more traffic to the area.

The Bellingham terminal will not have those cost-increasing pressures.

- (2) Much current Alaska Ferry freight (such as milk, butter, eggs, poultry, potatoes, frozen foods, etc.) originates in Whatcom and Skagit County. Trucking costs to Bellingham would be much less than to Seattle once supply lines are reorganized to service Alaska via Bellingham. For instance, Darigold plants in Whatcom County could service Alaska instead of their Seattle plant.
- (3) Much frozen fish from Southeastern Alaska is stored in the huge Bellingham Cold Storage plant. Foss Alaska reships much frozen fish, shrimp, etc. from Seattle back to Bellingham for storage. This Bellingham terminal would eliminate that backhaul cost for the direct Bellingham Ferry could do the job much faster and cheaper.

- (4) Twice-a-week dependable service from Bellingham could tremendously improve the fresh fruit and vegetables in Southeastern Alaska stores by getting fresher fruit and vegetables twice a week, reducing the spoilage and halving the cool room space requirements in the stores.
- (5) Twice-a-week service from Bellingham would enable perishable shippers to keep 20 trucks a week on the ferry year around, without being cut back to 10 trucks in the summertime as now - forcing the use of slower Foss Alaska service in the summer. This could materially reduce spoilage losses on highly perishable summer fruits and vegetables, and give more ferry service when store need is greatest.
- (6) A more profitable Alaska Marine Highway Ferry System that could afford to improve the Alaska ship ramps to handle about 8,000 to 10,000 lbs. more payload in a normal 45-foot van would reduce food costs over \$10.00 a ton (or \$0.50 per 100 lbs.) (or $\frac{1}{2}\text{¢}$ per pound). Now a 45-foot van hauls only about 36,000 to 38,000 lbs. of perishables when it can haul 45,000 if the Ketchikan and other dock ramps allowed it. This would be a big help for the Alaska stores.
- (7) Larger and more adequate staging areas for ferry vans (with a Port of Bellingham drive-on, drive-off service for vans to and from the ships) could enable many private shippers, and common carriers (such as Lynden Transfer) to make many operational changes to integrate the ferry hauls into their domestic Washington state hauling patterns. Example: Associated Grocers could drop a loaded Alaska van, then pick up an empty ferry van to haul back toilet paper and napkins from the Bellingham plant of Georgia-Pacific for their Seattle needs.
- (8) A more frequent (2 to 3 times per week) Alaska Marine Highway service, year around, would give more meaningful competition to Foss Alaska Line which now has a virtual monopoly in Southeastern Alaska (since the demise of Northland Marine Lines). Competition is essential to the American business balance. Once a week (sold out) Ferry freight service today is hardly meaningful competition for only 10 to 20 vans a week can be handled.
- (9) A busier and more active Alaska Marine Highway can get more federal attention and hopefully more federal funding of Alaska Marine Highway needs. Federal dollars almost invariably follow and relate to public interest.

FREE CONFERENCE COMMITTEE
April 30, 1977
9:45 a.m.

All members of the Committee were in attendance: Also in attendance: Legislative Finance Division Fiscal Analysts: Jay Hogan, Glen Vernon, Bob Schroeder, Bob Grogan and Milt Barker; Ron Lind, Director, Division of Budget and Management.

PRESENT

Chairman Cowper called the meeting to order and stated the purpose of this meeting was to close-out those areas of the budget which had previously been left open. He stated the first budget category to be discussed was EDUCATION.

EDUCATION

Office of the Governor:

Alaska Historical Commission: Discussion on whether or not HB 142 (transferring the Alaska Historical Commission from the Office of the Governor to the Department of Natural Resources) will pass this Session. Senator Sackett stated that by making this transfer the Commission will be able to cut their costs in half. One of the reasons for this is that the position of Director would be eliminated. Mr. Lind stated that if the Commission is transferred, they have requested an addition of \$5.0 in personal services in order to up-grade the position of Historian. Committee members agreed to leave this area open until further information could be obtained.

OPEN

Alaska Arts Council, Grants: Rep. Gruening moved to accept the House figure of \$1032.0 with an addition of \$50.0 for Indian Art - Haines. He further moved to accept the House legislative intent which states: Funding for this component includes the following amount for specified purposes:

LEGISLATIVE
INTENT

Community Arts Agency Bloc-Grants	\$ 92.4
General Grants Program	169.9
Southeast Regional Arts Camp; Sitka	8.0
Alaska Fine Arts Camp; Anchorage	8.0
U of A Summer Music Camp; Fairbanks	8.0
Visual Arts Center; Anchorage	85.0

Senator Sackett amended the motion to include \$79.0 for the Repertory Theater for total expenditures of \$1161.0. Senator Tillion and Rep. Cowper objected. Motion carried.

Department of Education:

Financial Support Programs, Dept Retirement - Local:

Mr. Vernon stated the Senate figure is based on new data but it is unaudited information and therefore it is uncertain if this figure will be correct. Rep. Haugen moved to accept the Senate figure of \$11600.0 and asked unanimous consent. There being no objection, it was so ordered.

Post Secondary Education Comm., Center for Staff Development:
Senator Sackett moved to accept the Legislative Intent which states: No agency contracting with this center shall use any general fund monies to purchase this service. There being no objection, it was so ordered.

LEGISLATIVE
INTENT

Adult Education & Vocational Training, Community Schools:
Chairman Cowper moved to accept the figure of \$860.6. There being no objection, it was so ordered.

State Library, Regular Operations: Mr. Lind stated the Governor's request included a position of Clerk II which the Division didn't need. He stated funds for this position were not appropriated. Mr. Lind advised this Division has requested the Governor's figure be accepted. Senator Hohman moved to accept the House figure of \$1469.8 with the following additions:

- \$44.4 Index and preserve historic photos
- 20.0 Sitka Restoration
- 75.0 Alaska Native Institute - Fairbanks
- 15.0 Pioneer Homestead Bicentennial film
- 10.0 International Women's Conference

Chairman Cowper and Senator Tillion opposed the motion. Motion carried. Chairman Cowper stated the position count for this Division is 41. He stated the additional amounts appropriated are direct grants.

Office of the Governor:

Alaska Historical Commission: Chairman Cowper moved to accept the House figure of \$141.4 with the following legislative intent: If HB 142 is enacted into law, the difference between the House figure of \$141.4 and the Senate figure of \$78.8 will lapse. There being no objection, it was so ordered.

LEGISLATIVE
INTENT

Department of Education:

Executive Administration, Boards & Commissions: Chairman Cowper advised the Alaska School Activities Association has requested an increase of \$54.0 which is the same amount they received last year. Rep. Haugen moved to increase the figure of \$145.5 by \$27.0 for a total of \$172.5 and add legislative intent stating \$54.0 is to go to the Alaska School Activities Association. There being no objection, it was so ordered.

