

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2758

FREE CONFERENCE COMMITTEE
Tuesday, May 16, 1978
1:37 p.m.

Chairman Sackett called the meeting to order at 1:37 p.m. All members were present.

PRESENT

Also present were: Judy Crondahl, AA to Senator Sackett; Susie Fowler, AA to Senator Hohman; fiscal analysts Grogan, Scott and Farnan; Ron Lind, Ron Lehr, and Chuck Taylor from the Budget & Management; and Art Snowden from the Judicial Department.

Chairman Sackett began the meeting by going over some open areas in the Development category.

DEVELOP-
MENT

ECONOMIC ENTERPRISE - General Operations (p. 27)
Mr. Grogan advised that Budget Amendment #42 had been received too late to include in the House and Senate budgets. Representative Gruening moved to adopt Budget Amendment #42 from the General Funds. Senator Sackett objected. It was decided to leave this area open.

OPEN

KING CRAB QUALITY CONTROL BD (p. 57)
Representative Haugen moved the House, Senate and Governor's figure of 285.9 plus 26.5 for Budget Amendment #47, making a total figure of 312.4. There was no objection.

ALASKA COURT SYSTEM - Trial Courts (p. 131)
Mr. Snowden from the Alaska Court System talked to the committee on this area. He stated that the Fairbanks calendar clerk is extremely busy. The position is seriously needed. An assistant jury clerk in Anchorage move to Bethel. Judge Cook needs a jury clerk. A position requested for Bethel is magistrate/law clerk. A question came up regarding the jury fee paid to those who serve on jury duty in outlying areas. Representative Cowper moved to add an operations analyst adopting Senate budget plus night library clerk in Fairbanks. Chairman Sackett objected. Rep. Cowper moved and asked unanimous consent for the followings positions: (p. 131) 1, 4, 7, 8, 14, 16, 20; (p. 133) 1 & 6. Senator Hohman said he would rather have positions 5 & 6. Senator Hohman then read a priorities list and stated that these are the Dept.'s priorities: 1. In-court clerk - top priority, and 2. law clerk/magistrate. Senator Hohman said he would like to amend Rep. Cowper's motion to include position 5 rather than position 6. There was no objection. The total figure for Trial Courts - 15448.9.

JUSTICE

JUDICIAL COUNCIL (p. 137)
Chairman Sackett moved the Senate figure of 252.4 with the following intent: That the monies shall lapse with receipt of the federal funds. There was no objection. INTENT

At this time Chairman Sackett began the category of Natural Resources.

NATURAL
RESOURCES

LIMITED ENTRY (p. 3)

Representative Cowper moved the Senate figure of 1146.1. There was no objection.

FISHERIES COMMISSIONS - International North Pacific
(p. 7)

Chairman Sackett moved the House, Senate and Governor's figure of 12.0. There was no objection.

FISHERIES COMMISSIONS - International Fisheries (p. 9)

Chairman Sackett moved the House, Senate and Governor's figure of 122.5. There was no objection.

FISHERIES COMMISSIONS - Pacific Marine Fisheries (p. 11)

Chairman Sackett moved the House, Senate and Governor's figure of 27.4. There was no objection.

FISHERIES COMMISSIONS - Law of the Sea (p. 13)

Chairman Sackett moved the House, Senate and Governor's figure of 18.9. There was no objection.

COASTAL ZONE MANAGEMENT - CZM Administration (p. 19)

Chairman Sackett moved the figure of 1989.6 with the following intent: Where the meetings are held for the purpose of gathering local input the traveling expenses of village participants shall be paid up to \$50.0. There was no objection.

INTENT

COASTAL ZONE MANAGEMENT - NOAA (p. 21)

Chairman Sackett moved the House, Senate and Governor's figure of 126.5. There was no objection.

FISH & GAME LICENSING (p. 23)

Chairman Sackett moved the House, Senate and Governor's figure of 573.9. There was no objection.

LAND MANAGEMENT - Central Office (p. 25)

Representative Cowper moved the Senate figure of 696.5. There was no objection.

LAND MANAGEMENT - Land & Water Director (p. 27)

Chairman Sackett moved the House figure of 193.4. There was no objection.

LAND MANAGEMENT - Water Management (p. 29)

Representative Cowper moved the Senate figure of 88.8. There was no objection.

ADMINISTRATION & SUPPORT - Cadastral Engineering (p. 31)

Chairman Sackett moved the Senate figure of 865.0. There was no objection.

DISTRICT OPERATIONS - Southeast District (p. 35)
Chairman Sackett moved the House, Senate and Governor's figure of 449.6. There was no objection.

DISTRICT OPERATIONS - Southcentral District (p. 37)
Chairman Sackett moved the Senate figure of 1407.6.
There was no objection.

DISTRICT OPERATIONS - Northcentral District (p. 39)
Representative Cowper moved the Senate figure of 861.3 with a contractual of 190.0 rather than 146.5, making a total figure for this category of 904.8. There was no objection.

GEOLOGICAL & GEOPHYSICAL PROGR - Resource Investigations (p. 43)
Representative Cowper moved the Senate figure of 1050.0 with the House travel allowance, making a total figure of 1046.0. There was no objection.

GEOLOGICAL & GEOPHYSICAL PROGR - Publications (p. 45)
Chairman Sackett moved the Senate figure of 175.0.
There was no objection.

GEOLOGICAL & GEOPHYSICAL PROGR - Mineral Laboratory (p. 47)
Chairman Sackett moved the House, Senate and Governor's figure of 250.5. There was no objection.

GEOLOGICAL & GEOPHYSICAL PROGR - Regulations and Information (p. 49)
Chairman Sackett moved the House, Senate and Governor's figure of 168.1. There was no objection.

GEOLOGICAL & GEOPHYSICAL PROGR - Administration (p. 51)
Senator Rader moved the Senate figure of 236.1. There was no objection.

MINERAL AND ENERGY MANAGEMENT - Leasing Mgmt (p. 55)
Chairman Sackett moved the House, Senate and Governor's figure of 233.0. There was no objection.

MINERAL AND ENERGY MANAGEMENT - Petroleum Mgmt (p. 57)
Chairman Sackett moved the figure of 686.9 which added 25.0 to the Senate figure in personal services. This allowed for 10 positions.

MINERAL AND ENERGY MANAGEMENT - Minerals Mgmt (p. 59)
Chairman Sackett moved the Senate figure of 59.2. There was no objection.

MINERAL AND ENERGY MANAGEMENT - Administration (p. 61)
Chairman Sackett moved the Senate figure of 224.4. There was no objection.

OIL & GAS - Conservation (p. 63)

Representative Cowper moved the Senate figure of 1054.2 plus 500.0 in contractual making a total figure of 1554.2. The additional 500.0 is to incorporate a three dimensional reservoir at Prudhoe Bay. There was no objection.

ROYALTY OIL AND GAS BOARD (p. 65)

Representative Cowper moved the House figure of 195.7. Mr. Lind pointed out to the committee that Budget Amendment #60 for 150.0 was not included in that figure. It was decided to hold this in case they decided to think about it again.

FOREST PROTECTION & MANAGEMENT - Fire Protection-State (p. 69)

Chairman Sackett moved the House, Senate and Governor's figure of 163.7. There was no objection.

FOREST PROTECTION & MANAGEMENT - Fire Protection-BLM (p. 71)

Chairman Sackett moved the House, Senate and Governor's figure of 1209.6. There was no objection.

FOREST PROTECTION & MANAGEMENT - Research & Technical (p. 73)

Representative Cowper moved the Senate figure of 85.8. There was no objection.

FOREST PROTECTION & MANAGEMENT - Management and Timber Sales (p. 75)

Representative Cowper moved the House figure of 131.5. There was no objection.

FOREST PROTECTION & MANAGEMENT - Administration (p. 77)

Chairman Sackett moved the House, Senate and Governor's figure of 63.5. There was no objection.

LANDS ADMINISTRATION & SUPPORT - Lands Management (p. 81)

Chairman Sackett moved the Senate figure of 649.5. There was no objection.

LANDS ADMINISTRATION & SUPPORT - Classification (p. 83)

Representative Cowper moved the Senate figure of 311.6. There was no objection.

CONSERVATION ACTION CORPS (p. 85)

Chairman Sackett moved the House, Senate and Governor's figure of 506.7. There was no objection.

PARKS & RECREATION-DISTRICTS - Mat-Su (p. 89)

Representative Cowper moved the Senate figure of 437.8. There was no objection.

PARKS & RECREATION-DISTRICTS - Chugach (p. 91)
Representative Cowper moved the House figure of 431.1.
There was no objection.

PARKS & RECREATION-DISTRICTS - Kenai-Kodiak (p. 93)
Chairman Sackett moved the House, Senate and Governor's
figure of 235.7. There was no objection.

PARKS & RECREATION-DISTRICTS - Southeast (p. 95)
Representative Haugen moved the House figure of 200.0.
There was an objection by Representative Cowper. Representative Cowper moved the Senate figure except for the House personal services, making a total of 220.3. There was no objection.

PARKS & RECREATION-DISTRICTS - Copper Basin (p. 97)
Representative Cowper moved the House figure of 125.6.
Mr. Lind advised the committee that the Dry Creek camp ground cannot be opened if this budget is not passed. Senator Sackett objected to Representative Cowper's motion. Senator Sackett moved the Senate figure of 137.0. There was no objection.

PARKS & RECREATION-DISTRICTS - Interior (p. 99)
Representative Cowper moved the House figure of 375.3.
There was no objection.

DISTRICT OPERATIONS - Operations Administration (p. 101)
Chairman Sackett moved the House, Senate and Governor's figure of 49.4. There was no objection.

PARK MANAGEMENT - Park Development (p. 105)
Chairman Sackett moved the Senate figure of 215.1. There was no objection.

PARK MANAGEMENT - State-Federal Coordination (p. 107)
Representative Cowper moved the Senate figure of 85.1.
There was no objection.

PARK MANAGEMENT - Administration & Support (p. 109)
Representative Cowper moved the House figure of 193.6 plus an additional 15.0 in contractual, making a total figure of 208.6. There was no objection.

HISTORIC RESOURCE MANAGEMENT - Interpretation (p. 123)
Representative Cowper moved the Senate figure of 304.0. There was no objection.

LAND USE PLANNING - Planning Unit (p. 127)
Chairman Sackett moved the House, Senate and Governor's figure of 111.3. There was no objection.

LAND USE PLANNING - State-Federal Commission (p. 129)
Chairman Sackett moved the House, Senate and Governor's figure of 638.3. There was no objection.

MANAGEMENT AND ADMINISTRATION - Office of the Commissioner
(p. 133)

Chairman Sackett moved the Senate figure of 842.3 with the following intent: \$47.1 added for contract with Geophysical Institute for offshore leasing information coordination. Agency is to provide a status report to the Legislature by January 1, 1979. There was no objection.

INTENT

MANAGEMENT & ADMINISTRATION - Planning and Research (p. 141)

Representative Cowper moved to accept the Senate figure of 805.1 with the exception of 30.3 for the Associate Planner #2 position, making a total figure of 774.8.

Legislative Intent: \$188.5 added to fund agricultural land classification. There was no objection.

INTENT

STATE PIPELINE SURVEILLANCE - Oil Pipeline Surveillance
(p. 145)

Chairman Sackett moved the House, Senate and Governor's figure of 83.7. There was no objection.

STATE PIPELINE SURVEILLANCE - Gas Pipeline Review (p. 147)

Senator Rader moved the Senate and Governor's figure of 1029.6. Representative Gruening objected. Chairman Sackett informed Representative Gruening that NW will reimburse the State for presently employed pipeline workers. Representative Gruening removed his objection. Without objection the figure of 1029.6 was accepted.

PIPELINE - ADMIN - Pipeline - Other (p. 149)

Chairman Sackett moved the Senate and Governor's figure of 22.7. There was no objection.

COMMERCIAL FISH - Research (p. 153)

Chairman Sackett moved the figure of 2190.1 broken down as follows: pers. serv. 1501.4; travel 76.3; contractual 481.8; commodities 102.2; equipment 28.4. The figure of 2190.1 was the Senate figure plus 25.0 for Kodiak King Crab studies. There is Legislative Intent as follows: \$44.4 has been added to personal services to fund the Copper River Sonar project. \$20.0 has been added to contractual services to fund shellfish and late winter herring assessment studies (\$10.0 each) in the Prince William Sound area. Personal Services is reduced (\$76.1) and contractual services is reduced (\$25.0) per the Governor's Budget Amendment #2. This appropriation is contingent upon the permanent relocation of a full-time biologist to the Yukon-Kuskokwim/Bristol Bay area. The commercial fish research appropriation and its expenditure are contingent upon the following: The expenditure of \$10.0 for a hard shell clam study, \$10.0 for a fall/winter herring stock assessment in the Prince William Sound area, relocating the approved new position for Nome to Kotzebue and relocationg PCN 2091 (upon completion on D-2 effort) to Dillingham. There was no objection.

INTENT

COMMERCIAL FISH - Management (p. 155)

Chairman Sackett moved the figure of 4634.0 which includes the House contractual of 1047.7. Representative Cowper moved the following intent: 25.0 added for razor clam program, 25.0 for Sand Point crab indexing. Razor clam program to include Swikshak and Big River areas. \$50.0 grant added for troll log. There was no objection.

INTENT

COMMERCIAL FISH - Administration and Support (p. 157)

Representative Cowper moved the figure of 847.7. There was no objection.

COMMERCIAL FISH - Federal Aid Programs (p. 159)

Representative Cowper moved the Senate figure of 1447.7. There was no objection.

GAME - Investigations and Research (p. 163)

Chairman Sackett moved the Senate figure of 5054.4 plus 8.0 for salt water marsh line study for ducks (Susitna-Trading Bay, making a total figure of 5062.4. There was no objection.

GAME - Management (p. 165)

Chairman Sackett moved the House figure of 562.9 with the following intent: \$50.0 added for deer transplant to Mitkof/Kupreanof Island. Report to the Legislature the number of animals transplanted to the Island. There was no objection.

INTENT

GAME - Hunter Safety (p. 167)

Chairman Sackett moved the House and Governor's figure of 126.8. There was no objection.

GAME - Administration and Support (p. 169)

Chairman Sackett moved the House, Senate and Governor's figure of 387.1. There was no objection.

SPORT FISH - Investigations and Research (p. 173)

Representative Cowper moved the Senate figure of 2775.3. Senator Rader moved the following intent: Rearrange staffing patterns to more fully handle the more highly compacted urban areas (Anchorage & Fairbanks). There was no objection.

INTENT

SPORT FISH - Management (p. 175)

Chairman Sackett moved the Senate figure of 851.7. There was no objection.

SPORT FISH - Sport Fish Restoration (p. 177)

Chairman Sackett moved the House, Senate and Governor's figure of 58.2. There was no objection.

SPORT FISH - Administration (p. 179)

Chairman Sackett moved the House, Senate and Governor's figure of 204.9. There was no objection.

F.R.E.D. - Operations (p. 183)

Representative Cowper moved the Senate figure of 7020.0. Senator Hohman objected. Representative Haugen moved the following intent: Give preference to Alaska for the fish cultures positions. There was no objection to the intent.

INTENT

F.R.E.D. - Administration (p. 193)

Chairman Sackett moved the House figure of 1180.5. There was no objection.

F.R.E.D. - Technology and Development (p. 197)

Chairman Sackett moved the Senate figure of 1251.4. There was no objection.

ADMINISTRATION AND SUPPORT - Office of the Commissioner (p. 201)

Chairman Sackett moved the figure of 276.5 which allowed two new positions. Representative Cowper objected. Representative Cowper moved to include 75.0 grant to ACVP fisheries with last year's intent. Senator Hohman objected. All representatives were in favor of the motion. All senators were not in favor of the motion. The motion failed. Representative Cowper made a motion to include 30.0 for gilnet testing under the supervision of ADFEG. Senator Hohman objected. All representatives in favor of the motion. All senators against the motion. Motion failed. The motion was made to accept the Senate figure of 269.1 plus 19.6 for the Administrative Assistant II position making a total of 288.7. No objection.

ADMINISTRATION AND SUPPORT - Information and Education (p. 203)

Chairman Sackett moved the Senate figure of 198.2. There was no objection.

ADMINISTRATION AND SUPPORT - Administrative Services (p. 205)

Chairman Sackett moved the Senate figure of 2172.0 plus 50.0 making a total figure of 2222.0 with the following intent: \$35.0 added for grant to Anchorage Zoo, \$15.0 added for grant to Fairbanks Zoo. There was no objection.