LEGISLATIVE
INTENT

Program Evaluation, Accreditation: Mr. Lind stated the Free Conference Committee funded this BRU at zero and the Administration has requested that funds for this accreditation program be included in Program Evaluation, K-12 Education Program. He stated administration feels they could accept funding at the level of \$190.0 for this program. Discussion on accreditation process. Senator Tillion stated adding funds for this program will only interfere with the Northwest Accreditation which the State is currently using. He

stated that two of the four positions for this BRU are not filled. Rep. Gruening moved to increase the K-12 Education Program by \$148.2 in the following areas: add \$78.2 to personal services; \$16.5 to travel; \$48.2 to contractual; and \$5.8 to commodities for total expenditures of \$639.1. He stated the position count has been changed to two positions. There being no objection to the motion, it was so ordered.

Chairman Cowper stated the EDUCATION budget category has now been completely closed and the next budget category to be discussed was PUBLIC PROTECTION.

PUBLIC
PROTECTION

Department of Natural Resources:

Agricultural Inspection, Animal Industry: Senator Tillion moved to accept the Senate figure of \$703.9 except Contractual would be increased by \$32.8 and personal services would be decreased by \$32.8. He further moved the position count be 16 positions. Reps. Cowper, Gruening and Haugen opposed. Motion failed. Rep. Gruening made the same motion, except the position count would be 17 instead of 16. Senators Tillion, Sackett and Hohman opposed. Motion failed.

The meeting recessed at 9:50 a.m. and Chairman Cowper recalled to meeting to order at 10:10 a.m.

RECESS

Chairman Cowper moved to accept the Senate figure of \$703.9 with personal services changed to \$503.2 for total expenditures of \$671.1. He further moved the position count be 16. Rep. Haugen asked for unanimous consent. There being no objection, it was so ordered.

Chairman Cowper stated the next budget category to be discussed was JUSTICE.

JUSTICE

Office of the Governor:

Public Defender, Second Judicial District: Senator Sackett moved that the following figures be accepted: Personal Services \$81.7; Travel \$4.5; Contractual \$9.4; Commodities \$1.1; Equipment \$2.5; for total expenditures of \$99.2 in order to set up a full time office in Nome. There being no objection, it was so ordered. Chairman Cowper moved that legislative intent be included stating a full-time office in Nome is to be established. There being no objection, it was so ordered.

LEGISLATIVE
INTENT

The meeting recessed at 10:15 a.m. for a call of the Senate. Chairman Cowper reconvened the meeting at 3:36 p.m. and stated the next budget category to be discussed was SOCIAL SERVICES.

RECESS

SOCIAL
SERVICES

Department of Administration:

Pioneers Homes, Palmer: Senator Sackett moved to accept the House figures in all areas except Contractual, where the Senate figure of \$166.3 would be accepted, for total expenditures of \$1952.8. There being no objection, it was so ordered. Chairman Cowper stated these figures reflect the reduction in malpractice. He stated this Division has 66 positions.

Department of Education:

Vocational Rehabilitation, Employment by the Handicapped:

Senator Tillion moved to accept the House figure of \$107.6. He further moved the House legislative intent be accepted - \$86.1 is for a contract with handicapped individuals resources, employment, and development to secure jobs for the handicapped -and he stated the staff was directed to find the name of the corporation this contract is to go to and insert that name. Rep. Haugen opposed. Motion carried. LEGISLATIVE
INTENT

Department of Health & Social Services:

Program Services, Youth Services: Chairman Cowper moved to accept the figure of \$75.0. Senator Hohman amended the motion to include \$15.0 for a grant to Bethel Social Services for repayment of a debt to the State, for total expenditures of \$90.0. There being no objection, it was so ordered.

Department of Community & Regional Affairs:

CETA, Classroom Training: Mr. Lind stated that 84% of the funds of this division would be allocated to the Skill Center. He stated the Agency has not been able to develop a specific list of what programs would be reduced. He stated an appropriation of \$150.0 would give the Skill Center flexibility. Chairman Cowper moved the Skill Center be appropriated \$150.0 directly from the General Fund. Discussion on need to reopen the EDUCATION category in order to do this. Mr. Barker was directed to add this \$150.0 appropriation to the Skill Center in the EDUCATION category. There being no objection to the motion, it was so ordered. EDUCATION

[Senator Sackett left the meeting at this time.]

Chairman Cowper stated the next budget category to be completed was HEALTH. HEALTH

Department of Health & Social Services:

Public Health Administration, Grant to GAAB: Senator Hohman moved to accept the House figure of \$700.0. There being no objection, it was so ordered.

Planning & Research, Human Services Planning: Mr. Lind stated the question on this agency was whether or not the four positions were filled. Mr. Lind stated the positions were filled. Senator Tillion moved to accept the House figure of \$221.1. Chairman Cowper objected. Motion carried.

Public Assistance Administration: Senator Tillion moved to delete \$51.0 from the total for a new total of \$774.9. He stated this would delete the position of Deputy Director. There being no objection, it was so ordered. This agency has 28 positions.

Chairman Cowper stated the HEALTH category was now completely closed. Mr. Lind requested the committee go back to the SOCIAL SERVICES category and reconsider Department of Health and Social Services, Alcohol and Drug Abuse, Administration. He stated the administration requests the Senate figure of \$678.9 be accepted. Discussion. Senator Tillion moved to accept the Senate figure. Senators Sackett, Tillion and Hohman in favor. Reps. Haugen, Cowper and Gruening opposed. Motion failed. The previously accepted figure of \$609.7 will be the figure.

SOCIAL
SERVICES

Mr. Lind requested that the Committee reconsider Department of Fish and Game, FRED, Administration, in the NATURAL RESOURCES category. Chairman Cowper stated they had accepted the Governor's figure. Mr. Lind requested Budget Amendment #22 be included. He requested the figure of \$824.0 for FRED Administration and \$104.5 for FRED, Hatcheries Administration. Rep. Haugen moved to accept the figure of \$928.5 and asked unanimous consent. Rep. Haugen moved that legislative intent be included stating - A report on the progress of the FRED division and the status of the capital projects is to be presented to the Legislature at the time it convenes next year. There being no objection, it was so ordered.

NATURAL
RESOURCES

LEGISLATIVE
INTENT

Mr. Hogan presented a letter from Mr. Ron Lind dated April 29, 1977 in which the Department of Education requests an extension on the project life limitations imposed by Section 5(a), Chapter 142, SLA 1974, Rural School Bond Authorization. (See attachment #1.) Committee members deferred action on this to a later date.