INTENT

ADMINISTRATION AND SUPPORT - Housing Program (p. 207)

Representative Cowper moved the Senate figure of 120.6. There was no objection.

ADMINISTRATION AND SUPPORT - Vessels (p. 209)

Chairman Sackett moved the Senate figure of 1300.9. There was no objection.

HABITAT PROTECTION - Land and Water Conservation (p. 217)

Chairman Sackett moved the Senate figure of 286.7. There was no objection.

HABITAT PROTECTION - Administration and Support (p. 219)
Chairman Sackett moved the Senate figure of 269.8. There was no objection.

HABITAT PROTECTION - Environmental Monitoring (p. 221)
Chairman Sackett moved the House and Senate figures of 492.0. There was no objection.

PIPELINE MONITORING - Oil Pipeline Monitoring (p. 225)
Chairman Sackett moved the House figure of 214.8. There was no objection.

PIPELINE MONITORING - Gas Pipeline Monitoring (p. 227)
Representative Cowper moved the Senate and Governor's figure of 1051.1 with the following intent: Northwest will reimburse the state for these funds. There was no objection.

INTENT

BOARD OF FISH & GAME - Board of Fish (p. 231)
Representative Cowper moved the Senate figure of 121.5. There was no objection.

BOARDS OF FISH & GAME - Board of Game (p. 233)
Representative Cowper moved the Senate figure of 97.0. There was no objection.

BOARDS OF FISH AND GAME - Advisory Committees (p. 235)
Chairman Sackett moved the House, Senate and Governor's figure of 95.5. There was no objection.

PROTECTION - Enforcement (p. 239)
Chairman Sackett moved the figure of 5107.2. There was no objection.

PROTECTION - Directors Office (p. 241)
Chairman Sackett moved the House figure of 518.9. There was no objection.

PROTECTION - Aircraft Section (p. 243)
Representative Cowper moved the Senate figure of 790.6. There was no objection.

PROTECTION - Marine Enforcement (p. 245)
Representative Cowper moved the Senate figure of 1248.5. There was no objection.

WATER PROGRAMS - Water Pollution Control (p. 249)
Chairman Sackett moved the Senate figure of 279.2. There was no objection.

WATER PROGRAMS - Water Supply (p. 251)
Chairman Sackett moved the House, Senate and Governor's figure of 697.7. There was no objection.

WATER PROGRAMS - Facility Construction and Oper (p. 255)
Chairman Sackett moved the House, Senate and Governor's figure of 201.8. There was no objection.

WATER PROGRAMS - Directors Office (p. 257)
Chairman Sackett moved the House, Senate and Governor's figure of 95.5. There was no objection.

WATER PROGRAMS - Environmental Analysis (p. 259)
Chairman Sackett moved the House figure of 310.7 with the following intent: \$12.0 added for water supply assistance grant for village of Tuluksak. There was no objection.

INTENT

TERRESTIAL PROGRAMS - Air Quality (p. 263)
Chairman Sackett moved the Senate figure of 243.0. There was no objection.

TERRESTIAL PROGRAMS - Land Use (p. 265)
Chairman Sackett moved the House, Senate and Governor's figure of 203.5. There was no objection.

TERRESTIAL PROGRAMS - Directors Office (p. 267)
Chairman Sackett moved the House, Senate and Governor's figure of 96.5. There was no objection.

PROGRAM COORDINATION (p. 269)
Chairman Sackett moved the Senate figure of 412.2. There was no objection.

ADMINISTRATION AND SUPPORT - Office of the Commissioner (p. 273)
Chairman Sackett moved the House, Senate and Governor's figure of 293.6. There was no objection.

ADMINISTRATION AND SUPPORT - Advisory Board (p. 275)
Chairman Sackett moved the House, Senate and Governor's figure of 11.9. There was no objection.

ADMINISTRATION AND SUPPORT - Management Services (p. 277)
Representative Cowper moved the Senate and Governor's figure of 313.2. There was no objection.

ADMINISTRATION AND SUPPORT - Technical Services (p. 279)
Representative Haugen moved the House figure of 333.9. There was no objection.

PIPELINE MONITORING (p. 281)
Chairman Sackett moved the Senate figure of 260.8. Representative Gruening objected. The Senate figure was moved with the following intent: These funds will be reimbursed to the state. There was no objection.

INTENT

PIPELINE MONITORING - Gas Pipeline Impact (p. 285)
Chairman Sackett moved the Senate and Governor's figure of 260.8. There was no objection.

REGIONAL OFFICES - Southeast Region (p. 289)
Chairman Sackett moved the House, Senate and Governor's figure of 257.2. There was no objection.

REGIONAL OFFICES - Southcentral Region (p. 291)
Chairman Sackett moved the Senate and Governor's figure of 560.5. There was no objection.

REGIONAL OFFICES - Northern Region (p. 293)
Representative Cowper moved the Senate figure of 519.0. There was no objection.

REGIONAL OFFICES - Prince William Sound Region (p. 295)
Representative Cowper moved the House and Governor's figure of 159.6. There was no objection.

TANK & OIL TERM SAFETY - Tanker & Oil Terminal Safety (p. 297)
Representative Haugen moved the House figure of 423.9. The motion failed. This page was left open.

OPEN

DEBT SERVICE - Fish and Game Facilities (p. 301)
Representative Cowper moved the House, Senate and Governor's figure of 2816.6. There was no objection.

DEBT SERVICE - Water and Sewer (p. 303)
Representative Cowper moved the House, Senate and Governor's figure of 3496.0. There was no objection.

DEBT SERVICE - Parks and Recreation (p. 305)
Representative Cowper moved the House, Senate and Governor's figure of 596.5. There was no objection.

DEBT SERVICE - Fire Protection (p. 307)
Representative Cowper moved the House, Senate and Governor's figure of 138.1. There was no objection.

This concluded the category of Natural Resources with only one page left open - page 297.

The meeting adjourned at 5:20 p.m.

ADJOURN

FREE CONFERENCE COMMITTEE
Wednesday, May 17, 1978
8:45 a.m.

Chairman Sackett called the meeting to order at approximately 8:45 a.m. All committee members were present with the exception of Senator Rader. Also in attendance were Senators Tillion and Croft; Representative Duncan; Ron Lind, Director of Budget and Management; Fiscal Analysts, Dave Scott, and Alison Farnan; Judy Crondahl, Administrative Assistant to Senator Sackett; Susan Fowler, Administrative Assistant to Senator Hohman; and members of the press.

PRESENT

Chairman Sackett advised that the purpose of the meeting was budget review of the GENERAL GOVERNMENT category.

GENERAL
GOVERN-
MENT

EXECUTIVE OPERATIONS

Executive Office, p. 3

Alison Farnan advised that yesterday the committee had approved Budget Amendment No. 42, adding \$54,300 to the BRU, producing a new total of 1964.0. There being no objection to the new total, it was adopted.

Special Projects Coordinator, p. 7

Representative Haugen moved for adoption of a zero figure. Representative Cowper and Senators Sackett and Hohman objected, advising that the BRU represents Bob Palmer's area. Chairman Sackett read a letter from Mr. Palmer, and advised that it was his feeling that this BRU is untouchable. Representative Cowper advised that he believed the money should be put into research in a BRU other than this one. Representative Haugen attested to mounting management problems between private vs. wild vs. state salmon stock, advising that he did not believe the funding was being used for the purpose intended. Senator Tillion advised that he would like to see intent to the effect that funding for bottom fish should go through the Dept. of Fish and Game and the Bottom Fish Coordinator in the Dept. of Commerce, adding that Mr. Palmer has done well with his agriculture projects and gravel incubators. Rep. Haugen again attested to the problem with commingling salmon stocks and resultant management difficulties, but withdrew his motion for zero funding. Chairman Sackett moved for adoption of a new

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total of 160.1, taking out 50.0 for bottom fisheries.
Senator Tillion offered the following intent.

None of the funds appropriated in this BRU
shall be used in the bottom fish sector.

INTENT

Contingency Fund, p. 9

Chairman Sackett moved for adoption of the Senate figure of 250.0.

Policy Development & Planning, p. 11

Rep. Cowper moved for adoption of the Senate figure of 858.6.

Growth Policy Council, p. 13

Senator Croft advised that the Senate decided to hold funding on this BRU because the department didn't indicate it would be doing much during the year. Rep. Cowper advised that perhaps Free Conference should take into consideration department salaries, and moved for adoption of the House figure of 182.0 for personal services, and Senate figures for other areas, resulting in a new total of 328.3. No objection being voiced, the new figure was adopted.

Budget & Management, 15

Chairman Sackett advised that the Senate used the Governor's figure while the House increased that amount. He moved for adoption of the House figure of 738.6. No objection being voiced, the House figure was adopted.

Executive Mansion, p. 17

Chairman Sackett moved for adoption of the Senate figure of 121.0.

Telecommunications, p. 19

Chairman Sackett moved for adoption of the House and Senate figure of 584.7, with the following intent:

No transfers of positions shall be made within
the department without approval of the
Legislature.

INTENT

Lieutenant Governor, p. 21

Ron Lind advised that due to the statutory provision that states that the Lieutenant Governor's Office must provide hearing officers, this BRU has spent about \$20.0 more than it anticipated needing. Chairman Sackett asked if the over-expenditure would be covered by a budget

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amendment, and Mr. Lind replied that one was being prepared. Chairman Sackett moved for adoption of the House and Senate figure of 482.8 pending receipt of the budget amendment.

Elections, p. 23

Rep. Cowper attested to the double budgeting problem in the Fairbanks office. Senator Croft advised that the Senate cut this BRU back, but allowed a 25% increase over the previous year. Rep. Cowper stated that the double budgeting had been "pulled out," resulting in the House figure. He moved for adoption of the House figure of 1469.3 and the following Senate intent:

\$50.0 of this appropriation shall be used to enhance the existing voter-registration program planned for the FY 79 general election.

INTENT

VOLUNTEER SERVICES

Volunteer Services, p. 25

Chairman Sackett moved for adoption of the House and Senate figure of 77.2.

EXECUTIVE OPERATIONS

Public Offices Commission, p. 27

Chairman Sackett moved for adoption of the House and Senate figure of 318.3.

SALARY AND BENEFITS INCREASES

Executive Agencies Part I, p. 31

Alison Farnan distributed copies of budget amendments nos. 45, 56, and 70, relating to increased health care and cost of living benefits negotiated through APEA, totalling \$7,866.0. Chairman Sackett moved for adoption of a total figure of \$4,287.5, such figure to include amendments 70 and 56, and the first portion of 45 (additional general funds for salary and benefit increases for employees in the Executive, Legislative and Judicial Branches as well as the University), the remainder of amendment 45 to be covered by BRU's on pages 33-41 (SALARY AND BENEFITS INCREASES, Legislature, Courts, University).

Ron Lind advised that APEA negotiates a price for increased benefits per employee, and then it goes out and shops for the best insurance plan.

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Rep. Gruening stated that he believed the problem with a 5% salary increase across the board to be that it increases the disparity between higher and lower paid employees. He proposed intent that the salary increase be graduated so as not to increase existing disparity. Rep. Cowper advised that he felt the increase should apply to everyone, not just the Court System, Legislature, and University, and he suggested that the intent so state. Ron Lind stated that should the increase apply to the executive branch as well, the increase should be effected by adjusting the pay scale rather than proposed intent. Rep. Cowper suggested that the committee rework HB 933, but that it also add intent to this BRU. Chairman Sackett advised that the BRU would be left open until a later time.

Office of the Commissioner, p. 43

Chairman Sackett moved for adoption of the Governor's figure of 928.1.

Internal Audit, p. 45

Chairman Sackett moved for adoption of the House and Senate figure of 482.7.

Administrative Services, p. 47

Chairman Sackett moved for adoption of the Senate figure of 394.7.

Equal Employment Opportunity, p. 49

Chairman Sackett advised that the Senate figures include 50.0 for the women's resource center in Anchorage, as well as a 350.0 grant to the Alaska Native Foundation. Rep. Cowper stated that he wished to hear from the Dept. of Education concerning ANF, adding that he understood ANF funding to be intended as an aid to desegregation and related problems. This funding is not being used for that purpose in Alaska, and because of this, federal funding has been withdrawn. Senator Croft advised that 350.0 would continue operation of the program through ANF, adding that a change in the program method has meant that it no longer receives federal funding, and it needs general fund moneys in order to provide services throughout the state in making equal opportunities available to women in minorities. He added that the Senate placed two new positions in the budget, one for a training coordinator, and one for a women's coordinator. It also added 50.0 to fund the Women's Resource Center in Anchorage. Senator Croft strongly urged acceptance of Senate action.

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Rep. Cowper moved instead for acceptance of the House figure of 158.1 for personal services, plus the women's coordinator added by the Senate, the Senate figure of 28.2 for travel, the House figure of 39.8 for contractual, Senate figure of 2.1 for equipment, and the 50.0 for the Women's Resource Center. Chairman Sackett advised that the BRU would be left open for later consideration.

OPEN

Commissioner Gallagher appeared before the committee advising that the state currently has approximately 300 million dollars in loan programs as of the end of the 1978 fiscal year. These loans began at the rate of 7 million dollars a month upon commencement of the fiscal year, and by January had increased to 10 million dollars. At the present time they average 15 million dollars a month, leaving a liquid balance of 87 million dollars by the end of this fiscal year. The state should have at least 100 million dollar on which to operate. Options for correcting the situation include:

GALLAGHER

LOAN
PROGRAMS

- 1) stop or slow down loan programs
- 2) sell appropriate assets

Mr. Gallagher stated that he would soon be meeting with Alaska Housing Finance Corporation to discuss the option of selling some of the veterans' loans. He advised that three years ago legislation had passed enabling the state to make such sales of veterans' loans to HFC, but purchase by HFC requires establishment of a 3% insurance fund.

The state is attempting to establish a buy-back arrangement with underwriters to lower the cost to the buyer and to the state. Mr. Gallagher stated he would soon be meeting to discuss such a buy-back arrangement and would report back to committee with his recommendations. He added that Alaska Housing Finance legislation currently in the Senate Finance Committee would provide an adequate vehicle for such an arrangement.

Senator Hohman asked if the buy-back arrangement presented a new approach, and whether or not it would lower the interest rate. Commissioner Gallagher replied that it may lower the rate more than the insurance fund approach by as much as 1-1/4%.

Senator Tillion advised that it was unacceptable to him to curtail loan programs. Commissioner Gallagher replied that he had met with those involved with veterans' loans, and

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they understand that either some options must be effected or all programs will be stopped in a year. Some of the veterans' organizations are upset because they feel these loans are suffering because of other programs. Through the sale to HFC the veterans would not notice any administrative change, but the interest rate may fluctuate with the bond market.

The meeting adjourned upon a call of the House at approximately 10:30 a.m.

ADJOURN

FREE CONFERENCE COMMITTEE

May 17, 1978

1:57 p.m.

Chairman Sackett called the meeting to order at 1:57 p.m. All members were present. Also present were: Senator Tillion, Representative Duncan, Judy Crondahl, AA to Senator Sackett; Susie Fowler, AA to Senator Hohman; fiscal analyst Alison Farnan, Avrum Gross, Attorney General, and from the Dept. of Budget and Management Ron Lind, Ron Lehr and Alison Elgie.

PRESENT

Avrum Gross, Attorney General for the State of Alaska appeared before the committee for purposes of discussing General Government, more specifically Legal Services.

GENERAL
GOVT.

LEGAL SERVICES - I.C.C. Continuation (p. 107)

Mr. Gross discussed the tax case in Washington. It's getting bigger and longer, he said. It's costing more money. We had hoped Phase I would be over by now. At the earliest this fall, probably next year. About two months ago it became clear that the budget was not sufficient. Mr. Gross said he felt that the money was just being thrown away. The money that was appropriated to date has just not been enough. At the present time there are no funds to handle Phase II being about 1.2 million short. The State has already recouped more than what it has spent on the case. The total for fiscal year 1979 will be 1.9 million he stated. Representative Gruening said there are two ways to go - continue to fight or pass severance tax. Chairman Sackett made a motion to move 2000.0. There was no objection.

MOTION

PERSONNEL (p. 51)

Chairman Sackett moved the House and Senate figure of 2248.2. There was no objection.

ACCOUNTING - Pre-Audit (p. 55)

Chairman Sackett moved the Senate and Governor's figure of 257.9. There was no objection.

ACCOUNTING - Accounting Services (p. 57)

Chairman Sackett moved the House, Senate and Governor's figure of 257.1. There was no objection.

ACCOUNTING - Payroll Accounting (p. 59)

Chairman Sackett moved the House, Senate and Governor's figure of 457.0. There was no objection.

ACCOUNTING - Administration & Support (p. 61)

Representative Gruening moved the Senate figure of 255.7. There was no objection.

GENERAL SERVICES - Purchasing (p. 65)

Chairman Sackett moved the House, Senate and Governor's figure of 786.0. There was no objection.

GENERAL SERVICES - Property Management (p. 67)

Chairman Sackett moved the House and Senate figure of 191.0. There was no objection.

GENERAL SERVICES - Risk Management (p. 69)

Chairman Sackett moved the House and Senate figure of 173.6. There was no objection.

GENERAL SERVICES - Central Mail & Switchboard (p. 71)

Chairman Sackett moved the House, Senate and Governor's figure of 371.0. There was no objection.

GENERAL SERVICES - Central Duplicating (p. 73)

Chairman Sackett moved the House and Senate figure of 1127.6. There was no objection.

GENERAL SERVICES - Archives (p. 75)

Chairman Sackett moved the House, Senate and Governor's figure of 567.3. There was no objection.

GENERAL SERVICES - Leasing & Facilities (p. 77)

Chairman Sackett moved the House, Senate and Governor's figure of 137.7. There was no objection.

DATA PROCESSING - Services to Administration (p. 81)

Chairman Sackett moved the House, Senate and Governor's figure of 518.3. There was no objection.

DATA PROCESSING - Services to Operating Agencies (p. 83)

Chairman Sackett moved the House figure of 3178.7 with the following intent: Program receipts generated from the sale of existing computer equipment may be received and expended by the Division of Data Processing for the purchase of replacement equipment necessitated by the installation of a new computer. None of the program receipts shall be expended prior to January 1, 1979. There was no objection.

INTENT

DATA PROCESSING - State Telecomm Network (p. 85)

Chairman Sackett moved the House, Senate and Governor's figure of 240.8. There was no objection.

DATA PROCESSING - Consultant Services (p. 87)

Chairman Sackett moved the House, Senate and Governor's figure of 150.3. There was no objection.

DATA PROCESSING - Administration & Support (p. 89)

Chairman Sackett moved the House, Senate and Governor's figure of 548.3. There was no objection.

LABOR RELATIONS AGENCY (p. 91)

Representative Cowper moved the House, Senate and Governor's figure of 55.0 plus Budget Amendment #24 of 53.3, making a total figure of 108.3. There was no objection.

RETIREMENT & BENEFITS - P.E.R.S. (p. 95)

Chairman Sackett moved the figure of 623.4 which funded the position of Information Officer II, Juneau. There was no objection.

RETIREMENT & BENEFITS - T.R.S. (p. 97)

Chairman Sackett moved the figure of 555.0 which included the Information Officer position. There was no objection.

RETIREMENT & BENEFITS - Other Benefits (p. 99)

Representative Cowper moved the Senate figure of 203.8. There was no objection.

LEGAL SERVICES - Legal Services (p. 105)

Chairman Sackett moved the Senate figure of 4096.1 less 80.0 general funds for Budget Amendment #15, making a total figure of 4016.1. There was no objection.

LEGAL SERVICES - I.C.C. Continuation (p. 107)

Chairman Sackett moved the figure of 2000.0. There was no objection.

REVENUE OPERATIONS - Audit (p. 109)

Chairman Sackett moved the House, Senate and Governor's figure of 2480.8. There was no objection.

REVENUE OPERATIONS - Petroleum Revenue (p. 111)

Chairman Sackett moved the House, Senate and Governor's figure of 869.6. There was no objection.

REVENUE OPERATIONS - Enforcement (p. 113)

Chairman Sackett moved the House, Senate and Governor's figure of 1206.7. There was no objection.

REVENUE OPERATIONS - Treasury Management (p. 115)

Representative Cowper moved the House figure of 1236.8 to include Study Index Fund Management study. There was no objection.

REVENUE OPERATIONS - Office of the Commissioner (p. 119)

Chairman Sackett moved the House, Senate and Governor's figure of 557.4 plus 150.0 which was a portion of Budget Amendment #46, making a total figure of 707.4. There was no objection.

REVENUE OPERATIONS - Administrative Services (p. 121)

Chairman Sackett moved the figure of 1619.9. There was no objection.

BLUE BOOK (p. 123)

Representative Cowper moved the House figure of 36.1. Senators Rader and Hohman objected. After discussion the motion carried.

BUILDING SECURITY (p. 125)

Chairman Sackett moved the Senate figure of 177.8. There was no objection.

PUBLIC FACILITIES - Construction (p. 129)

Chairman Sackett moved the House, Senate and Governor's figure of 223.7. There was no objection.

PUBLIC FACILITIES - Administration (p. 131)

Chairman Sackett moved the House and Senate figure of 169.5. There was no objection.

PUBLIC FACILITIES - Design (p. 133)

Chairman Sackett moved the House, Senate and Governor's figure of 328.7. There was no objection.

PUBLIC FACILITIES - Southeast M & O (p. 137)

Chairman Sackett moved the Senate and House figure of 3695.5 with the following intent: This appropriation for public facilities maintenance and operations, Southeast District, and its expenditure, are contingent upon all authorized permanent full-time positions in this component being recruited for and filled; positions in this component shall not be placed in frozen status. There was no objection.

INTENT

PUBLIC FACILITIES - Central M & O (p. 139)

Chairman Sackett moved the House and Senate figure of 2292.0. There was no objection.

PUBLIC FACILITIES - Interior M & O (p. 141)

Chairman Sackett moved the House and Senate figure of 2569.5. There was no objection.

PUBLIC FACILITIES - Western M & O (p. 143)

Chairman Sackett moved the House and Senate figure of 466.6. There was no objection.

PUBLIC FACILITIES - Southcentral M & O (p. 145)

Chairman Sackett moved the House and Senate figure of 1238.6. There was no objection.

COMMUNICATIONS - Support to State Agencies (p. 147)

Representative Cowper moved the Senate figure of 1424.3 plus 45.0 for Budget Amendment #36, making a total figure of 1469.3. There was no objection.

COMMUNICATIONS - Remote Village Radio (p. 149)

Chairman Sackett moved the House, Senate and Governor's figure of 212.9. There was no objection.

FACILITIES PLANNING & RESEARCH - Procurement Policy
(p. 153)

Chairman Sackett moved the House figure of 905.2 with the following intent: It is the intent of the Legislature that the Department of Transportation and Public Facilities shall conduct an inventory of state government offices in Petersburg which occupy rented facilities. The Department shall then prepare basic sideview and floor plans and a cost estimate for a state office building to house those offices. Plans shall include projected future needs. The Department shall present this information to the First Session of the Eleventh State Legislature on or before February 1, 1979. There was no objection.

INTENT

FACILITIES PLANNING & RESEARCH - Research & Development
(p. 155)

Chairman Sackett moved the House, Senate and Governor's figure of 116.4. There was no objection.

FACILITIES PLANNING & RESEARCH - Office of Deputy Commissioner (p. 157)

Chairman Sackett moved the House figure of 123.7. There was no objection.

STATE EQUIPMENT FLEET - Central District (p. 161)

Chairman Sackett moved the House, Senate and Governor's figure of 4160.3. There was no objection.

STATE EQUIPMENT FLEET - Interior District (p. 163)

Chairman Sackett moved the House, Senate and Governor's figure of 3472.9. There was no objection.

STATE EQUIPMENT FLEET - Southeastern District (p. 165)

Chairman Sackett moved the House, Senate and Governor's figure of 1285.9. There was no objection.

STATE EQUIPMENT FLEET - Western District (p. 167)

Chairman Sackett moved the House, Senate and Governor's figure of 589.5. There was no objection.

STATE EQUIPMENT FLEET - Southcentral (p. 169)

Chairman Sackett moved the House, Senate and Governor's figure of 1993.2. There was no objection.

STATE EQUIPMENT FLEET - Administration & Support (p. 171)

Chairman Sackett moved the House, Senate and Governor's figure of 270.4. There was no objection.

BUDGET & AUDIT COMMITTEE - Legislative Audit (p. 175)

Chairman Sackett moved the House, Senate and Governor's figure of 1583.6. There was no objection.

BUDGET & AUDIT COMMITTEE - Legislative Finance (p. 177)

Chairman Sackett moved the House, Senate and Governor's figure of 743.3. There was no objection.

BUDGET & AUDIT COMMITTEE - Committee Expenses (p. 179)
Chairman Sackett moved the House, Senate and Governor's figure of 125.0. There was no objection.

LEGISLATIVE COUNCIL - Salaries & Allowances (p. 183)
Chairman Sackett moved the House and Senate figure of 1169.7. There was no objection.

LEGISLATIVE COUNCIL - Leadership (p. 185)
Chairman Sackett moved the House and Senate figure of 350.4. There was no objection.

LEGISLATIVE COUNCIL - LAA Executive Administration (p. 187)
Chairman Sackett moved the House and Senate figure of 166.1. There was no objection.

LEGISLATIVE COUNCIL - LAA Administrative Services (p. 189)
Chairman Sackett moved the House and Senate figure of 1155.1. There was no objection.

LEGISLATIVE COUNCIL - LAA Research Services (p. 191)
Chairman Sackett moved the House and Senate figure of 523.9 plus 49.2 for the position of Sr. Research Analyst, making a total figure of 573.1. There was no objection.

LEGISLATIVE COUNCIL - LAA Legal Services (p. 193)
Chairman Sackett moved the House and Senate figure of 724.7. There was no objection.

LEGISLATIVE COUNCIL - Session Expenses (p. 195)
Representative Haugen stated there were four new positions put on at the beginning of the Session in the House. Senator Rader stated that as he recalled, they were not Floor positions. Fiscal analyst, Alison Farnan, said there were eight new positions which included seven Administrative Aid positions and one information officer in Ketchikan. Senator Hohman moved the Senate figure of 2067.6. Representatives Haugen and Cowper objected. Senator Hohman removed his motion. Representative Gruening moved the House figure of 1818.8. Senator Hohman objected. Senator Hohman moved the figure of 1986.1 - the Senate figure minus eight temporary positions budgeted at 81.5. Representative Cowper said he would like to leave this page open for discussion in caucus.

MOTION

OPEN

LEGISLATIVE COUNCIL - Council & Subcommittees (p. 197)
Representative Gruening made the comment that this category should be in the Office of the Governor and let him take care of it. Senator Rader concurred. Representative Cowper moved the figure of 590.0 which was the Senate figure plus 40.0 for the State Energy Policy and 10.0 for agriculture. It was the decision of the committee to leave this page open.

OPEN

LEGISLATIVE COUNCIL - Office Space Rental (p. 199)
Chairman Sackett moved the House and Senate figure of 323.0. There was no objection.

LEGISLATIVE COUNCIL - Equipment Account (p. 201)

Chairman Sackett moved the House and Senate figure of 113.0. There was no objection.

OFFICE OF OMBUDSMAN (p. 203)

Chairman Sackett moved the Senate figure of 640.5. There was no objection.

This concluded the category of General Government, with pages 31, 49, 195 and 197 open.

The meeting adjourned at 4:30 p.m.

ADJOURN

FREE CONFERENCE COMMITTEE
Thursday, May 18, 1978
8:20 a.m.

Chairman Sackett convened the meeting at approximately 8:20 a.m. All committee members were present with the exception of Senator Rader. Also in attendance were Mason West, representing the community college teachers; Ric Davidge, student lobby; Ron Lind, Director of Budget and Management; Dave Scott, Fiscal Analyst; Susan Fowler, Administrative Assistant to Senator Hohman; Judy Crondahl, Administrative Assistant to Senator Sackett; and members of the press.

PRESENT

Chairman Sackett advised that the purpose of the meeting would be review of areas of the budget for the University of Alaska previously left open.

UNIVERSITY

Initial discussion centered on the SCT contract and board action. Rick Davidge advised that the Board of Regents has accepted the contract with a salary savings of \$200.0.

Rep. Cowper advised that the committee needs to address the question of carry over of research contracts funded by federal money.

Dave Scott advised that the state is soon to assume risk management (effective July 1, 1978) according to a letter from Haywood & Allen, although Mr. Scott has not received communication from Dr. Brewer regarding this matter. He suggested a reduction of \$250.0 in the risk management area with intent that funding is based on lack of experience during the first year.

Risk
Management

Chairman Sackett began the following review of specific budget areas:

BOARD OF REGENTS

Board of Regents Office, p. 9

Ron Lind advised of a Budget Amendment requesting a budget analyst position to effect better relationships between the legislature, University, and the administration. The amendment would effect a total position increase to 9, and necessitate 64,0 in funding (58.0 in personal services and the balance in travel). Senator Hohman objected to the manner in which the request was submitted.

Dave Scott suggested funding 45.0 for the position and 6.0 for travel. Chairman Sackett moved for acceptance of a new total of 538.4 (Mr. Scott's proposed funding). No objection having been voiced, the new total was adopted.

STATEWIDE

Support Services, p. 19

Chairman Sackett moved for adoption of 4371.6 in contractual, advising that the 478.1 for SCT has been reduced by 250.0, and risk management by 51.0. Dave Scott suggested that the following intent be included:

It is the intent of the legislature that the University exercise its option to terminate its data processing contracts with Systems Computer Technology on June 30, 1979, and that a proposal be submitted by January 15, 1979, to the legislature for the reorganization of the data processing program at the University.

INTENT

Rep. Cowper proposed additional intent to the risk management reduction of 250.0.

If costs exceed the amount budgeted, the University is authorized to submit a supplemental. If the program saves money, the University is required to lapse excess funding.

INTENT

Chairman Sackett revised his prior motion and moved instead for adoption of 4375.6 in contractual and a new total of 7112.6. No objection having been voiced, the new total was adopted.

Ron Lind drew additional attention to the request from Valdez community college.

Dave Scott suggested that the budget for the University at Juneau be reduced due to combination of UAJ and JDCC. Rep. Cowper advised that with respect to Juneau, he would like to have some indication of what savings may be expected prior to cutting the budget. Chairman Sackett advised that the University expected a 100.0 savings in the chancellor's office, and other savings in other areas. Dave Scott suggested a 150.0 reduction, directing the University to reorganize its budget in this area. The committee decided to hold action on budget cuts for Juneau pending word from the University. In addition, Chairman Sackett advised that the funding for Valdez would be put into the capital budget.

UAJ
JDCC

VALDEZ
CAPITAL

CC-SITKA SUPPORT

Support Services-Academic, p. 191

Chairman Sackett recommended the addition of a part-time teacher from instruction on p. 187, and adoption of the Senate total of 159.1. No objection having been voiced, the Senate total was adopted.

Mr. Hogan next addressed the committee advising members of his concern regarding the shifting of funding from personal services to contractual and other areas. He suggested printing the budget setting out personal services as a separate item, allowing no movement of funding out of its appropriated line item. Rep. Cowper moved for adoption of the above-recommended funding method for Pioneers Homes, API, McLaughlin, and Harborview.

TRANSFERS
OF PERSONAL
SERVICE

In addition, Mr. Hogan distributed a memo regarding the pending bond bills, advising that the Governor introduced some bond bills without appropriations. He advised that he wished to intercept legislation in which this has occurred before it passes the legislature.

BOND
APPROPRIA-
TIONS

The meeting recessed at approximately 9:00 a.m.

RECESS

FREE CONFERENCE COMMITTEE

May 18, 1978

1:40 p.m.

Chairman Sackett called the meeting to order at 1:40 p.m. All members were present. Also present were: Judy Crondahl, AA to Senator Sackett; fiscal analysts Grogan, Scott, Schroeder; Susie Fowler, AA to Senator Hohman; Sterling Gallagher, Commissioner of Revenue; Ron Lind, Director, Budget & Management; Mason West, U of A - CC; Kerry Romeburg, Exec. Director of Post-secondary Education; and Ric Davidge, student lobbyist.

PRESENT

Chairman Sackett began the meeting by informing the committee that there had been a request for additional funding for 525.8 for Valdez and 451.5 for Kotzebue to begin a U of A Community College Extension program in those area.