Dept. of
Education

Mr. Hogan presented a memo from Mr. Dick Holden in which the Department of Public Works requests the life of the appropriation for Chapter 279, SLA 76 be extended through FY 78. (See Attachment #2.) Senator Hohman recommended not taking action on this until all members of the Committee were in attendance.

Dept. of
Public Works

Mr. Hogan presented a memo from Mr. Billy G. Berrier, dated April 30, 1977 regarding appropriation language. The Committee will consider this and take action at a later date.

Appropriation
Language

Chairman Cowper requested Committee members to return to the budget category of NATURAL RESOURCES and stated he would like to make an add-on to the Division of Lands to provide \$100.0 to buy back non-agricultural rights to land. Discussion on which agency this should be put in. Mr. Grogan recommended it be put in the Office of the Commissioner. Chairman Cowper moved that \$100.0 be added to the budget of the Office of the Commissioner in order to buy back non-agricultural rights to land. There being no objection, it was so ordered.

NATURAL
RESOURCES

Chairman Cowper requested Committee members to consider the House intent to do away with the DEVELOPMENT category. He stated agencies within DEVELOPMENT would be put into the other budget categories. This will be discussed in detail at a later date.

DEVELOPMENT

The meeting adjourned at 4:25 p.m.

ADJOURN

STATE OF ALASKA

OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

POUCH AM — JUNEAU 99811
PHONE 465-2213

JAY S. HAMMOND, GOVERNOR

April 29, 1977

Jay Hogan, Director
Legislative Finance
Pouch WF
Juneau, Alaska 99811

Dear Jay:

The Department of Education requests an extension on the project life limitations imposed by Section 5(a), Chapter 142, SLA 1974, Rural School Bond Authorization.

In FY 77, the project life was extended from two to three years for those projects in the General Obligation Bond Authorization with a legislative appropriation of up to \$250,000. The project lives for those projects above \$250,000 remained unchanged. The extension of those projects up to \$250,000 was accomplished in Chapter 279, SLA 1976, Section 16, of the general appropriation legislation.

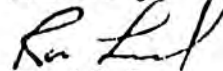
The below table shows in tabular form the historical and requested extension of project lives.

<u>Original Project Life</u> <u>Ch. 142, SLA 74</u>	<u>Approved</u> <u>Revised Project</u> <u>Ch 279, SLA 76</u>	<u>Request Project</u> <u>Life Request</u> <u>SLA 77</u>
Up to \$250,000 2 years	3 years	4 years
\$250,000 to \$1,000,000 3 years	3 years	4 years
over \$1,000,000 4 years	4 years	5 years

The delay in completion of projects is justified by a number of reasons. The most prevalent reason is the desire of REAA's to exercise their option of administering construction projects. The procedure involved to accomplish the local option provision required several months of time and is the single greatest reason for delay. The status column of the attachment provides pertinent information on the status of the project.

Several revised programs are expected on some projects to increase the appropriation and other projects appropriations will be reduced to offset the increases. Therefore, it appears essential that the project lives be extended in order to complete all projects.

Sincerely,



Ron Lind
Director

Section	Description	Original Allocation	Remaining Balance	Status and Estimated Completion Cost/Balance
4(30)	Mentakta Lake elem. School addition	270.0	2.0	Will require 12.0 to complete
4(32)	McGrath high school shop	450.0	6.0	Claim on Architect - final cleanup remains
4(33)	Fort Yukon elem. school re-model	400.0	2.5	Project lingered because of change in supts. Remaining balance required
4(34)	Tok elem. school addition	120.0	13.9	Remaining balance will be utilized by Nov. 77
4(35)	Red Devil - elem. school addi.	160.0	41.0	Grant to REA in process. All funds required:
4(36)	Cantwell - elem. school const.	550.0	7.0	Bonding Co. completing project. Claims expected.
4(37)	Angoon - school addition	720.0	10.2	By agreement School District is completing Balance needed
4(38)	Glennallen - school addition	248.0	72.9	Balance committed but not encumbered
4(39)	Fort Yukon vocational education facilities	450.0	3.5	Final billing will eliminate balance
4(41)	Glennallen - vocational education facilities	450.0	85.7	Completed - PP Requested
4(43)	Shishmaref school addi.	2,492.0	7.0	Building has deficiencies. Adequate source of water needed, drilled twice already, estimate to complete \$200.0
4(45)	Tni Vally school addi.	1,440.0	16.0	Completed but roof claim pending
4(46)	Delta school addition	1,300.0	64.2	Complete but billing not in. Balance for equip.
4(47)	Kaltag school construction	2,212.0	25.0	Will be complete this summer-claim pending
4(48)	Dry storage facilities - various locations	250.0	225.0	Balance on furniture and Equipment All funds committed by letter to School Districts
4(55)	Contingency reserve	142.5	1.3	Contingency reserve
4(53)	Sand Point area high school	1,000.0	0.0	Estimate of 100.0 to 150.0 for fire code compliance necessary
4(2)	Red Devil Oil Storage, grant	75.0	41.0	Grant to District within 30 days
4(8)	Iguigig Oil Storage, grant	50.0	50.0	Grant to Iguigig by November
4(10)	Russion Mission roof repair	27.5	27.5	Should be complete this summer
4(11)	Manley Hot Springs plumbing	25.0	25.0	Grant to REAA
4(23)	Pilot Point grant	160.0	160.0	Grant to REAA
4(27)	Perryville grant	35.0	35.0	Grant to REAA
4(3)	Aniak Oil Buld Storage	62.5	62.5	Grant to REAA
4(28)	Minto	200.0	200.0	Grant to REA. Combined with Ch 131/SLA 76 funding
4(25)	Ruby	260.0	260.0	Grant to REAA
4(35)	Red Devil	160.0	160.0	Grant to REAA
4(54)	Akiak elem. school construct.	660.0	660.0	Grant to REAA
4(16)	Gambell	1,000.0	1,000.0	Under construction - completion estimated February 78.

Status Report Ch 142 SLA 74 Projects

113

As provided by Department of Education

<u>Section</u>	<u>Description</u>	<u>Original Allocation</u>	<u>Remaining Balance</u>	<u>Status and Estimated Completion Cost/Balance</u>
3(3)	Estimated overrun on school construction Ch 170, SLA 70	461.0	313.2	Finalization with Dept. of Environmental Conservation on combined wastewater projects in progress. Est. cost \$150.0 to \$300.0
3(5)	Ch 195, SLA 72 Estimated Overrun School Construction.	2,000.0	962.0	Kipnuk High School will be constructed with grant to District. Processing grant in process. Togiak Under Construction
4(3)	Aniak - Bulk oil storage	62.5	.238	Small amount remaining will be utilized to erect tank now being fabricated. Grant to REAA
4(12)	Atmautluak - storage	25.0	2.5	Will need \$2.5 to erect building upon delivery. Reimbursement by district after expenditure.
4(13)	Kenny Lake - secondary school	2,000.0	273.0	Balance needed for anticipated project completion
4(15)	Upper Kobuk Valley (elem/sec)(Shungnak)	2,800.0	11.0	Revised program in process to increase balance by \$50.0 to allow equipping. Kivalina project to be reduced \$50.0.
4(16)	Savoonga - school construction	1,000.0	10.0	Estimated completion is Feb or Mar 79. In process
4(17)	Telida - school construction	500.0	7.0	Project is nearly completed. Balance for equipment.
4(18)	Dot Lake - school construction	500.0	21.0	Almost complete - equipment ordering in process
4(19)	Playgrounds - 100 locations	675.0	1.0	Kept back in event of omission in grants
4(22)	Lime Village elementary school	560.0	5.5	Almost complete - balance to REAA for equipment
4(24)	Sleetmute - elementary school construction	400.0	6.0	Fire during construction caused delay - new building under construction
4(26)	Whale Pass - elementary addition	80.0	1.1	Complete except needs some additional equipment. School is constructed on floats.

Department of Public Works

TO: ☐

Marshall L. Lind
Commissioner
Department of Education

DATE : March 15, 1977

FROM:

Donald Harris *DH*
Commissioner
Department of Public Works

SUBJECT: Chp 142/74

Please make application to the Legislature for an additional years extension of time on Chp 142/74 fund, which will expire June 30, 1977.

There are numerous projects incomplete at this time, and various projects are being requested under the Grant project program, and we surely will be caught in a bind if those funds are not preserved.

Thank you for your attention to this matter.

jt

RON LIND

FCC 4-30-77
#2

Chapter 279 SLA 76 (SB 201) requires the Department of Public Works to perform the following functions:

1. Inventory existing facilities for handicapped compliance
2. Establish handicapped regulations for the State including urban and rural areas.
3. Provide estimates of cost to bring facilities up to standard.

We started in September, 1976 on the inventory which is an extremely time consuming process. We will be far enough into the inventory by the end of July, 1977 to establish the kinds of regulations that need to be developed. We will then contract for the development of these regulations probably by the end of August. We will also complete the inventory. By June 30, 1977 we will have expended \$75,000 of the appropriation, leaving \$125,000 remaining to perform the work.

We request that the life of the appropriation for Chapter 279, SLA 76 be extended through FY 78.

Dick Holden

WORK DRAFT COPY

WORK DRAFT COPY

WORK DRAFT COPY

*Sec. ____ Section 18(b), Chapter 279, SLA 1976, as it pertains to

SB 201 Elimination of architectural barriers in public buildings (Public Works)	200,000	200,000
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is amended to provide that the unexpended unencumbered balance of the appropriation shall lapse into the general fund on June 30, 1978.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 30, 1977

SUBJECT: Appropriation language

TO: Jay Hogan

FROM: Billy G. Berrier *BGB*

The appropriation language we came up with reads:
and allocated

"* Sec. 6. The following ~~allocations-and-appropriation~~ items are hereby appropriated for operating expenditures from the general fund or other funds as set out in sec. 5 to the state agencies named and for the purposes expressed for the fiscal year beginning July 1, 1977, and ending June 30, 1978."

BGB:lmk

FREE CONFERENCE COMMITTEE

Monday, May 2, 1977

9:20 a.m.

PRESENT

Chairman Cowper convened the meeting at approximately 9:20 a.m. All committee members were present. Also in attendance were Ron Lind and staff from Budget & Management, Arthur Snowden, Administrator of the Alaska Court System; Bob Schroeder, Fiscal Analyst; Judy Crondahl, Administrative Assistant to Senator Sackett; Susan Fowler, Administrative Assistant to Legislative Budget & Audit; Elaine Mitchell and Jean Kisor of the Press; and, at various times following reconvening, Commissioner Burton from the Department of Public Safety; Attorney General Avrum Gross; Assistant Attorney General Wilson Condon; Dick Pegues, Administrative Officer for the Attorney General's Office; Senator Croft, and Alison Farnan, Fiscal Analyst.

JUSTICE

Chairman Cowper directed the committee's attention to the Justice category, page 97, ENFORCEMENT - Detachments & C.I.B. Chairman Cowper advised that the difference between House and Senate philosophies was the fact that one trooper had been taken from Anchorage, and the Fairbanks trooper deleted, and troopers had been placed in Emmonak and Bethel. He added that he did not object to the trooper in Emmonak, but he did object to the one in Bethel. He stated that the theory behind the House budget was to allocate the troopers according to need. The troopers are needed in the Anchorage area, and if the Anchorage area should opt for local police protection, the necessary revenue sharing to effect this protection would be more costly than placing the troopers in Anchorage. He stated that the House effected an add-on in the amount of 540.8 to cover this need. Representative Haugen advised that he felt that the committee should speak with Commissioner Burton and obtain his views regarding trooper placement. Ron Lind advised that he would contact the Commissioner and request that he appear before the committee.

RECESS 9:30 a.m.

RECONVENE 10:35 a.m.

5/2/77

Commissioner Burton appeared before the committee and Chairman Cowper explained that the House funded Detachments & C.I.B. at the 75% level, feeling that it would take approximately three months to train people and get them into the area where they will be working. Commissioner Burton replied that it appeared the House had funded 75% of the department's 85% total budget. Pertaining to vehicles, he advised that the department was thinking about going to a neighborhood policing concept where the stationhouse is contained within the area the troopers serve.

COMMISSIONER
BURTON

Commissioner Burton said that he had been visited by a delegation of people concerned about Eagle River. These people wanted to know what could be done to expand services into the Eagle River area. He added that the problem was not unique to Eagle River alone. There is also a need in the Sand Lake area, and the department feels it would be expedient to have the office the troopers function out of located in the area they serve. This type of operation would provide localized services to the area such as drivers licenses, etc. and would be staffed on a 24-hour basis. Senator Tillion asked what it would cost if only the troopers were provided. Commissioner Burton replied that it would probably not make much difference, the department would need to secure additional office space for the new troopers anyway, whether it was localized or not. He added that in the event the office is not localized, the troopers would operate out of the Tudor offices and would then travel out to Sand Lake. Senator Tillion advised that he did not believe the driving distance from Sand Lake to Tudor was great enough to warrant localizing.