U OF A

Representative Cowper said 150.0 should be broken out and put in a separate component. It may be a year before there are any savings realized. The legal advice that has been given to U of A has been none too reliable. Rep. Cowper suggested that the 150.0 should be in a separate BRU in case the savings are affected; and there should be some intent on this, i.e. they should have to report to the Legislature.

Chairman Sackett asked if there any objections to the Valdez and Kotzebue figures? Representatives Gruening and Haugen objected. Rep. Haugen stated he did not know there were plans to expand the University and asked where the recommendations to expand came from? Senator Hohman said the Board of Regents made the recommendations.

At this point Mr. Romeburg stated that the Commission received a promise for these two petitions last year. However, they were found to be lacking in information. The petition went back to the Board of Regents who wanted to know what criteria they would use. At the subcommittee meeting for the Community Colleges these two colleges were disapproved. However, this past Tuesday, May 16, 1978, the Board of Regents took action to start bot of them. Mr. Romeburg said his recommendation would be not to fund either of these Community Colleges. Mr. Romeburg said he did not know how this would affect the future of the University regarding accreditation, what programs would be taught, what facilities would be required, etc.

Representative Gruening made a statement regarding the bill in the House dealing with reorganization with the University. He stated that the bill calls for a two-year moritorium. Given the present status of the University, he said, they have more than they can handle. They need to address larger issues like those in HB 827.

Mr. Romesburg said the University had indeed approved a moratorium on Community Colleges for two years. The Regents agreed they needed more information. Rep. Gruening said Kotzebue has an Extension College now. He did not know they even wanted to enlarge. He also stated that Valdez could probably support their own college. Senator Hohman stated that Budget & Audit has been criticized for interfering with University policy. Senator Rader agreed that it was a big problem. He felt it was absolutely intolerable that the week the Legislature wanted to sign out on Free Conference, the Board of Regents decided to expand and open two more Community Colleges. He stated that he was very much opposed to it. Senator Rader said the way to establish these things is in a bill, not in the Free Conference.

Senator Ferguson said he would go along with not funding the Community Colleges this year. Next year, he said, the Legislature should address the Post Secondary Commission.

In response to a question from Senator Hohman regarding what the Legislature could do about the Board of Regents decision to establish Community Colleges at Kotzebue and Valdez, Senator Sackett said there was nothing the Legislature could do. Mr. Romesburg stated that it was his understanding that the funding promised by the communities was contingent upon funding by the Legislature.

Senator Hohman said it would be easy for him to say no at this late date and that he was prepared to defer action on this request. However, an active Community College is very important to the development of a community, he said.

Representative Haugen stated he would be a lot more comfortable if the Regents had presented this to the Finance Committees when they were here. He stated that he knew about Kuskokwim a couple years ahead of time. And he said he could understand the desires of the communities to have Community Colleges there. He felt that there should be intent put in for next year to come with a plan.

Representative Cowper suggested that the Legislature might have to make time to take this up in a separate bill yet this year.

Chairman Sackett made a motion to include 221.0 for Valdez and 341.5 for Kotzebue. There were four objections - Representatives Gruening, Cowper and Haugen and Senator Rader. The motion failed.

There was discussion on the Juneau-Douglas facility - to establish separate BRU for 150.0 with intent to be written by Dave Scott. There was further discussion regarding savings by combining the two Juneau campuses.

Representative Cowper made a motion to adopt the House figure on page 105 of the U of A budget request, the figure being 984.4. There was objection. Rep. Cowper then said he would like to pass legislation this year to require that Administration be a party to all future negotiations. The committee concurred.

Representative Gruening stated that Mr. Mason West was present in the meeting to give the relationship of salaries between the Community Colleges and the four-year colleges. Mr. West told the committee that the average salary for the University professor was 32.0 while the average salary of the Community College teacher was 26.5. At this point Mr. Scott pointed out to the committee that there was an adjustment to a figure on page 105, being the cost of living differential at Nome of 4.5.

Representative Gruening moved and asked unanimous consent that the committee adopt the House figure of 988.9 (which included the COLA for Nome). Chairman Sackett said there was a motion pending. Chairman Sackett asked if there were any objections to 988.9. Senators Sackett and Rader objected. The motion failed.

A motion was made on page 107 for the figure of 644.6. Senators Sackett and Rader objected. The motion failed. The figure for both pages 105 and 107 will be -0--.

RURAL EDUCATION CENTERS - Instruction-Rural Centers (p. 207)
There was discussion regarding \$5.0 for Kotzebue land. The House had \$40.0 to purchase land. Representative Cowper said he would like to add 35.0 and let them buy the land. Representative Cowper made a motion for 1322.5 with intent INTENT regarding land purchase. There was no objection.

ORGANIZED RESEARCH - Mineral Industry Research (p. 45)
30.0 is needed under miscellaneous for d-2 study. Rep. Cowper made a motion to accept the figure of 447.4. There was no objection.

SOCIAL SERVICES - Southcentral Region (p. 87)
Russ Meekins and Sam Granato gave a run down of the various additional positions that are needed in the area of Child Abuse. Mr. Meekins reported that there is a desperate need for night workers. That seems to be the time when there is more of a need. Mr. Granato advised that labor contracts will not allow a social worker to take comp time for overtime worked. They have to be paid for it. And this requires additional funds for this area. In response to a question from Senator Rader regarding how the labor contracts would be handled should the additional positions be approved, Mr. Granato said some of the workers would be hired on a night time basis.

SOCIAL
SERVICES

Mr. Lind answered no to Senator Hohman's question regarding there being a Budget Amendment on this category. Senator Sackett wanted to know the feelings of Administration on this. Mr. Lind replied that he would have to go back to talk with the Department.

Senator Hohman made a motion to accept the Governor's figure of 1986.4. Representatives Gruening and Cowper objected.

Representative Cowper moved to provide the following: Two Supervisors for Anchorage, 10 regular social workers for Anchorage, one supervisor and two regular social workers for Fairbanks. Senators Hohman and Sackett objected. The motion failed.

Senator Rader made a motion as follows: one supervisor and seven social workers for Anchorage and one supervisor and two social workers for Fairbanks. Senators Sackett and Hohman objected. The motion failed. This category was left open.

OPEN

SOCIAL SERVICES - Northern Region (p. 89)

Representative Cowper moved for one supervisor and two social workers. Senator Hohman objected. The motion failed. This category was left open.

OPEN

Recess at 3:00 p.m.

The meeting was reconvened at 3:35 p.m. Senator Hohman and Representative Gruening were absent.

ECONOMIC ENTERPRISE - General Operations (p. 27)

DEVELOPMENT

Chairman Sackett questioned whether the funds for this category should come from the renewable resources fund or from the general fund. Representative Cowper made the observation that there was a resolution passed earlier in the year which put the lid on spending for this year. That being the case, he stated that he felt a look should be taken to see just how much has been spent so far this year.

Chairman Sackett mentioned that hearings had been held in the Senate Finance Committee on the issue of bottom fish. Representative Haugen stated that there was another Budget Amendment for 315.8 relating to bottom fish. The wise thing to do, he said, would be to address the whole question. Mr. Haugen said he was excited about the issue of bottom fish, but not so excited that he wanted to throw good money after bad. Representative Cowper said "Do we have the luxury of a choice?" Mr. Cowper then said if the committee was to go beyond the limit set by the resolution, then the resolution should be repealed. If Congress can manage to repeal such statutes, then the State Legislature should be able to repeal resolutions also.

At this time Senator Hohman and Representative Gruening entered the meeting.

Mr. Hogan presented budget totals to date to the committee: Social Services 3592.3 with open categories; Education is closed; U of A still has open categories.

Chairman Sackett moved the figure of 1040.5 for page 27 in Development. There was no objection.

FISH ENHANCEMENT GTS (p. 43)

There was a question regarding renewable resources versus general fund. The page was left open.

OPEN

ROYALTY OIL AND GAS BOARD (p. 65)

There was discussion between the committee and Ron Lind regarding the Royalty Oil and Gas Board and the fact that the Board was supposed to be able to have a developmental study to promote and develop a natural gas petrochemical. In response to a question from Senator Rader regarding whether or not there were funds for operating, Mr. Lind said there was 100.0 in contractual and that some of those funds would have to go for rent, gas, lights, etc. Senator Rader made a motion to adopt Budget Amendment #60 for 150.0. Chairman Sackett objected. There was more discussion before Representative Cowper made a motion to adopt the House figure of 195.7. Senator Rader objected. After more discussion Senator Rader removed his objection. At that point without objection the committee approved the House figure of 195.7.

NATURAL
RESOURCES

TANK & OIL TERM SAFE - Tanker & Oil Terminal Safety (p. 297)

Representative Cowper moved the Senate figure of 991.0. There was no objection.

COMMERCIAL FISH - Research (p. 152-A)

Representative Cowper moved to revise the intent for this category. There was no objection.

F.R.E. D. - Administration (p. 193)

Representative Cowper made a motion making these funds contingent upon the appropriation. He asked unanimous consent. There being no objection, it was so ordered.

ADMINISTRATION AND SUPPORT - Office of the Commissioner (p. 201)

Personal services was increased from 230.0 to 249.6, making the total 288.7. There was no objection.

MAINTENANCE & OPERATIONS - Safety & Security (p. 21)

Chairman Sackett moved the figure of 502.8. There was no objection.

GENERAL
GOVERNMENT

MARINE TRANSPORTATION - Southwest Shore Facilities (p. 31)
Salary increases - non-union salaries. Representative Cowper mentioned that the straight percentage increase is a disparity between high and low salaries. He said a straight \$1,000 a year to everybody might be better. A COLA increase would be a salary increase outside the regular increase. A motion was made to move the figure of 4287.5. There was no objection.

SOUTHEAST REGION O & M - Airports (p. 37)
Chairman Sackett moved the figure of 300.1. There was no objection.

SOUTHEAST REGION O & M - Highways (p. 39)
Chairman Sackett made a motion to accept the figure of 657.8. There was no objection.

SOUTHEAST REGION O & M - Administration (p. 41)
Chairman Sackett made a motion to adopt the figure of 2621.2. Mr. Lind advised that a Treasury increase would effect a cost increase of 164.3. Senator Sackett moved the figure of 2721.2. Representative Gruening objected. Mr. Gruening said he would like to have some intent included. Representative Cowper made a motion to include language to allow the federal funds in the Research Institution to carry over. Federal funding would have to be appropriated on a continuing basis. Mr. Scott advised that they could handle language for having funds continue through either September 30 or December 31. The committee decided to have the language in the bill reflect that the appropriation carry over to December 31 and federal funding would be continuing in the appropriation. There was no objection. Chairman Sackett made a motion to include special language in the bill under the grants section. There was no objection. INTENT

Representative Cowper said he had a motion for Education. That motion would be to fund line costs for Ketchikan, Wrangell and Petersburg. He said they have to pay for everything the other people in the state get "free". Mr. Haugen said if HB 906 passes the intent in the above motion should be that the allocation will lapse. There was discussion regarding the figure of 100.0. EDUCATION

Chairman Sackett made a motion to move the appropriation of 56.3 under grants from Arts on the Move to Department of Education - Commissioners Office. There was no objection.

MUSEUMS (p. 101)
Representative Gruening made the observation that intent for this category included 50.0 in the sum of 1.0 each for small museums. He stated that there may be some of those museums that needed more than the 1.0 and there may be some of them that didn't need that much. He made a motion to remove the wording "of 1.0 each." There was no objection.

SALARY BENEFITS INCREASES - University of Alaska (p. 41)
Representative Gruening moved intent regarding disparity between salaries - not intending to give salary increase to everyone. Chairman Sackett moved the figure of 2721.2. There was no objection.

INTENT

EXECUTIVE ADMINISTRATION - Equal Employment Opportunity
(p. 49)

Mike Travis from the Dept. of Education gave a review to the committee on the relationship of the Dept. of Education to the Cross Cultural program. The Cross Cultural program provides workshops for teachers to understand people and communities they are working with. The workshops are three weeks to one year in length. The Cross Cultural education organization had federal grants under the Civil Rights Act for the purpose of desegregation. Many school districts have changed their curriculum and ways of approaching the students and parents as a result of the Cross Cultural training program.

Representative Cowper stated that he is opposed to the whole idea. Representative Gruening asked if the 350.0 was entirely for training teachers. He thought the teachers would be "trained" before they were hired.

Again Mr. Travis explained the program. He said he was aware of the expenditures, but the need for teachers' in-service training was important. Many teachers who come to Alaska are not aware of the cultural differences in this state from those in the Lower 48. For instance, there are children who do not know what a park is, a drinking fountain, roller skates, swings, a busy intersection with a traffic light and a big bus going by. Teachers need to be made aware of this.

Representatives Cowper and Gruening still maintained their objection.

Senator Hohman made a motion to cut the appropriation figure in half - to 175.0. Representative Cowper objected. He said this would be to continue to fund a program that shouldn't have ever been started to begin with.

Chairman Sackett made a motion to adopt the figure of 341.6 which would allow two positions plus the Anchorage Women's Resources Center. Senator Hohman objected.

Senator Hohman explained that there was an alternative to the whole program - that being the Alaska Native Foundation. Senator Hohman asked Mike Deman who works for the Alaska Native Foundation to explain that program to the committee.

PUBLIC BROADCASTING COMMISSION (p. 113)
Representative Haugen said there had been 100.0 left

EDUCATION

out in a line item in the Hohman budget. He said these were the hardware projects which the Senate included in their capital budget. Chairman Sackett informed Mr. Haugen that the whole thing could be resolved in the capital budget.

The meeting recessed at 5:45 p.m.

RECESS

The meeting reconvened at 7:47 p.m. Representative Cowper was absent.

COMMUNITY COLLEGES - STATEWIDE - Community College Contract (p. 105)

UNIVERSITY
OF ALASKA

The various items that were requested by the Community Colleges were discussed. The committee decided which items would be funded and which items would not receive funding. They discussed the differences in calculation between the union and the University.

Representative Gruening made a motion for the figure of 597.6 on page 105 and 644.6 on page 107. Senator Sackett objected. Senator Rader remarked that they would still end up with \$6,000 per person in benefits. He suggested the faculty offices be knocked out. Representative Gruening mentioned that even though it seemed high, it was not out of line with what the rest of the University members were getting. There were objections by Senators Sackett and Hohman. The motion failed.

LEGISLATIVE COUNCIL - Session Expenses (p. 195)

GENERAL
GOVERNMENT

Chairman Sackett made a motion to adopt the Senate figure of 2067.6. Representative Gruening objected saying that although the House had had a caucus on the subject just that day, he was unable to attend the meeting. Chairman Sackett filled Representative Gruening in on what had transpired in the House caucus, but Gruening still maintained his objection. The motion failed. The category was left open.

OPEN

LEGISLATIVE COUNCIL - Council & Subcommittees (p. 197)

There was discussion as to whether or not everything would be put in as line items or whether they would keep some as line items and some as direct costs.

The committee agreed that the oil glut would be assigned to the Office of the Governor. Mr. Lind asked if the committee wanted to insert some language so the Governor could give it to whoever he wanted to have it. Senator Hohman remarked in reference to the Special Committee to work on the West Coast Oil Glut, he felt that since 8% of the budget is being spent on the Legislative Affairs Agency, they should have the expertise among their staff to organize any study in that area. Representative Gruening said he felt a lot of the studies were good and if the Administration needed funds they should have them. Chairman Sackett said he personally would like to see the Legislature take a more active part in this issue.

PROPOSED BUDGET FOR
STATE ACTION ON WEST COAST OIL SURPLUS

Page 1 of 2

I. Department of Revenue

A. Contract Services

1. Analysis of legal issues raised by various proposals for export and/or offshore exchange of Alaska North Slope Crude (ANSC) \$ 11,000
2. Washington, D. C., legal counsel/public affairs representative \$ 25,000
3. Technical analysis of West Coast refinery stock-- Quantitatively define the extent to which additional capital investment for refinery expansion, retrofitting, new capacity, etc. could increase attractiveness to West Coast refiners of: (1) ANSC, and (2) California heavy crude; the extent of cross elasticity of demand for California heavy/ANSC, and the technical factors governing the relative attractiveness to refiners of the various types of crude available to West Coast refiners. \$ 30,000
4. Economic analysis of alternative methods for increasing attractiveness of California heavy/ANSC to West Coast refineries, with particular attention to the relative impact of the methods on demand for ANSC. \$ 30,000
5. Analysis of (a) alternative markets for ANSC, including markets accessed through exchange, and (b) associated transportation savings/penalties. \$ 75,000
6. Miscellaneous contractual services associated with new position (see below). \$ 3,000

B. Personal Services (including benefits)*

1. Special assistant (oil market studies) \$ 43,221
2. Secretary I \$ 18,480

C. Travel (associated with new positions above) \$ 5,000

D. Commodities and Equipment (associated with new positions above) \$ 2,000

Subtotal - Department of Revenue \$242,701

* These positions would provide the necessary additional staff and clerical support for the department in coordinating and directing the specific study tasks. They would also provide the necessary staff support and liaison for the activities of the working group established by Alaska and California.

Representative Gruening suggested they split the items right down the middle and ask that the studies be coordinated. Senator Rader said he felt the Legislature would have a better handle on this issue if they were to defer action until after the meeting with California to be held the following week. The committee proposed the following break down: Items 1 and 2 and 6 under A, and Items B, C and D be assigned to the Executive Branch, and Items 3, 4 and 5 under A be assigned to the Legislative Affairs Agency with the following intent: The Research Division will coordinate studies with the Executive Branch. There was no objection.

INTENT

Chairman Sackett moved to include 40.0 for the state energy policy; 10.0 for the agriculture policy committee; and 66.5 for the bottom fish study in the total for this page of 656.5. There was no objection.

LEGISLATIVE COUNCIL - LAA Research Services (p. 191)
Chairman Sackett moved the following: original figure accepted by the committee 573.1 plus 202.5 for LAA and 345.0 for Northwest research, making a total figure for this page of 1120.6. There was no objection.

BUDGET & AUDIT COMMITTEE - Legislative Audit (p. 175)
Chairman Sackett made a motion to include 57.5 for juvenile alternative to confinement in the originally adopted figure of 1583.6, making a total for this page of 1641.1. There was objection by Representative Gruening. This page was left open.

OPEN

DISTRICT & SUPERIOR COURTS - Position Overflow (p. 133)
Senator Hohman made a motion to change position number 5 (Intake Officer/Law Clerk) to position number 6 (Secretary/In Court Clerk). The new figure for that page would then be 15,454.2. There was no objection.

JUSTICE

Fiscal Analyst, Bob Schroeder, gave the committee information on the various departments in the category of Justice. He recommended that the Judicial Services be a separate unit. There was no objections to Mr. Schroeder's suggestions.

ALASKA COURT SYSTEM - Administration & Support (p. 135)
Chairman Sackett removed his objection to the position of operational analyst. The figure recommended for this page was 2510.0. There was no objection.

After a brief at ease, the committee reconvened. Chairman Sackett asked Representative Gruening if he had come to any decisions regarding the Office of Economic Opportunity, Development, renewable resources, education, teachers salaries, Community Colleges in Valdez and Kotzebue, Social Services positions in Fairbanks, and the opening of one office in Public Safety. Chairman Sackett called for a motion.

Representative Gruening said he would like to put the Juvenile Study in Legislative Affairs Counsel rather than Budget & Audit. Senator Hohman objected. Representative Gruening said that was the one item that hadn't been discussed yet. He felt it would help to know who would be on the sub-committee. Senator Hohman suggested he look at it as a six or seven member committee with the House having three seats on the committee. Representative Gruening said he would prefer to consult with the Speaker on the issue. However, after more discussion with the committee, Representative Gruening said he would agree to put the Juvenile Study in Budget & Audit and approve it if the item could be opened after talking with the Speaker should the Speaker disagree. Senator Ferguson reminded Representative Gruening that next year the Budget & Audit committee chairman seat will be held by the House while the chairman of Legislative Counsel will go to the Senate.

After a brief recess, Representative Gruening said that although he was not in agreement with the policy and precedent he would not hold the committee up. However, he would like this intent included: try to coordinate this study with the study that Representative Meekins in doing in the area of Child Abuse. Senator Hohman concurred with the Intent and said he appreciated Representative Gruening's cooperation.

INTENT

Chairman Sackett made the following motion:

Add Fort Yukon study	35.0
Add Economic Development to Deman program	750.0
Add Alaska Native Foundation	350.0
Add Legislative Office	113.9
Add to U of A (CC in Kotzebue & Valdez)	564.5
Test fishing in small villages	30.0
AVCP hatchery	75.0
U of A teachers contract	1238.7
Social Service contract:	
Fairbanks	103.5
Anchorage	341.1
Resol Juneau (U of A-CC)	50.0
TOTAL:	3601.7

Representative Gruening said he would like to hear a little more on the Economic Development program before he decided on the motion.

Mr. Deman again went over the Economic Development program. Representative Gruening requested a written budget. Mr. Deman didn't have one, but said it would be approximately as follows: 20 positions at \$24,000 each plus fringe benefits, travel and administrative backup. None of this would be classified as a capital expenditure, but rather as operating expenditures.

Representative Gruening made an amendment to the motion as follows:

Yukon study	35.0
AFN	350.0
Women's study	50.0
Hatchery	75.0
Test fish in small villages	30.0
CC contract	1238.7
Social Services contract:	
Fairbanks	103.5
Anchorage	341.1
U of A - Juneau CC (with intent to move 150.0 to a new component)	

Chairman Sackett said the above motion was totally unacceptable to the Senate members of the committee.

Senator Hohman suggested that the Senate delete their most expensive item in the last motion and the House delete their most expensive item. 350.0 for AFN and 1238.7 for CC contracts.

Representative Gruening made a counter-motion to delete the least expensive items in his last motion. Motion failed.

Pages 105 and 107 of the University budget were brought up. The Senators showed Representative Gruening that the House was allowed 1262.0 more than the Senate wanted to approve. Chairman Sackett made a remark that the question was: how badly did the Representatives want the teachers contract.

Senator Rader proposed going to Kotzebue with a CC rather than going to both Kotzebue and Valdez. There was a question as to how many students were proposed for each Kotzebue and Valdez. The answer was unknown, but it was supposed that the committee could use Bethel as a basis. Both Mr. Haugen and Mr. Gruening said they would feel better about the situation had they heard of it before Free Conference. Mr. Gruening said he could see a need for some kind of criteria. Senator Rader came back with: The Board of Regents approved this. Whatever criteria they used, we're really seceding to their request. Representative Gruening said he would be willing to go to Legislative offices at 113.9 instead.

After a 20 minute recess Mr. Gruening said he was prepared to make some additions: Legislative Offices for 113.9 and a counter proposal to the Community Colleges in Kotzebue and Valdez would be for vocational education program wherever needed. Representative Gruening said he simply could not go along with the way in which the request for the Community Colleges was handled - figures phoned in, written on a piece of paper that was handed to the committee.

Senator Hohman asked if 321.0 was OK with Representative Gruening. Mr. Gruening responded that it was if some other place could be found for it.

At this point there was some discussion on Community Colleges. Mr. Scott gave figures to the committee.

Senator Hohman made a new motion:

Fort Yukon study	35.0
Economic Development program	750.0
ANF	350.0
ANF civil rights	75.0
Women's study	50.0
Legislative Offices	170.0
Extension center in Kotzebue	243.5
Test fish in small villages	30.0
AVPC hatchery	75.0
CC contract	1000.0
Social worker:	
Anchorage	341.1
Fairbanks	103.5
Juneau CC	<u>150.0</u>
TOTAL:	3223.1

Representative Gruening objected to the motion. Senator Hohman asked for unanimous consent. Representative Gruening maintained his objection. He asked what the intent on Kotzebue would be. Senator Hohman responded that the intent would be basically Representative Gruening's wording. Representative Gruening said his objection really was in reference to the Village Management Development training program for 750.0. He stated that he would go for the other items that Senator Hohman had proposed.

Representative Gruening made a motion to amend Senator Hohman's motion. To include everything that Senator Hohman had with the exception of 750.0 for the Economic Development program. That item could be handled by a bill, he said. Senator Hohman objected.

Senator Hohman moved for the adoption of the above list with the deletion of the CC contract. Representative Gruening objected. Again he requested that the 750.0 be included in a bill.

Senator Ferguson reminded Representative Gruening that this was something that Representatives Carpenter and Phillips and three senators had been working on and that it was not a bill.

Senator Hohman made a motion to close the budget as it stood at the present time without including any of the aforementioned programs. He asked for unanimous consent. Representative Gruening objected. Senator Hohman asked that if that motion failed that he be allowed to report to the Senate that the Free Conference Committee was in a deadlock.

Representative Gruening moved to adopt the following figures:

325.0	Village Management program
75.0	ANF.

Senator Hohman requested that the motion be repeated.

Representative Gruening repeated the motion, but changed one figure:

275.0	Village Mangement program
75.0	ANF.

Senator Hohman said "And forget the other 11 projects?"

Representative Gruening responded:

1238.7	Community College contracts
275.0	Village Management program
75.0	ANF.

Senator Hohman reiterated Representative Gruening's motion.

Representative Gruening made a motion to adjourn.

Senator Hohman responded - No. He made a motion to adopt a zero on all of the items and close out the budget. Representatives Gruening and Haugen objected.

Senator Hohman made a motion that the committee move that there was a deadlock and could not meet the budget. There were objections from Senator Rader and Representatives Haugen and Gruening.

Representative Gruening made a motion to adopt his last motion. Senator Hohman objected. Senator Hohman suggested to Representative Gruening that the House decide how much they wanted to include in their priority items and then the Senate would use the same figure for their priority items.

Representative Gruening made the comment that the difference between the House and the Senate on the Community Colleges was 1262.0. He proposed that they split the difference and add 367.0 to the Senate figure for the purpose of funding the Child Abuse Social Workers in Anchorage and Fairbanks, making a total of 998.0.

The meeting recessed for 20 minutes.

After the recess Senator Rader said he had talked with Mr. Deman. He had requested Mr. Deman to explain his program again. Mr. Deman said if such an appropriation is made to the program it probably would not go forward because of the conservative nature of the village programs. Mr. Deman said the program already had a commitment of 1.4 million dollars from the federal program. This commitment was conditional, he said, on the local program getting additional funding.

Senator Hohman made the comment that funding on the Community Colleges was going to cause him a lot of hang ups. That would put the salaries at \$30,000 to \$40,000 a year.

Representative Gruening wanted to go back to page 105 in the University of Alaska budget. He said he would like to back out 644.6 and add 199.6 to the Senate figure on page 107 instead. He then brought up the Child Abuse issue and requested seven social workers and one supervisor for Anchorage and one supervisor and two social workers for Fairbanks.

Senator Hohman remarked to Representative Gruening "You have added 943.2 to your projects. Then you propose that we might add 325.0 to our figures, but we cannot fund a Community College at Kotzebue. We will give you back your 325.0 restricted and pick projects of our own choosing in the amount of 943.2."

Representative Gruening asked what Senator Hohman had in mind to add. Senator Hohman said "We'll take 900.0 and live with your restriction on the Community College in Kotzebue."

Representative Gruening stated that the House wasn't asking anything additional that hadn't appeared in the House budget in the beginning. He said he would allow the Senate an additional 600.0 which would fund everything that was in the Senate budget before the committee entered Free Conference on this date.

Representative Gruening made a motion to include the following:

35.0	Ft. Youkon study
350.0	ANF
50.0	Women's Center
<u>248.0</u>	Legislative offices
683.0	

Representative Gruening then included an additional 750.0.

Senator Hohman retorted "If you're going to expect us to fund at 750.0 I suggest that you treat yourself in the likewise manner."

Senator Rader said he thought the Senate ought to make an offer to the House and sign the bill out of committee. Chairman Sackett emphatically stated "No!"

Senator Hohman made the following motion:

35.0	Ft. Yukon
375.0	ANF Village Management
175.0	ANF civil rights
50.0	Women's Center
170.0	Legislative offices
243.5	Voc Ed - Kotzebue
30.0	test fisheries
75.0	AVPC
1238.7	Community Colleges
341.1	Anchorage social workers
<u>103.5</u>	Fairbanks social workers
2836.8	

Representative Gruening stated that he would go along with that motion provided the Senate would lower ANF from 175.0 to 75.0. Senator Hohman said they could change the Community Colleges to 1000.0 if they wanted to be picayunish, but they didn't want to be picayunish. Representative Gruening made a motion to adopt his prior motion and asked unanimous consent.

Senator Hohman made a counter motion: leave Community Colleges at 1238.7, delete ANF civil rights of 375.0 and put it all in one (ANF Village Management program) for 500.0. Representative Gruening said the House would accept those figures. He also stated that the House would agree to a reduction in the Community College contract (p. 107 - University of Alaska budget) from 644.6 to 420.0 if the Senate would make a reduction by the same amount.

Chairman Sackett accepted the motion.

Following is the final version after much "dickering":

35.0	Ft. Yukon		
500.0	ANF Village Management		
243.5	Voc Ed - Kotzebue		
30.0	Test fisheries		
75.0	AVPC hatchery		
1014.1	Community College contract		
341.1	Anchorage social workers		
<u>103.5</u>	Fairbanks social workers	2342.2	TOTAL

A few loose ends were tied up before the meeting adjourned. There was a brief discussion on the Department of Transportation and the percentage of funding that was approved. Mr. Hogan informed the committee that 3/4 funding had been approved and he asked for adoption of the Intent statement for Transportation: The FY 79 operating budget for the Transportation category has been approved by the Legislature as requested by the Governor (FCC report FY 79 Operating Budget, Transportation). However, the full fiscal year budget has been funded only for the first 9 month of FY 79. The Legislative Budget & Audit Committee will prefile for introduction in the first session of the 11th legislature a supplemental appropriation to provide funding for the Transportation programs during the last quarter, FY 79. The department shall operate under the assumption that all budgeted operating programs will be funded by the legislature for the full fiscal year. There was no objection to the intent. INTENT

FISH ENHANCEMENT GRANTS (p. 43)

Representative Hogan made a motion that monies be appropriated from the general fund. There was no objection. DEVELOP-
MENT

Mr. Lind brought up the issue of wording for Aid for Dependent Children regarding compliance on federal regulations. He stated that the Feds had notified them that they will not accept the wording on parentage. Mr. Hogan informed the committee that the Attorney General would prepare the proper wording the next day. The wording, in essence, would say "No person shall be denied the right to Aid for Dependent Children due to their standing on Alaska statute right to privacy." There was no objection to wording with that idea.

Mr. Barker brought up the fact that there was one more position requested in the House budget for Social Services. Mr. Barker assumed that position wasn't wanted. However, the following positions were wanted: two supervisors and ten social workers for Anchorage and one supervisor and two social workers for Fairbanks. These positions were to be added to the Governor's budget.

Mr. Haugen reminded the committee of 100.0 for mini TV in Petersburg. It was to be added to the Capital budget.

The meeting adjourned at 1:37 a.m., May 19, 1978. ADJOURN

FREE CONFERENCE COMMITTEE

June 15, 1978

3:30 p.m.

Chairman Sackett convened the meeting at approximately 3:30 p.m. All committee members were present. Also in attendance for various portions of the meeting were Senators Tillion and Colletta; Ron Lind, Director of Budget and Management; Fiscal Analysts Alison Farnan, Bob Grogan, Bob Schroeder, and Dave Scott; Jay Hogan, Director of Legislative Finance; Administrative Assistant to Senator Sackett, Judy Crondahl; Administrative Assistant to Senator Kerttula, Sally Hanson; Administrative Assistant to Senator Hohman, Susan Fowler; and members of the press.

PRESENT

Chairman Sackett proposed inclusion of the capital budget with the operating budget and that the two be reported from committee as one bill. He also advised that the administration has numerous additional requests in the form of budget amendments for committee consideration. Mr. Cowper advised that he preferred not to reopen the operating budget, suggesting that additional needs could perhaps be addressed as separate pieces of legislation.

CAPITAL
BUDGET

Mr. Lind advised that one major problem faced by the administration at this time is retirement funds for territorial employees, stating that such funding had been left out of the budget.

RETIREMENT
FUNDS

Senator Rader raised a policy question concerning whether a deadline should be set for ending Free Conference, or whether it should be held in abeyance pending passage of other legislation. He suggested the committee attempt to come to an agreement in four or five hours and announce that the budget has been passed, adding that he was willing to set a deadline for committee deliberations. Mr. Cowper agreed, stating that he felt that if the committee could come to an agreement it should pass the bill out today, adding that there was some legislation, such as the land bills that would need to be addressed before concluding the session, or the legislature might possibly have to reconvene in special session.