Senator Hohman asked what the population of the proposed service area is estimated to be. Chairman Cowper replied that he didn't know but wished to point out that that area has a total of 6 representatives in the legislature, the same number as the City of Fairbanks. Commissioner Burton replied that everything outside Anchorage accounts for about half the population or approximately 90,000 people.

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Senator Hohman asked how many troopers are currently stationed in Bethel. Commissioner Burton replied that he believed Bethel has 5 or 6 troopers, plus a JS officer and fish and game personnel. He added that the troopers do not police Bethel, but they do a lot of work there.

Chairman Cowper asked if the department felt there would be problems if Eagle River was given protection but not Sand Lake. Commissioner Burton replied that Eagle River has received a lot of attention in the past, but the problem is just as bad in other areas. The problem has been growing for years, and Commissioner Burton advised that he didn't know where it would end, but the cities refuse to address it. The department is making do with what it has, as it has done in the past. He added that he kind of liked the way things were under home rule communities where upon incorporation a city had to take care of itself.

Representative Gruening asked how many troopers would be involved in the additional patrol for Sand Lake. Commissioner Burton directed the committee's attention to the memo from Pat Wellington. He advised that the third from the last page gives the break out for the service areas. Representative Gruening asked if Sand Lake would be a cheaper area to patrol than Eagle River, and further asked if it would be cheaper in Sand Lake in terms of a possible mill rate. Commissioner Burton advised that he did not have exact figures on this question but stated that if the state is going to put a trooper in a car for patrol, it costs about the same anywhere, but if you have an area that has more calls, you simply have to have more people to take care of the problems.

Senator Tillion advised that Senator Orsini had looked into this matter in some detail and had all the figures available, and was in favor of having the municipalities take over the police function in the above-discussed areas.

Senator Sackett asked if the administration had an alternate proposal at any time. Commissioner Burton replied that all he had was an administrative proposal

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submitted by request of the legislature. Kent Dawson advised that the only other alternative the administration had looked into was some form of decentralization.

Chairman Cowper moved for adoption of the House figures with the exception of use of the Senate figures for No. 1, Fairbanks, and No. 7, Emmonak, together with the following intent: The new troopers in Anchorage shall not necessarily be required to be assigned there after FY 1978. And the department may re-assign the new positions in Anchorage if needed after 1978. Senator Tillion objected to the above motion, advising that he would not agree to locating detachment headquarters in local areas, adding that the driving time is not that great. He later added that he would be willing to okay the detachment headquarters in Eagle River but not Sand Lake. Commissioner Burton stated that he didn't believe there was any problem with Sand Lake. The proposed office would not have been very large--just a small office to house personnel and issue drivers licenses.

Representative Haugen asked how many troopers are presently located in Kodiak. Commissioner Burton replied that the department intended to expand operations in Kodiak because of the increased oil activity. He added they would need 6 or 7 in order to cover the chain, and advised that the operation would include use of both the boat and the goose to cover the sizable area.

Chairman Cowper thanked Commissioner Burton for appearing before the committee and advised that the committee would take a brief recess.

RECESS 11:00 a.m.

RECONVENE 11:15 a.m.

Chairman Cowper advised committee members that Mr. Gross and Senator Croft were available to discuss the state's legal needs and referred committee members to page 105 of the General Government category for review of Legal Services.

GENERAL
GOVERNMENT

Legal
Services

Mr. Gross advised that the department of law presently has 45 attorneys. He advised that the department would be losing an attorney due to the fact that funding through an interagency agreement will soon be ending. He also advised that the department had requested an additional Mr. Gross

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attorney to handle APOC. This requested addition was disallowed by both the House and the Senate budgets. The net effect is that the department will be losing one attorney.

Mr. Gross stated that he believed the only items of dispute to be personal services and contractual. He added that a reduction in personal services would mean that the department would lose people and he didn't believe that was the intent of the legislature. He stated that he believed the legislative feeling was that the needed funds could come out of contractual without a reduction in personal services. He added that he didn't believe this to be true and advised that he would attempt to show that it could not be done.

Mr. Gross advised that the department has a total of 594.0 in operational funds. Out of the aforementioned amount 185.0 is designated for ICC hearings; 53.0 for FPC hearings; and 219.8 for fixed expenditures, leaving a balance of 136.0 for everything else--or all expenses of the department of law, including outstanding contracts with outside counsel. He advised that of the above remaining total, 16.0 had already been committed to other counsel, leaving a total of 120.0 for the department's entire litigation process including expenses for 44 lawyers for a year. He stated that cuts will reduce the effort the department is able to make.

Chairman Cowper stated that if the committee doesn't add the No. 8 position (which the House did not), it still would appear that 4 attorneys have been added. Mr. Gross replied that these positions are RP's from other agencies that show up as new positions. The funding for the positions is money appropriated by the legislature--it had simply been funded somewhere else.

Chairman Cowper asked what the money allocated for FPC representation would be used for. Mr. Gross replied that the allocation is for the case on the gas pipeline. He added that they anticipate using approximately 53.0 for this case and added that if it is not used, he would be happy to see it lapse.

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In reply to a question from Senator Croft, Mr. Gross advised that the ICC supplementals will be needed. The 300.0 is for last year's funding, while the 185.0 will be used this year. Mr. Condon advised that the ICC case would be handled in two phases. The first phase involves the contract with Mr. Lenznor for gathering information and preparation of findings. The second phase involves the presentation of the completed findings to the ICC. Mr. Gross advised that it is import to contract for needed services now. He added that it has been his experience that the department has never over-estimated costs to a Washington counsel.

Senator Croft advised that last year the appropriation for the above case was 100.0. Mr. Gross replied that that was immediately after the legislature gave the department authority to pursue the case. He stated that he had no idea what the costs were going to be at that time. Chairman Cowper advised that it was his understanding that the above bill was only to fund for 76. Mr. Gross replied that his understanding was correct, the legislature passed no funding, it only passed the authorization. Senator Croft stated that the fiscal note showed only the 100.0 funding for that year and a zero for the coming years. Mr. Gross replied that the note had been prepared by a former fiscal officer. He added that the state could not take on representation of a case against the major oil companies and expect to do the work for 100.0 or less.

Senator Sackett advised that he understood the department requested 160.0 during 1978 and now it is asking for an additional 300.0. Mr. Gross advised that the amount for Lenznor was not included and the presentation costs were also not included when the budget was prepared. Chairman Cowper stated that he understood that Lenznor's fee is for investigation rather than legal presentation, and added that Donelan & Cleary would actually be the ones who put the case on the stand. Senator Croft asked if it was true that Mr. Lenznor would actually receive about a million dollars from the state for the total of his work. Mr. Gross replied that he would, but that he also had a great many attorneys working for him collecting information in preparation for the case.