Senator Tillion attested to the need for 2.5 million dollars for the bottom fish industry, and Mr. Cowper moved to use HB 920 to make budget adjustments rather than opening the operating budget.

BOTTOM
FISH

Mr. Cowper advised that some items had been removed from the bond issues on the assumption they would be placed in the capital budget, and Chairman Sackett stated that the Senate had eliminated some capital projects and put them in the bond issues. Mr. Cowper mentioned that 1.5 million dollars for books at the University of Alaska had been taken out of the bonds for placement in the capital budget as well as 116.0 for McLaughlin, 177.0 for the Palmer Jail, and 948.0 for Third Avenue Renovations.

U. OF A.
BOOKS

Mr. Cowper advised that he believed the 1.5 million dollars for the University of Alaska should be included in the capital budget. Dave Scott suggested adoption of Senate intent to the effect that funding includes the cost of the volumes plus processing and staff. No objection to the above funding and intent having been voiced, they were accepted for inclusion in the capital budget.

Mr. Cowper suggested that items in the capital budgets approved by the House and Senate be accepted in the Free Conference capital budget, and the committee then deal with projects not common to both budgets as well as those omitted from bond issues. Chairman Sackett advised that with the exception of the 2.8 million dollars for mortgage insurance reserve funded by the Senate at the governor's request, capital budgets for House and Senate are only a little over one million dollars apart. Mr. Cowper stated that past conferences have accepted everything common, taken what was left over financially, divided it and let each house set its own priorities.

Mr. Hogan distributed a listing of projects included within the bond issues, deleting the following capital items from inclusion in the capital budget:

BOND
ISSUE
PROJECTS

University of Alaska

Fire Safety Improvements 100.0

Social Services

Kenai Care Center 250.0

Natural Resource Management

Bike Trails - Baldwin 500.0

Bike Trails - Anchorage 400.0

Development

Anderson - Ditching System

Senate 20.0

House 6.0

Transportation

Bike Trails

Greely 125.0

Anchorage 200.0

Kotzebue 140.0

Fairview Loop Road 500.0

A question was raised concerning inclusion of the Haines Boat Harbor Project within the bond issue, and this project was held open pending discussion with Representative Duncan.

HAINES
BOAT
HARBOR

The meeting adjourned at approximately 4:40 p.m., to reconvene later in the evening.

ADJOURN

FREE CONFERENCE COMMITTEE
June 17, 1978
9:30 a.m.

Chairman Sackett convened the meeting at approximately 9:30 a.m. All committee members were present with the exception of Representative Gruening. Also in attendance were Ron Lind, Director of Budget and Management; Jay Hogan, Director of Legislative Finance; Don Harris, Commissioner of Dept. of Transportation; Richard Holden, Deputy Commissioner of Transportation; Senator Tillion; Ric Davidge, Alaska Student Lobby; Fiscal Analysts Alison Farnan, Bob Schroeder, Bob Crogan, Milt Barker, and Dave Scott; Administrative Assistant to Senator Sackett, Judy Crondahl; Administrative Assistant to Senator Hohman, Susan Fowler; Administrative Assistant to Senator Kerttula, Sally Hanson; Administrative Assistant to Rep. Cowper, Jim Rhode; and members of the press.

PRESENT

Chairman Sackett advised that the committee had before it the operating budget which is closed (committee decision was not to reopen it), the capital budget (summary presented), requests from the administration (Budget Amendments), the omnibus bill (HB 920), and amendments to the omnibus bill (one for bottom fisheries, and one for small business loans).

Chairman Sackett stated that the committee would first address the problem at API. Ron Lind advised that API had recently suffered a fire at the facility, necessitating adjustments to items within the proposed capital budget. He advised that the storage shed (30.0), air conditioning (37.0), and waste incinerator (18.0), could be deleted from the budget, requesting that an alarm system (31.0) and incinerator (61.0) be added instead. He further advised that 186.0 would be needed for reconstruction of the damaged wing, breaking the area down into smaller ward units. Chairman Sackett moved for deletion of the storage shed, air conditioning, and waste incinerator, and addition of the alarm system and incinerator. No objection to his motion having been voiced, the two above items were included in the capital budget.

API
DELETIONS
&
ADDITIONS

Commissioner Harris appeared before the committee requesting inclusion of funds for terminal expansion at the Anchorage International Airport. He stated that DOT proposes to remodel the existing facilities and add 6 to 10 new gate positions to take care of expected growth through 1981. Traffic growth estimates indicate the terminal will need these new positions to handle a majority of the foreign travel coming over the pole. Representative Cowper moved for inclusion of 13 million dollars for Anchorage Terminal expansion. No objection having been voiced, the funding was included within the capital budget.

ANCHORAGE
TERMINAL
EXPANSION

Ron Lind requested inclusion of 99.6 under Fish and Game in addition to the Cordova Warehouse (200.0) and Wrangell Warehouse (90.0) funding, asking that these warehouse projects be combined as one appropriation. Upon motion from Chairman Sackett, the funding for the two warehouse projects was approved as one appropriation, but the additional request for 99.6 failed to gain acceptance within the budget.

FISH &
GAME
WAREHOUSES

Mr. Lind advised that the BLM has increased its presuppression rate for fire control from \$.052 to \$.11 per acre. All the department has budgeted is the \$.052 cost. BLM proposes that a 150.0 capital project be established and a transfer of moneys to establish state support for these areas be effected. Since the committee does not wish to open the operating budget, Mr. Lind proposed the following language:

FIRE
SUPPRESSION

Not withstanding AS 37.07.080, \$900,000 may be transferred from Fire Protection - BLM to District Operations for the purpose of providing fire protection services for lands in Alaska.

He added that the BLM contract runs through this fall, and the state needs to assemble its staff and construct a building in order to assume this function next spring.

Chairman Sackett moved that the 150.0 and above indicated language be included within the budget. No objection having been voiced, it was so ordered.

Deputy Commissioner Holden testified concerning federal approval of 1 million dollars in federal funds for demonstration projects at Bethel and Kotzebue for

AIR
CUSHIONED
VEHICLES

air cushioned vehicles, requiring 1-1/4 million dollars in state match. Following a brief discussion concerning the budget for the proposed project, committee action was deferred pending receipt of the budget.

Senator Hohman moved that intent be attached to line item appropriations in the operating budget concerning the Bethel Jail and Educational Broadcasting, delivering written intent to staff members and asking that it be included at the appropriate places. No objection to the intent having been voiced, it was so adopted.

INTENT
BETHEL
JAIL
EDUC.
BROAD-
CASTING

Mr. Cowper next moved for legislative intent to the effect that a student shall have the ability to assess himself a fee be adopted. No objection having been voiced, the proposed intent was adopted.

INTENT
STUDENT
FEE

Mr. Cowper moved that intent be made within the DOT budget to the effect that the Aleknagik strip be placed on the Department priority list for construction within the next few years. No objection having been voiced, the intent was adopted.

INTENT
DOT
ALEKNAGIK
STRIP

Senator Tillion proposed intent be attached to the appropriation concerning the Kenai Jail facility (218.0 already appropriated) to the effect that Kenai shall issue quarterly statements to the state for use of its jail facility, such statements to be adjusted should occupancy fall below the normal level, and the state to retain the right to withdraw from the arrangement should it wish to do so. No objection to the intent having been voiced, it was adopted.

KENAI
JAIL

Senator Hohman moved for intent to the effect that the report resulting from the 500.0 appropriation to Natural Resources for development of a Prudhoe Bay Reservoir study be available to the legislature to determine state involvement in the gas pipeline project. No objection to the above intent having been voiced, it was adopted.

INTENT
PRUDHOE
BAY
RESERVOIR
STUDY

Senator Hohman moved to delete 37.5 for fish hatcheries under Natural Resource Management (p. 20, capital budget summary), and move the funding to the Health category and increase it to 112.5 for placement under Bethel Social Services for the children's home project. No objection to the above suggestion having been made, it was so adopted.

HATCHERY
FUNDING
TO BETHE
SOCIAL
SERVICES

Representative Cowper moved for an increase of 100.0 to the legislative council for an aquaculture study on the effect of private hatcheries upon wild salmon stock. Chairman Sackett advised that the above funding should be deferred to HB 920.

SALMON
STUDY
TO HB 920

Jim Rhode referred to the general government category and funding for a study of equity participation in the gas pipeline to be done by joint interim committees of the House and Senate. The amount currently funded is 345.0. The committee needs an additional 130.0, 250 of the total to be placed within the Division of Legislative Finance. Representative Cowper advised that he believed the above request should be addressed in HB 920 since the study contemplated would normally be an operating project.

EQUITY
PARTICIPA-
TION IN
GAS PIPELIN
TC HB 920

Representative Cowper moved that the capital budget as reflected on the capital budget summary, with changes adopted by the committee, be added to the budget bill, and that the bill pass from free conference with a do pass recommendation.

MOTION
CAPITAL
BUDGET

Chairman Sackett advised that the committee must review fiscal notes to attach to the budget document, asking if committee members had any questions on the notes. Chairman Sackett advised that the committee would wait until the fiscal notes have been adopted before signing out the budget bill.

FISCAL
NOTES

The meeting adjourned upon a call from chambers at approximately 10:15 a.m.

ADJOURN

FREE CONFERENCE COMMITTEE
ON THE BUDGET

June 17, 1978
1:45 p.m.

All members of the Committee were in attendance except Representative Gruening. Also present was Ron Lind, Division of Budget and Management, and members of the Legislative Finance Division staff.

PRESENT

Fiscal Notes were discussed.

FISCAL
NOTES

Representative Cowper moved to add the FCCS for SB 159 with a fiscal note in the amount of \$393,000. There being no objection, it was so ordered.

Representative Cowper stated there was a fiscal note in the amount of \$200,000 from the Department of Revenue for SCR 102. He moved the figure of zero for SCR 102. There being no objection, it was so ordered.

Representative Cowper stated they have received a revised fiscal note for HB 661 from the Department of Law in the amount of \$255,000 for training staff concerning the implementation of the criminal code. The fiscal note was not accepted.

Representative Cowper moved to accept the fiscal note of \$15,000 for SB 562 for the Wood River-Tikchik portion. There being no objection, it was so ordered.

Representative Cowper moved to accept the fiscal note of \$52.1 in FY 78 for HB 472. There being no objection, it was so ordered.

Representative Cowper moved to accept the following as a fiscal note for HB 763: \$2 million from the Renewable Resources Fund, and \$150,000 from the General Fund. There being no objection, it was so ordered.

Mr. Hogan advised SB 184 has a fiscal note of \$139,900 as a result of a floor amendment. Chairman Sacket moved to accept the figure. There being no objection, it was so ordered.

Mr. Hogan advised HB 960 has a fiscal note in the amount of \$26,900 for a five month interim oversight committee. Chairman Sackett stated they could get the money from Legislative Affairs Agency. The Fiscal Note was not accepted.

Mr. Hogan advised HB 322 has a fiscal note in the amount of \$679,700. Representative Cowper moved to adopt that fiscal note. There being no objection, it was so ordered.

Mr. Hogan advised HB 266 has a fiscal note in the amount of \$100,000 to create the alternative power resource loan fund. The fiscal note was not accepted.

Mr. Hogan advised that HB 54 has a fiscal note for \$140,000. The fiscal note was not accepted.

The meeting adjourned for a call of the House at 2:05 p.m.

ADJOURN

FREE CONFERENCE COMMITTEE
ON THE BUDGET

June 18, 1978
9:40 a.m.

All members of the Committee were in attendance except Representative Gruening. Also present were Ron Lind, Division of Budget and Management; and members of the Legislative Finance Division staff.

PRESENT

A proposed FCCS for Senate CS for CS for HB 920 was presented to members of the Committee. Representative Cowper explained what was contained in the draft. He stated the draft included \$32.0 for cultural facilities added because the bond issue fell through; \$85.0 for telecommunications consultation; retro-active pay raise in the amount of \$2,493.3 for non-covered bargaining unit employees; \$150.0 for a study for the oil and gas bill; \$130.0 for the Northwest Equity Participation Study; \$250.0 for the Kelso study. Representative Cowper stated there was an aquaculture study to go to Legislative Finance Division which has to do with the conflict between wild and natural stocks (see attached letter of intent). He stated they added \$2,710.9 for bottomfish projects; two electrical inspectors at \$83.1; unemployment insurance fraud inspectors at \$211.4. He advised the d-2 steering council money is extended to June 1979; there is no additional money involved in this. Representative Cowper advised the draft includes \$2.041 million for an air cushion demonstration project, \$400,000 of that is general funds. He advised the North Slope Haul Road is included at the amount requested by Administration. He advised there is a \$245,000 appropriation for a hot springs demonstration project, and \$55,000 for a computer to track positions in the Legislative Finance Division.

Mr. Hogan advised that up to page 9 of the bill is HB 969 as it left the Senate. Page 9 through section 45 are all transfer bills. He advised that sections 55 and 56 in the draft should be deleted, and he presented proposed material to include in those sections. He advised that Section 57 includes late federal money budget amendments, and section 58 is a variety of State projects.

Commissioner Gallagher, Department of Revenue, advised he put in a fiscal note in the amount of \$250,000 for the northwest gasline study. He advised the funds were not approved, and he does not know how they can do the study if they don't have the funds to implement it. He advised this is a highly technical field and there are a lot of technical and legal questions that have never been answered. He stated he thinks without the funds the Resolution is void. There was brief discussion.

Representative Cowper moved to add \$100,000 for the study. There being no objection, it was so ordered.

Chairman Sackett requested that Sally Hanson be allowed to make a presentation concerning the Valdez Community College. He advised that during budget hearings there were requests for community colleges at Kotzebue and Valdez. He stated Valdez did not get into the budget.

Ms. Hanson advised the Community of Valdez is very supportive of the community college program. She stated they have provided space in their new community building, and have pledged \$200,000 to the program to add to new money. There was brief discussion on a community college at Valdez.

Senator Hohman moved to include \$321,000 for the Valdez Extension Center. Representative Cowper objected, stating the House caucus adopted a policy that no new community colleges would be established this year. There was further discussion. Senators Sackett and Hohman in favor. The motion failed.

Representative Cowper moved to report out FCCS for Senate CS for CSHB 920. There being no objection, it was so ordered. The bill report was signed.

FCCS SCS
CSHB 920
REPORTED
OUT

Chairman Sackett stated there are some language items in the Free Conference CS for Senate CS for CSHB 627 to be considered.

Representative Cowper moved and asked unanimous consent that the free conference adopt the intent language for Ninilchik, stating this appropriation is expressly contingent on the assignment and transfer of a state trooper to serve in Ninilchik. There being no objection, it was so ordered.

Representative Cowper moved and asked unanimous consent that the intent language for the simulation study in the NRMEC category be adopted. There being no objection, it was so ordered.

Representative Cowper moved and asked unanimous consent that intent be adopted within the Department of Transportation and Public Facilities, stating the Department shall not charge owners or operators a fee for operating taxi cabs at airports owned or operated by the State. There being no objection, it was so ordered.

Representative Cowper moved to accept the fiscal note for HB 516 in the amount of \$100,000. There being no objection, it was so ordered.

Representative Cowper moved and asked unanimous consent that the fiscal note list with changes accepted by the committee yesterday and today be adopted. There being no objection, it was so ordered.

Mr. Hogan presented the language in the Senate CS and also presented language recommended by the Legislative Auditor for section 4. Mr. Lind stated they are concerned with the words "formal award". He stated that many times state agencies don't receive formal award of contracts from the federal government. Mr. Hogan stated the auditors response to that was that in many audits they conduct, substantial amounts of federal receipts are never received, and the state ends up appropriating from the general fund. There was brief discussion. There was no objection to the new wording.

Mr. Hogan presented proposed language changes for the general appropriations act. He stated it would make an appropriation on anticipated receipts. There was no objection to the proposed language.

Mr. Hogan presented legislative resolve #6. Representative Cowper stated they had accepted a resolution setting the spending ceiling. He stated at the time they passed the resolution they stated if they made a decision to put capital projects into the general fund they could amend the resolution. He stated the effect of this resolve would be to amend the resolution.

Mr. Barker advised the total operating and capital budget, and legislation signed into law is \$1,070,000. He stated additional legislation with fiscal impact would bring the total to \$1,131,000, and to that they should add \$20 million which is in the FCCS for HB 920. He advised the total appropriation would be \$1,151,000; and the projected liquid balance would be \$94 million at the end of 1979.