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Senator Croft advised that the department appropriation was 3165.0 in 1977. He added that even under the Senate's figure of slightly less than 3800.0, the department of law has the highest increase of any state agency. The department has come from 76 full time positions to 82. In addition, the department has not used paralegal aides which law firms use. Senator Croft added that the legislature did not fund for Lenznor due to the original estimate of 100.0, and with the requested supplementals the department is going to have substantially more. He stated that a 20 to 21% increase seemed to him to be high. Mr. Gross stated that he felt the percentage of increase for the department was somewhat misleading. He added that the department has not been increased in size but salaries have increased. The remainder of the increase is due to FPC and ICC functions which Mr. Gross admitted will require expenditure of a great amount of money. He added that if the committee would deduct ICC and FPC funds from the department budget the increase would be due only to salary increases, and the percentage of increase would be very low. Salary increases amount to approximately 203.0.

Mr. Gross acknowledged that the committee was probably trying to make a determination between the House and Senate figure. He advised that the House reduced the department's litigation capabilities by 20.0. He asked that the committee reconsider, advising that the department is doing a lot more litigation, such as antitrust. He added that the legislature has given the department the authority to do the work and now the department needs the funding. He further added that if the legislature cuts funding the department will lose the resources position in Anchorage and that will hurt the department substantially.

Chairman Cowper replied that he was under the impression that the legislature had cut the APOC position. Mr. Gross stated that this office feels it has not received adequate attention from the department of law, and he admitted that APOC is not that high of the department's priority list, but further stated that the legislature wanted more representation for that office and the department has tried to give it. Senator Croft advised that the Senate intent said basically that APOC should not be cut. He added that this office has been neglected and the Senate felt it needed assistance. Chairman Cowper stated that he didn't feel there was a need for a full time lawyer for this office, that

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the House intended that the department perform this work using existing staff. Mr. Gross advised that it takes a great deal of time to service the APOC in that they have constant demands of one sort or another.

Senator Sackett stated his understanding that instead of looking at the House or Senate figures the committee was now looking at the Governor's figure plus 300.0. Senator Croft advised that the committee look into travel for the department, stating that it has gone from 80.0 to 113 which is a 35% increase. Mr. Gross replied that the travel increase is also largely attributable to the ICC presentation.

Senator Croft stated that he believed most of the committee members had had some experience with consultants and advised that they will expect about what they think they can get. Law firms have to learn to live within their budgets as should the department.

Chairman Cowper acknowledged the above to be true but added that the legislature had been negligent in not getting necessary projects started in a timely manner and advised that the current crunch felt by the department was basically legislative fault.

Senator Sackett stated that it was his understanding that the 185.0 plus the 300.0 was the contract cost. Mr. Gross replied that there is not contract, the above amounts are just estimates as to what the total presentations will cost.

Representative Gruening moved for adoption of the Governor's figure. There was objection. Senator Sackett moved to amend the motion to the House figure plus the addition of one position to the department count number. Chairman Cowper restated the amended motion to be the House budget with 83 total positions. There being no objection, the figure and position count were adopted. (House figure 3915.1, plus 1 position)

Chairman Cowper referred committee members to the General Government budget for REVENUE OPERATIONS - Office of the Commissioner (p. 125) and advised that

this program would be handled with the legislative budget.

The meeting adjourned at 12:00 noon, with the understanding that committee members would check in at 4:30 p.m. and possibly continue the meeting. At the 4:30 p.m. check in Chairman Cowper dismissed available committee members and adjourned the meeting for lack of a quorum.

ADJOURN

FCC-77 #8 (1196-end)
#9 (start-0465)

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FREE CONFERENCE COMMITTEE

May 3, 1977

9:15 a.m.

All members of the Committee were in attendance. Also present were Legislative Finance Division Fiscal Analysts: Jay Hogan, Bob Schroeder and Bob Grogan; Ron Lind, Division of Budget and Management; and Kent Dawson, Office of the Governor.

PRESENT

Chairman Cowper called the meeting to order and stated the first budget category to be discussed was NATURAL RESOURCES.

NATURAL
RESOURCES

Office of the Governor, Limited Entry: Chairman Cowper moved the following legislative intent be accepted - If SB 128 is enacted into law, the Legislature will consider a properly documented supplemental request not to exceed the Governor's requested figure of \$210.0. Mr. Dawson stated the Governor would probably instruct the Agency to operate on a lower level. Mr. Dawson stated they would prefer the Legislature to appropriate a higher amount and include legislative intent that the additional amount would lapse if the Bill does not pass. Chairman Cowper asked if this problem would be taken care of if a fiscal note was attached to SB 128. Mr. Hogan stated this would solve the problem. Mr. Dawson will request Limited Entry to prepare a fiscal note and bring it to the Legislative Finance Division. Chairman Cowper withdrew his motion as legislative intent is not necessary if a fiscal note accompanies SB 128.

LEGISLATIVE
INTENT/
FAILED

Chairman Cowper stated the next budget category to be discussed was the UNIVERSITY OF ALASKA.

UNIVERSITY
OF ALASKA

Board of Regents: Chairman Cowper moved to accept the House and Senate figure of \$122.9. There being no objection, it was so ordered.

Board of Regents, Regents Distribution: Chairman Cowper moved to accept the House and Senate figure of \$6312.3 and the House legislative intent - \$2265.5 in Personal Services is for salary increase distribution not completed in current fiscal year. The remaining balance of \$4046.3 is to be distributed only upon approval of the Legislative Budget and Audit Committee. There being no objection, it was so ordered.

LEGISLATIVE
INTENT

Senator Sackett asked if the Legislative Intent included in the House Journal relates to specific BRU's. Chairman Cowper stated the intent in the Journal was general intent. He stated he would like to bring this up at a later time.

GENERAL
LEGISLATIVE
INTENT

Statewide, Institutional Support: Chairman Cowper moved to accept the House and Senate figure of \$133.4 and the House legislative intent - Fund here is to provide for the president's office, i.e.: his salary, secretary's salary, and his direct support costs. There being no objection, it was so ordered.

LEGISLATIVE
INTENT

Chairman Cowper stated that FY 77 figures are being accepted within the University of Alaska budget. He stated that if this approach changes, then the Committee should come back and adjust these figures.

The Committee recessed at 9:30 a.m. for a call of Majority members. Chairman Cowper recalled the meeting to order at 10:20 a.m.

RECESS

Organized Research, Geophysical Institute: Chairman Cowper stated that with the understanding he had indicated, he would move to accept the House and Senate figure of \$7307.6. There being no objection, it was so ordered.

Organized Research, Institute of Marine Science: Chairman Cowper moved the House figure of \$5820.6 be accepted and asked unanimous consent. Rep. Haugen moved that legislative intent be accepted stating a full report shall be made to both finance committees at the beginning of next Session on the status of the program in order for the committees to evaluate the program. There being no objection, it was so ordered. Rep. Haugen requested that copies of the report be prepared for the industry.

LEGISLATIVE
INTENT

Senator Hohman requested Chairman Cowper to clarify his statement regarding the use of FY 77 figures throughout the University of Alaska budget. He stated the Institute of Marine Science figure accepted included an addition to the FY 77 budget. Chairman Cowper stated he wanted to close the BRU's under the assumption that FY 77 figures will be used as a base figure. He stated there will be add-ons. Chairman Cowper stated he believes Organized Research must be treated differently. He stated the amount of General Funds appropriated to Marine Science remains the same. Senator Hohman requested a final vote once the University budget had been closed in order to tie everything together. Chairman Cowper responded that this was a good idea. Senator Sackett stated that he didn't think Organized Research should be treated any different than the rest of the University budget. He stated the House and Senate agree on figures except for the add-ons. Senator Sackett asked Chairman Cowper if he wanted Organized Research treated differently. Chairman Cowper stated he thinks they are going to have to be treated separately.

Organized Research, Institute of Water Resources: Chairman Cowper moved to accept the House and Senate figure of \$718.9. There being no objection, it was so ordered.

Organized Research, Agricultural Experiment Station: Chairman Cowper moved to accept the House and Senate figure of \$2604.6. There being no objection, it was so ordered.

Organized Research, Institute of Arctic Biology: Chairman Cowper moved to accept the House and Senate figure of \$5000.5. There being no objection, it was so ordered.

Organized Research, ISER: Chairman Cowper moved to accept the House and Senate figure of \$1355.6. There being no objection, it was so ordered.

Organized Research, CNER: Chairman Cowper stated this is an example of where the spending level appears to be higher. He stated the General Funds are, in fact, at a lower level. Chairman Cowper stated he has proposed legislative intent that would be concerned with this. He stated this would be included in the general legislative intent and would read in part "It is understood that some BRU's will appear to be funded at above the FY 1978 maintenance level. This is not to indicate the Legislature's desire to fund these BRU's beyond the maintenance level, but is done only for the sake of consistency. Transfers of funds from these BRU's will be expected under the legislative definition of maintenance." Senator Tillion stated in cases like this he would recommend taking the maintenance level and not worry about consistency. Chairman Cowper stated the Legislature should be as consistent as it can be. Chairman Cowper moved to accept the House and Senate figure of \$700.6. There being no objection, it was so ordered.

GENERAL
LEGISLATIVE
INTENT

Organized Research, Sea Grant: Chairman Cowper moved to accept the House and Senate figure of \$1058.7. There being no objection, it was so ordered.

Organized Research, AEIDC: Chairman Cowper stated the House and Senate figure are the same except the House figure includes a \$10.0 General Fund appropriation to the Science Information Exchange Conference. Chairman Cowper moved to accept the House figure of \$1698.4. There being no objection, it was so ordered.

Organized Research, BIOME Center: Chairman Cowper moved to accept the House and Senate figure of \$781.4. There being no objection, it was so ordered.

Organized Research, Coop Wildlife Research: Chairman Cowper moved to accept the House and Senate figure of \$266.2. There being no objection, it was so ordered.

Organized Research, Mineral Industry Research: Chairman Cowper moved to accept the House and Senate figure of \$241.9. There being no objection, it was so ordered.

Organized Research, Forest Soils Lab: Chairman Cowper moved to accept the House and Senate figure of \$336.3. There being no objection, it was so ordered.

Organized Research, WAMI: Chairman Cowper stated the WAMI program is going to need additional funds in order to honor its contracts. Senator Sackett moved to accept the Governor's figure of \$1042.0 plus \$33.5 to do a carbon monoxide study for total expenditures of \$1075.5. Discussion on figures. There being no objection to the motion, it was so ordered.

The meeting recessed at 10:55 a.m. Chairman Cowper recalled the meeting to order at 1:40 p.m. Attendance was the same as in the morning except Senator Tillion and Rep. Gruening were not in attendance.

RECESS

Organized Research, General Misc. Research: Chairman Cowper moved to accept the House and Senate figure of \$777.3. There being no objection, it was so ordered.

Organized Research, Naval Arctic Res. Lab: Chairman Cowper moved to accept the House and Senate figure of \$757.5. There being no objection, it was so ordered.

The meeting recessed at 1:45 p.m. for a call of the joint houses. Chairman Cowper recalled the meeting to order at 2:10 p.m. All members of the Committee were in attendance except Senator Tillion.

RECESS

Discussion on House and Senate additions to the University budget. (See attachments #1 and #2 for additions.) Chairman Cowper suggested treating \$179.0 for Ketchikan request, and \$300.0 of Anchorage request as new programs. He suggested the rest of the programs be considered an advance against the \$4.4 million and that \$1 million be added to the Fairbanks budget as an advance. He stated this would leave approximately \$1 million for the regents to distribute in accordance with the maintenance level defined by the Legislature. Rep. Gruening recommended that Anchorage receive \$375.0 in new programs instead of \$300.0 to make the advance to Anchorage \$1 million also. Chairman Cowper moved the above, changing the Anchorage request to \$375.0. Senator Sackett objected.

Rep. Gruening moved the figure of \$915.0 for new programs in Anchorage. He stated that \$950.0 would go to the Senior College in Anchorage and \$325.0 to the Anchorage Community College. He further moved the funds for the Anchorage library be considered an advance against the \$4.4 supplemental. Chairman Cowper objected.

Chairman Cowper stated he is concerned that they will advance the entire \$4.4 million supplemental to specific programs and that other programs not represented will end up with nothing. Senator Sackett stated the Anchorage programs are all new except \$341.0 which is maintenance. Discussion on "add-ons" to the Anchorage and Fairbanks budgets.

Discussion on how the University will be funded next year. Chairman Cowper stated they must determine who will define maintenance - the University or the Legislature. Senator Sackett stated that instead of looking at advances to maintenance, maybe they should look only at change. Rep. Gruening commented that all "add-ons" will be considered change.

Senator Sackett stated the only problem between the House and Senate figures is with the additions. He stated both houses came in with identical budgets in terms of maintenance revised and then they added new programs that legislators are interested in.

Senator Hohman asked about the House addition in Kenai. Chairman Cowper stated they are actually restoring Kenai to the FY 77 base.