Representative Cowper moved and asked unanimous consent that the amendment be adopted, changing \$100 million to \$90 million. Chairman Sackett objected, to have an opportunity to look over the language.

The meeting recessed for a call of the Senate at 10:35 a.m.
The meeting was recalled to order at 1:30 p.m.

RECESS

Representative Cowper advised that SB 627 came in with a figure of \$702,700. There was brief discussion. Representative Cowper moved to accept the figure of \$350,000. There being no objection, it was so ordered.

Representative Cowper moved that language be added that would appropriate federal and non-general funds for the University of Alaska. There was discussion. Representative Cowper stated the result of this would be that money from federal sources could flow straight through the year. Mr. Scott was instructed to prepare the correct language. There being no objection, it was so ordered.

Mr. Lind advised they needed language added because of the court determination that insurance proceeds cannot be program receipts. Chairman Sackett stated he believes this was taken care of. He stated if it has not been taken care of, there is no objection to adding the language.

Chairman Sackett moved to report out FCCS for SCS for CSHB 627. There being no objection, it was so ordered. The bill report was signed.

FCCS SCS
CSHB 627
REPORTED
OUT

The meeting adjourned at 1:40 p.m.

ADJOURN

STATE
of ALASKA**MEMORANDUM**

TO: Jay Hogan
Director
Division of Legislative Finance

DATE: June 15, 1978

FILE NO:

TELEPHONE NO:

FROM: Gerald L. Wilkerson, CPA *HLW*
Legislative Auditor
Division of Legislative Audit

SUBJECT: Amendment to Appropriations Bill

We think the General Appropriations Bill needs an amendment requiring Budget and Management to place restrictions on the federal portion of all appropriations until the formal award of the revenue is made by the appropriate federal agency. Our reasons for making this recommendation follow.

Previous appropriation acts have stated: "In the event federal and program receipts fall short of the appropriated federal estimates, the affected appropriation shall be reduced by the amount of shortfall in receipts." No one in the State is enforcing this law nor are agencies voluntarily following it. As a result of past and on going audits, we know that this lack of enforcement results in a serious weakness in the accounting system. Under the current system, agencies can expend up to the appropriation level of any program. If the program is funded at least in part by federal receipts, the agency can still spend the entire appropriation although no federal money is received. Thus, the General Fund could be depleted although the Appropriation Act shows federal receipts as the source of funding.

In some cases, agencies are lapsing their appropriation in an amount at least as large as the shortfall in receipts thus the General Fund is not illegally depleted. This procedure is still unacceptable for several reasons. If the agency does not lapse enough to cover the shortfall, only an audit would reveal this shortfall because of the generally recognized poor revenue accounting system. Secondly we have noted in many audits that revenue estimates, i.e. appropriated receipts, are not accurate and are not adjusted. Thus, the accounting records just don't show the full picture. Lastly, the sheer magnitude of federal dollars flowing into this State underscore the need for managerial control, not discretionary action by the agencies. Although the State takes control measures attempting to prevent expenditures in excess of appropriations, the State has no such measures to control expenditures in excess of unrealized federal receipts even though the result is the same. The necessary control measure would be as outlined in paragraph (b), Section 4 in the General Appropriations Bill.

GENERAL APPROPRIATIONS BILL (SCS CSBH 627)

Amend Sec. 4 to read:

* Sec. 4. (a) If [federal or other] program receipts fall short of the estimates appropriated by this Act, the affected appropriation shall be reduced by the amount of the shortfall in receipts and the amount shall lapse at the end of the 1979 fiscal year.

(b) The Division of Budget and Management shall place restrictions on the federal portion of all appropriations until the formal award of the revenue is made by the appropriate federal agency. If the formal award is for an amount less than the appropriate estimate, the difference shall remain restricted and shall lapse at the end of the 1979 fiscal year.

AQUACULTURE STUDY INTENT

The Aquaculture Study proposed to clarify statutes authorizing private non-profit salmon hatcheries so that management authorities such as the Department of Fish and Game and the Board of Fisheries can better understand and implement the intent of the Legislature.

Integration of hatchery harvest management strategies with the existing fishery management program is necessary and will require both regulatory and statutory action.

There is an apparent duplication of effort and a lack of coordination between the Alaska Department of Fish and Game salmon aquaculture program and the private non-profit aquaculture program. Because both of these programs are at least partially funded by the State, it stands to reason that with a clear definition of policy and a clarification of the proper role and function of each group, that the State could ensure a more efficient use of their professional, financial, biological and environmental resources.

The goal of the policy study should be to develop data, analyze methods, and recommend objectives defined to maximize the economic return to the people of Alaska from investments in a salmon aquaculture program.

The study should be conducted by professional persons with a knowledge of economic, financing and fisheries biology, and its emphasis should be on social economic goals rather than biology methods.

The division of Legislative Finance will coordinate the study between Representatives Haugen and Gardiner.

1 Original sponsor: Rules Committee by
2 request of the Governor

3 IN THE HOUSE

FREE CONF. COMM.
BY THE ~~RULES COMMITTEE~~

4 FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 920

5 IN THE LEGISLATURE OF THE STATE OF ALASKA

6 TENTH LEGISLATURE - SECOND SESSION

7 A BILL

8 For an Act entitled: "An Act making miscellaneous appropriations and trans-
9 fers between appropriations; and providing for an
10 effective date."

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

12 * Section 1. The following items are appropriated and allocated for
13 operating expenditures from funds other than the general fund, as set out in
14 sec. 3 of this Act, to the state agencies named and for the purposes ex-
15 pressed, for the fiscal year ending June 30, 1978, except as noted in sec. 4
16 of this Act:

	Appropriation Items
17 Education	
18 Correspondence Study	\$ 15,000
19 Postsecondary Education	
20 General Administration	1,300
21 Program Evaluation	
22 Supplemental Programs	217,600
23 Executive Administration	
24 Commissioner	9,100
25 Adult Education and Vocational Training	
26 Skill Center	100,000
27 University of Alaska	
28 Organized Research	2,957,900
29	

	Fairbanks Instruction - four year and	
1	graduate	847,400
2	Instruction - TVCC	419,000
3	Research and Professional	
4	Centers	219,800
5	Public Service	171,200
6	Academic Support TVCC	35,000
7	Student Service - four year	
8	and graduate	908,000
9	Institutional Support	332,300
10	Student Loans and Scholarships	36,000
11	Anchorage	
12	Instruction - four year	
13	and graduate	637,200
14	Instruction - Anchorage Community	
15	College	324,400
16	Instruction - Mat-Su	24,000
17	Research and Professional	
18	Centers	22,600
19	Public Service	76,400
20	Academic Support - four year	
21	and graduate	185,500
22	Academic Support - Anchorage	
23	Community College	47,500
24	Academic Support - Mat-Su	3,900
25	Student Services - Mat-Su	6,000
26	Institutional Support	222,900
27	Public Services - Eagle River	10,000
28	Southeast	
29	Instruction - Senior	13,600

1	Instruction - Juneau-Douglas	
2	Community College	179,900
3	Instruction - Ketchikan	49,000
4	Instruction - Sitka	9,500
5	Public Service	7,400
6	Academic Support - Senior	20,600
7	Academic Support - Ketchikan	3,900
8	Student Services - Ketchikan	13,000
9	Student Services - Sitka	6,000
10	Institutional Support - Juneau	119,900
11	Rural Education Affairs	
12	Instruction - Kenai	39,300
13	Instruction - Kuskokwim	57,700
14	Instruction - Northwest	152,900
15	Instruction - Rural Centers	32,400
16	Instruction - Central Support	18,300
17	Research and Professional Centers	48,400
18	Public Services	337,600
19	Academic Support - Northwest	8,000
20	Academic Support - Central Support	90,300
21	Student Services - Kenai	9,600
22	Student Services - Kuskokwim	73,800
23	Institutional Support - Kenai	8,900
24	Institutional Support - Kuskokwim	29,800
25	Student Services - Northwest	50,000
26	Student Loans and Scholarships	
27	- Kuskokwim	150,000
28	Social Services	
29	Department of Education	

1	Vocational Rehabilitation	
2	Disability Determination	98,600
3	Department of Labor	
4	Unemployment Insurance	896,600
5	GAAB CETA Contract	58,700
6	Department of Community and Regional Affairs	
7	CETA	1,270,400
8	Health	
9	Department of Health and Social Services	
10	Field Nursing	35,000
11	Handicapped Children	20,000
12	Mental Health Administration	
13	Developmental Disabilities	5,000
14	Planning and Research	
15	Health Planning	11,600
16	Development	
17	Department of Commerce and Economic Development	
18	Economic Enterprise	
19	General Operations	2,500 *
20	Energy and Power Development	385,900 *
21	Department of Natural Resources	
22	Agricultural Development	
23	Administration and Support	50,000 *
24	NRMEC	
25	Department of Natural Resources	
26	Land Management Classification	15,000 *
27	Water Management	78,100 *
28	Water Management	40,000
29	District Operations - South Central	

1	District	78,900
2	Geological and Geophysical Programs	
3	Resource Investigations	61,000 *
4	Forest Protection and Management	
5	Fire Protection - State	97,100
6	Research and Technical	12,900
7	Park Management	
8	State-Federal Coordination	42,800 *
9	Department of Fish and Game	
10	Game/Investigations and Research	11,900
11	Game/Investigations and Research	10,000 *
12	Sport Fish/Investigations and Research	36,000
13	Sport Fish/Investigations and Research	22,500 *
14	Commercial Fish Research	122,700 *
15	Commercial Fish/Bering Sea Surf Clam Survey	230,000 *
16	Habitat Protection	
17	Land and Water Management	42,000 *
18	Department of Environmental Conservation	
19	Water Programs	
20	Water Pollution Control	61,200 *
21	Facility Construction and Operation	3,000 *
22	Environmental Analysis	131,800 *
23	Terrestrial Programs	
24	Air Quality	36,100 *
25	Program Coordination	11,700
26	Administration and Support	54,500 *
27	Office of Commissioner	12,000
28	Management Services	8,100
29	Management Services	7,700 *

1	Technical Services	15,000 *
2	Regional Offices	
3	Southeast Region	4,100 *
4	Southcentral Region	13,500 *
5	Northern Region	2,400 *
6	Public Protection	
7	Department of Commerce and Economic Development	
8	Insurance	
9	Insurance Companies	75,000 *
10	Department of Military Affairs	
11	Alaska Disaster Office	
12	City Participation	60,200
13	Alaska National Guard	
14	Air Training Support	56,300
15	Administration of Justice	
16	Office of the Governor	
17	Criminal Justice Planning	
18	Discretionary Grants	75,100 *
19	Alaska Court System	
20	Administration and Support	43,400 *
21	General Government	
22	Office of the Governor	
23	Policy Development and Planning	43,000
24	Department of Administration	
25	Equal Employment Opportunity	16,400 *

* Sec. 2. The following items are appropriated and allocated for capital projects from funds other than the general fund, as set out in sec. 3 of this Act, to the state agencies named and for the purposes expressed:

Education

1	Department of Education	
2	Akiak School Addition	180,000
3	Natural Resources Management	
4	Department of Natural Resources	
5	Federally Aided Park and Recreation	
6	Facilities Improvements - Statewide	
7	Saxman Playground	10,000
8	Fairbanks Sports Complex	65,000
9	Nenana City Park	20,000
10	Bethel Community Park	200,000
11	Juneau Marine Park	143,205
12	Public Protection	
13	Department of Military Affairs	
14	Construction of Maintenance Shop, Nome	394,500
15	Construction of Maintenance Shop, Bethel	394,200
16	Nome Hangar Crane and Heating Repairs	120,000
17	Transportation	
18	Department of Transportation and Public	
19	Facilities	
20	Transportation Planning	476,700
21	Fairbanks International Airport	
22	(runway seal coat)	310,000
23	Kipnuk Airport Improvements	326,600
24	Kwigillingok Airport Improvements	365,900
25	Kongiganak Airport Improvements	356,700
26	Tuntutuliak Airport Improvements	286,400
27	Chitina Apron	170,000
28	Fort Yukon Apron	665,000
29	Russian Mission Airport	900,000

1	Ouzinkie Airport	950,000
2	Dillingham Airport	317,193
3	Huslia Airport	57,362
4	Seldovia Airport	806,250
5	Fairbanks Land Acquisition	316,602
6	Fairbanks Heavy Apron, Expansion	617,000
7	Fairbanks Entrance Road	24,200
8	Highways	

9 Federal Aid for Highway Construction

10 and Engineering Program 3,000,000

11 * Sec. 3. Appropriations made by secs. 1 and 2 of this Act are from the
12 following funding sources:

13	Funding Source	Appropriation Amounts
14	Federal Receipts	\$17,666,312
15	Program Receipts	4,858,000
16	Interagency Receipts	60,000
17	Restricted Receipts of University	
18	of Alaska	1,182,100
19	Student Fees	1,067,200
20	Indirect Cost Recovery	249,700
21	Training and Building Fund	100,000
22	Alaska Humanities Forum	<u>15,000</u>
23		\$25,198,312

24 * Sec. 4. Except for the appropriations made by sec. 2 of this Act and
25 the amounts in sec. 1 which are followed by an asterisk, which lapse upon
26 termination of funding from the federal or other program receipt source, the
27 appropriations in secs. 1 - 11 of this Act lapse June 30, 1978.

28 * Sec. 5. (a) To the extent that federal or other program receipts for
29 FY 78 exceed those appropriated by ch. 153, SLA 1977, they are appropriated

upon the determination of the division of budget and management, approved by the governor, that the expenditure of the receipts is consistent with the statutory authority under which the receiving agency functions.

(b) This open-ended appropriation of federal or other program receipts has been made in accordance with stipulations in C.A. No. 77-4, Ramona M. Kelley, et al, v. Jay S. Hammond, et al, dated June 15, 1978, on file with the Superior Court, Juneau, Alaska.

Health and Social Services

* Sec. 6. Section 9, ch. 153 SLA 1977, page 13, line 9 (Social Services) is amended to read:

	Appropriation Items	General Fund
Southcentral Region	<u>1,683,800</u> [1,691,200]	<u>1,683,800</u> [1,691,200]

* Sec. 7. Section 9, ch. 153 SLA 1977, page 13, line 12 (Social Services), is amended to read:

	Appropriation Items	General Fund
Western Region	<u>587,100</u> [594,300]	<u>587,100</u> [594,300]

* Sec. 8. Section 9, ch. 153 SLA 1977, page 13, line 13 (Social Services), is amended to read:

	Appropriation Items	General Fund
Northwestern Region	<u>446,500</u> [472,100]	<u>446,500</u> [472,100]

* Sec. 9. Section 9, ch. 153 SLA 1977, page 13, line 14 (Social Services), is amended to read:

	Appropriation Items	General Fund
Southern Region	<u>364,900</u> [359,900]	<u>364,900</u> [359,900]

* Sec. 10. Section 9, ch. 153 SLA 1977, page 13, line 15 (Social Ser-

vices), is amended to read:

	Appropriation Items	General Fund
Kenai	<u>86,500</u> [71,900]	<u>86,500</u> [71,900]

* Sec. 11. Section 9, ch. 153 SLA 1977, page 13, line 20 (Social Services), is amended to read:

	Appropriation Items	General Fund
Central Office	<u>887,000</u> [866,400]	<u>887,000</u> [866,400]

Royalty Oil Purchase

* Sec. 12. Section 9, ch. 153 SLA 1977, page 42, line 18 (Department of Revenue), is amended to read:

OFFICE OF THE COMMISSIONER	<u>540,000</u> [431,000]	<u>540,000</u> [431,000]
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* Sec. 13. Section 10, ch. 153 SLA 1977, page 47, line 26 (New Legislation), is amended to read:

HCR 27 STATE FACILITATED FINANCING

ALL-ALASKA GAS PIPELINE	<u>210,000</u> [319,000]	<u>210,000</u> [319,000]
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Steering Council for Alaska Lands

* Sec. 14. Section 1, ch. 113 SLA 1977 is amended to read:

Section 1. The sum of \$320,000 [\$300,000] is appropriated from the general fund to the Department of Natural Resources for the Steering Council for Alaska Lands. The appropriation is made exclusively for purposes of meeting expenses of administration of the work of the council and may not be transferred to any other program. The unexpended and unencumbered funds appropriated in this section shall lapse into the general fund June 30, 1979.

* Sec. 15. Section 2, ch. 113 SLA 1977 is repealed.