Senator Hohman asked about the \$61.1 House addition for Kodiak. Chairman Cowper stated the FY 77 budget in Kodiak was different and if this amount was accepted, they had to have the additional amount for library money.

Senator Hohman stated if that was the case then Kuskokwim should have been increased also. Chairman Cowper stated the only problem is to see where the library funds for Kenai and Kodiak were subtracted from. Chairman Cowper stated that Kuskokwim was broken out and the others were in Central Support. He stated this was done in error.

Chairman Cowper suggested taking the Governor's figure for all the campuses and reduce it by 10% everywhere. He suggested taking that 10% and putting it in a Regents fund which would be reallocated according to maintenance as defined by the Legislature. Senator Sackett recommended taking the maintenance approach and look only at new changes.

Senator Sackett stated that \$341.0 for Anchorage is maintenance and \$1169.0 is new programs under the Senate figures. Chairman Cowper stated he would accept that if \$1 million was added for the Fairbanks campus in new programs. Senator Sackett stated he couldn't accept adding \$1 million to the Fairbanks campus unless it is broken out. Chairman Cowper stated funds would go to petroleum engineering, petroleum geographical and adding three positions in the chemistry department. Senator Sackett stated this would not take up the entire \$1 million. He stated the new programs for Anchorage are broken out.

The meeting recessed at 3:30 p.m. for a call of the joint sessions. Chairman Cowper stated they would adjourn until 9:00 a.m. the following morning.

RECESS

FCC 5-2-77

HOUSE FINANCE COMMITTEE "ADD ON'S"
UNIVERSITY OF ALASKA BUDGET

<u>Component</u>	<u>Description</u>	<u>Amount</u>
Regents	Regents Distribution	5,284.2
Statewide	To Regents Distribution	(5,130.7)
	Difference Increase=	\$ 153.5
Inst. of Marine Sci.	Clam Toxin Study	50.0
AEIDC	Science Information Exchange	10.0
WAMI	Carbon-Monoxide Study	33.5
FBX - Inst.	Chemistry Professor	28.8
ANCH - Inst.	Senior College Staffing	60.0
ANCH - Inst. ACC	2 new positions	75.0
ANCH - Inst. Mat Su	1/2-time Career Ed. position	15.0
ANCH Public Service	Transfer to Eagle River	(40.0)
ANCH Public Svcs. - Eagle R.	Extension Program	75.0
Southeast - Inst. Sr.	2 new positions	60.0
Southeast - Inst. KTN.	Marine Tech. Program	179.0
Southeast - Acad. Sup. Sr.	Library Clerk position	13.0
Southeast Inst. Sup.	Director of Admissions	37.5
Southeast Inst. Sup., Sitka	Sitka CC/SJ Consortium	19.0
Rural, Academic Sup., Kodiak	Restore to FY 77 Auth.	61.1
Rural, Academic Sup., Kenai	Restore to FY 77 Auth.	51.2
Rural, Student Svcs., Kenai	1/2-time Counselor	61.0
	T O T A L:	<u>942.6</u>

GF Appropriation as per CSHB 52	\$58,383.6
GF as per FY 77 revised	<u>57,441.0</u>
Difference =	<u>942.6</u>

SENATE FINANCE COMMITTEE "ADD ON'S"
UNIVERSITY OF ALASKA BUDGET

<u>Component</u>	<u>Description</u>	<u>Amount</u>
WAMI	Carbon-Monoxide Study	\$ 33.5
FBX-Inst. Sr.	Chemistry Instructor	28.8
ANCH-Inst. Sr.	Senior College Instruction	650.0
ANCH-Inst. ACC	Community College Staffing	400.0
ANCH-Acad. Sup. Sr.	Full-time Library Operations	460.0
SE-Inst. Sup. Jno.	Sitka CC/SJ Consortium	19.0
Rural-Inst.-Kenai	Staffing for Petroleum, et.al.	91.8
Rural-Inst.-Kuskokwim	Funding Change	300.0
Rural-Inst. Rural Ctrs.	General Increase	55.0
Rural-Public Services	Home Economist, Bethel	40.0
Rural-Public Services	Local Government Program	80.0
Rural-Acad. Sup.-Kusk.	Library Increase	100.5
Rural-St. Svcs.-Kenai	Increase in Petroleum, et.al.Prog.	39.8
Rural-Inst. Sup.-Kusk.	Increase to Request Level	64.9
	Subtotal --	\$2,363.3
Adjustment in funding due to expected reduction in computer center program receipts:		153.5
		<u>\$2,516.8</u>

SPECIAL INTENT: All appropriations and expenditures to the University of Alaska are contingent upon the following:
No funds are to be used for payment of salary or benefits to Dr. Robert W. Hiatt until a court determination is made concerning the matter of his retention by the University.

FREE CONFERENCE COMMITTEE
Wednesday, May 4, 1977
9:15 a.m.

Chairman Cowper convened the meeting at approximately 9:15 a.m. All committee members were present. Also in attendance were: Ron Lind and staff from the Division of Budget and Management; Jay Hogan, Director of Legislative Finance; Alison Farnan, Fiscal Analyst; Myrt Charney, Director of Administrative Services, Legislative Affairs Agency; Gregg Erickson, Director, Division of Research Services, Legislative Affairs; Elaine Mitchell of the Press; and Representative Terry Gardiner.

PRESENT

Chairman Cowper referred committee members to the GENERAL GOVERNMENT budget category for review of programs previously left open for later consideration.

GENERAL
GOVERNMENT

PERSONNEL - Employee Negotiation/Relations (p. 45)
Alison Farnan advised that the position of Director of Labor Relations occupied by Pat Hunt should be placed under the Commissioner's Office. Chairman Cowper moved that 60.2 be removed from Employee Negotiations on p. 45 and placed under Personnel Management on page 43. He advised that this move would leave the Senate figure of 566.6 for Employee Negotiations, and the new total for Personnel Management would be 1438.0. There being no objection, the proposed change and above figures were adopted.

PERSONNEL - Personnel Management (p. 43)
Cross reference for transfer of funds outlined in preceding paragraph. See Employee Negotiation (above).

REVENUE OPERATIONS - Office of the Commissioner (p. 125) OPEN
Representative Gruening advised that he had received correspondence relating to the above operation and the fact that there appeared to be some question regarding whether the Advisory Board should be placed under Treasury of the Department of Revenue. Ron Lind asked if all the other costs of the investment advisory board are budgeted through Treasury. Mr. Gruening replied that he would like to have the administration check into where these funds should show up in the state budget and let the committee know where to appropriate them. Chairman Cowper advised that the committee would hold this program open.

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