Department of Labor

* Sec. 16. Section 9, ch. 153 SLA 1977, page 26, lines 19 through 23

(Public Protection, OSHA), are amended to read:

	Appropriation	General	Other
	Items	Fund	Funds
General Administration			
	<u>582,600</u> [501,900]	<u>279,600</u> [251,000]	<u>303,000</u> [250,900]
Compliance Inspection			
	<u>885,900</u> [904,200]	<u>442,900</u> [452,100]	<u>443,000</u> [452,100]
Health Inspection			
	<u>200,900</u> [236,900]	<u>94,200</u> [118,500]	<u>106,700</u> [118,400]
Training and Consultation			
	<u>352,900</u> [289,500]	<u>102,400</u> [144,700]	<u>250,500</u> [144,800]
Planning and Standards			
	<u>122,000</u> [150,100]	<u>61,100</u> [75,100]	<u>60,900</u> [75,000]

* Sec. 17. The sum of \$35,000 is appropriated from the Fishermen's Fund to the Department of Labor for the payment of claims awards in fiscal year 1978.

* Sec. 18. The sum of \$254,800 is appropriated from the Second Injury Fund to the Department of Labor for the payment of disability awards, training and related costs in fiscal year 1978.

Health and Social Services, Division of Corrections

* Sec. 19. Section 9, ch. 153 SLA 1977, page 30, line 18 (Adult Confinement), is amended to read:

	Appropriation	General
		Fund
Fairbanks Correction Center		
	<u>2,095,600</u> [1,804,600]	<u>2,095,600</u> [1,804,600]

* Sec. 20. Section 9, ch. 153 SLA 1977, page 30, line 20 (Adult Confinement), is amended to read:

	Appropriation	General
		Fund

Anchorage Annex Correction Center

<u>1,486,300</u>	[1,277,300]	<u>1,486,300</u>	[1,277,300]
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* Sec. 21. Section 9, ch. 153 SLA 1977, page 30, line 26 (Juvenile Confinement), is amended to read:

Appropriation

General

Fund

McLaughlin Youth Center

<u>3,535,000</u>	[3,498,000]	<u>3,535,000</u>	[3,498,000]
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* Sec. 22. Section 9, ch. 153 SLA 1977, page 31, line 4 (Juvenile Confinement), is amended to read:

Appropriation

General

Fund

Local Facilities

<u>1,566,900</u>	[2,211,900]	<u>1,566,900</u>	[2,211,900]
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* Sec. 23. Section 9, ch. 153 SLA 1977, page 31, line 5 (Juvenile Confinement), is amended to read:

Appropriation

General

Fund

Out-of-State Contractual Services

<u>634,000</u>	[526,000]	<u>634,000</u>	[526,000]
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Department of Law

* Sec. 24. Section 9, ch. 153 SLA 1977, page 30, line 9 (Administration of Justice), is amended to read:

Appropriation

General Fund

Item

Second Judicial District

<u>117,300</u>	[111,800]	<u>117,300</u>	[111,800]
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* Sec. 25. Section 9, ch. 153 SLA 1977, page 30, line 10 (Administration of Justice), is amended to read:

Appropriation		General Fund	
Item			
Third Judicial District			
	<u>1,961,000</u>	[1,952,500]	<u>1,961,000</u> [1,952,500]
* Sec. 26. Section 9, ch. 153 SLA 1977, page 30, line 11 (Administration of Justice), is amended to read:			
Appropriation		General Fund	
Item			
Fourth Judicial District			
	<u>791,500</u>	[816,500]	<u>791,500</u> [816,500]
* Sec. 27. Section 9, ch. 153 SLA 1977, page 30, line 12 (Administration of Justice), is amended to read:			
Appropriation		General Fund	
Item			
Administration and Support			
	<u>226,500</u>	[215,500]	<u>226,500</u> [215,500]
University of Alaska			
* Sec. 28. Section 9, ch. 153 SLA 1977, page 7, lines 18 - 26, page 8, lines 1 - 26, page 9, lines 1 - 28, page 10, lines 1 - 26, and page 11, lines 1 - 17 are repealed and re-enacted to read:			
Alloca-	Appropria-	Appropriation Fund Sources	
tions	tion Items	General Fund	Other Funds
UNIVERSITY OF ALASKA			
Board of Regents/			
Statewide	\$ 4,385,900	\$ 3,234,900	\$ 1,151,000
Board of Regents	\$ 274,800		
Statewide-Insti-			
tutional Support	4,111,100		
Organized Research	37,011,200	7,073,100	29,938,100

1	Geophysical	
2	Institute	7,410,600
3	Institute of	
4	Marine Science	5,326,700
5	Institute of Water	
6	Resources	734,800
7	Agricultural Experi-	
8	mental Station	2,623,300
9	Institute of Arctic	
10	Biology	5,092,300
11	Institute of Social	
12	and Economic	
13	Research	1,381,900
14	Center for Northern	
15	Education Research	710,900
16	SeaGrant	1,066,700
17	Arctic Environment	
18	Information and	
19	Data Center	1,717,800
20	Bionne Center	786,100
21	Cooperative Wildlife	
22	Research	266,600
23	Mineral Industry	
24	Research	249,600
25	Forest Soils	
26	Laboratory	337,300
27	WAMI/Medical Science	1,052,900
28	General Miscellaneous	
29	Research	781,700

1	Naval Arctic Research				
2	Laboratory	7,472,000			
3	Fairbanks		28,128,800	19,907,900	8,220,900
4	Instruction	7,581,200			
5	Research and Pro-				
6	fessional Centers	41,900			
7	Public Service	791,600			
8	Academic Support	2,983,000			
9	Student Services	3,445,700			
10	Institutional				
11	Support	12,860,700			
12	Student Loans,				
13	Scholarships	424,700			
14	Anchorage		14,257,200	9,437,700	4,819,500
15	Instruction	3,550,100			
16	Research and Pro-				
17	fessional Centers	675,900			
18	Academic Support	1,656,600			
19	Student Services	1,867,800			
20	Institutional				
21	Support	5,408,800			
22	Student Loans,				
23	Scholarships	1,098,000			
24	Southeast		2,833,300	2,090,000	743,300
25	Instruction	668,100			
26	Public Service	358,000			
27	Academic Support	283,000			
28	Student Services	339,100			
29	Institutional				

1	Support	1,185,100			
2	Community College Contract				
3	Funding		188,600	188,600	
4	Ketchikan Community College		763,700	675,800	87,900
5	Instruction	466,300			
6	Academic Support	89,800			
7	Student Services	23,000			
8	Institutional				
9	Support	184,600			
10	Sitka Community College		504,300	458,300	46,000
11	Instruction	268,200			
12	Academic Support	62,300			
13	Student Services	15,900			
14	Institutional				
15	Support	88,900			
16	Sheldon Jackson				
17	Consortium	69,000			
18	Juneau-Douglas Community College		1,195,200	934,900	260,300
19	Instruction	1,057,900			
20	Academic Support	137,300			
21	Anchorage Community College		8,347,000	6,931,700	1,415,300
22	Instruction	6,824,300			
23	Public Service	221,700			
24	Academic Support	985,100			
25	Student Services	315,900			
26	Mat-Su Community College		765,500	673,500	32,000
27	Instruction	333,600			
28	Academic Support	67,400			
29	Student Services	6,500			

1	Institutional			
2	Support	203,400		
3	Public Service --			
4	Eagle River	94,600		
5	Kodiak Community College	922,000	745,400	176,600
6	Instruction	581,000		
7	Student Services	40,300		
8	Institutional			
9	Support	300,700		
10	Kenai Community College	963,900	863,400	100,500
11	Instruction	545,500		
12	Student Services	84,100		
13	Institutional			
14	Support	334,300		
15	Kuskokwim Community College	2,120,500	1,581,400	539,100
16	Instruction	1,319,900		
17	Academic Support	46,500		
18	Student Services	230,700		
19	Institutional			
20	Support	435,300		
21	Public Service	88,100		
22	Northwest Community College	403,800	353,800	50,000
23	Instruction	200,500		
24	Academic Support	5,000		
25	Institutional			
26	Support	198,300		
27	Tanana Valley Community College	1,776,400	1,473,900	302,500
28	Instruction	1,054,700		
29	Academic Support	596,100		

1	Student Services	125,600			
2	Rural Education		4,376,800	3,692,100	684,700
3	Instruction - Rural				
4	Centers	1,132,800			
5	Instruction - Central				
6	Support	201,400			
7	Research and Pro-				
8	fessional Centers	269,500			
9	Public Service	2,014,700			
10	Academic Support -				
11	Central	483,600			
12	Institutional				
13	Support - Central	274,800			

Department of Public Safety

* Sec. 29. Section 9, ch. 153 SLA 1977, page 24, line 22 (Natural Resources Management and Environmental Conservation, Aircraft Section), is amended to read:

	Appropriation	Appropriation Fund Source
	Item	General
Aircraft Section	<u>646,400</u> [634,400]	<u>646,400</u> [634,400]

* Sec. 30. Section 9, ch. 153 SLA 1977, page 24, line 23 (Natural Resources Management and Environmental Conservation, Marine Enforcement), is amended to read:

	Appropriation	Appropriation Fund Source
	Item	General Other
Marine Enforcement		
	<u>907,600</u> [919,600]	<u>734,800</u> [746,800] 172,800

Department of Military Affairs

* Sec. 31. Section 9, ch. 153 SLA 1977, page 28, line 9 (Public

Protection, Office of the Adjutant General), is amended to read:

	Appropriation	Appropriation Fund Source
	Item	General
Office of the Adjutant		
General	<u>963,000</u> [942,400]	<u>963,000</u> [942,400]

* Sec. 32. Section 9, ch. 153 SLA 1977, page 28, line 10 (Public Protection, State Armories), is amended to read:

	Appropriation	Appropriation Fund Source
	Item	General
State Armories	<u>704,700</u> [680,300]	<u>704,700</u> [680,300]

* Sec. 34. Section 9, ch. 153 SLA 1977, page 28, line 14 (Public Protection, Organized Militia Benefits), is amended to read:

	Appropriation	Appropriation Fund Source
	Item	General
Organized Militia		
Benefits	<u>355,700</u> [400,700]	<u>355,700</u> [400,700]

* Sec. 35. Section 9, ch. 153 SLA 1977, page 55, line 24 (Public Protection, U.S. Property and Fiscal Office Warehouse), is amended to read:

	Appropriation	Appropriation Fund Source
	Item	General Other
U.S. Property and Fiscal Office Warehouse		
	<u>1,850,000</u> [1,900,000]	<u>50,000</u> [100,000] 1,800,000

* Sec. 36. Section 9, ch. 153 SLA 1977, page 55, line 25 (Public Protection, Nome Armory Heating), is amended to read:

	Appropriation	Appropriation Fund Source
	Item	General
Nome Armory Heating and Contingency Fund		
	<u>55,000</u> [40,000]	<u>55,000</u> [40,000]

* Sec. 37. Section 9, ch. 153 SLA 1977, page 55 is amended by adding an

appropriation in line 26 to read:

Appropriation	Appropriation Fund Source
Item	General
IDS Systems and CSMS Improvements	
35,000	35,000
Department of Education	

* Sec. 38⁷. Section 9, ch. 153 SLA 1977, page 4, line 24 (Education, Foundation Program), is amended to read:

Appropriation	Appropriation Fund Source
Item	General
Foundation Program -	
Regular	
137,680,300 [138,748,800]	137,680,300 [138,748,800]

* Sec. 39⁸. Section 9, ch. 153 SLA 1977, page 5, line 8 (Education, Foundation Program), is amended to read:

Appropriation	Appropriation Fund Source
Item	General Other
Foundation Program - REAA	
42,570,400 [41,656,900]	26,070,400 [25,156,900] 16,500,000

* Sec. 40²⁹. Section 9, ch. 153 SLA 1977, page 5, line 19 (Education, Correspondence Study) is amended to read:

Appropriation	Appropriation Fund Source
Item	General
Correspondence	
Study	
980,000 ^{825,000} [25,000]	980,000 ^{825,000} [25,000]

Office of the Governor, Public Defender Agency

* Section 40. Section 9, ch. 153 SLA 1977, page 29, line 20 (Administration of Justice, Second Judicial District), is amended to read:

Appropriation	Appropriation Fund Source
Item	General

Second Judicial District

108,100 [99,200]108,100 [99,200]

* Sec. 4~~1~~. Section 9, ch. 153 SLA 1977, page 29, line 21 (Administration of Justice, Third Judicial District), is amended to read:

Appropriation

Appropriation Fund Source

Item

General

Third Judicial District

979,200 [988,100]979,200 [988,100]

Department of Community and Regional Affairs

* Sec. 4~~2~~. Section 9, ch. 153 SLA 1977, page 15, line 18 (Social Services, Senior Citizens Tax Exemption, Property Tax Exemption), is amended to read:

Appropriation

Appropriation Fund Source

Item

General

Property Tax Exemption

1,332,300 [1,292,300]1,332,300 [1,292,300]

* Sec. 4~~3~~. Section 9, ch. 153 SLA 1977, page 15, line 19 (Social Services, Senior Citizens Tax Exemption, Renters Equivalency), is amended to read:

Appropriation

Appropriation Fund Source

Item

General

Renters Equivalency

614,200 [654,200]614,200 [654,200]

* Sec. 4~~4~~. Sections 6 - 43 of this Act are retroactive to July 1, 1978.

* Sec. 4~~5~~. *Steering Council for Alaska Lands*
Section 1, ch. 27 SLA 1978 is amended to read:

Section 1. The sum of \$896,222 is appropriated from the general fund to the Department of Natural Resources for disbursement to the Steering Council for Alaska Lands. The unexpended and unencumbered funds appropriated in this section shall lapse into the general fund

June 30, 1979.

* Sec. 46. Section 2, ch. 27 SLA 1978 is repealed.

Executive Agency *Procyano*

* Sec. 47. The sum of \$32,000 is appropriated from the general fund to the Department of Education to fund the Cultural Facilities Development Committee.

* Sec. 48. The sum of \$294,500 is appropriated from the general fund to the Department of Labor to be allocated as follows:

Electrical Inspectors	\$183,100
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Unemployment insurance fraud

investigators	211,400
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* Sec. 49. The sum of \$150,000 is appropriated from the general fund to the Department of Natural Resources, Royalty Oil and Gas Development Advisory Board for development of in-state royalty oil and gas processing.

* Sec. 50. The sum of \$250,000 is appropriated from the general fund to the Department of Fish and Game for the bottomfish resources research program.

* Sec. 51. The sum of \$317,900 is appropriated from program receipts to the Department of Fish and Game for the purpose of publishing Fish and Wildlife books.

* Sec. 52. The sum of \$460,800 is appropriated from the general fund to the Department of Commerce and Economic Development for the bottomfish industry development programs.

* Sec. 53. The sum of \$1,000,000 is appropriated from the general fund to the Office of the Governor to fund training, education and infrastructure development of the bottom fish industry.

* Sec. 54. The sum of \$11,300 is appropriated from the general fund to the Department of Administration to fund retirement benefits for three territorial employees covered under the Territorial Retirement System.

* Sec. 55. The sum of \$270,000 is appropriated from the general fund to the Department of Law to fund the state's participation in intrastate rate hearings and federal-state joint board hearings relating to telecommunications.

* Sec. 56. The sum of \$2,250,000 is appropriated from the general fund to the Department of Transportation and Public Facilities for an air cushion vehicle demonstration project.

* Sec. 57. The sum of \$1,998,600 is appropriated from federal program receipts to the following named agencies for the purposes listed as originally requested in budget amendments:

Budget	Agency	Purpose	Amount
Amendment			
58	Department of Law	Antitrust enforcement started by revised program in FY 78 (#78-148)	\$ 263,000
64	Community and Regional Affairs	Winterization program for low income housing, statewide	1,077,000
129	Community and Regional Affairs	Assistance for local communities to plan for coastal energy activity. These funds represent the funds available to carry forward into FY 79 that were approved during FY 78 by RP 78-134.	658,600

Legislative Programs

* Sec. 58. The sum of \$85,000 is appropriated from the general fund to the Legislative Council for telecommunications consultants.

* Sec. 59. The sum of \$130,000 is appropriated from the general fund to

1 the Legislative Affairs Agency, legislative research division, for studies
2 related to direct financial participation for the natural gas pipeline pro-
3 ject.

4 * Sec. 60. The sum of \$250,000 is appropriated from the general fund to
5 the legislative finance division for consulting and related expenses for
6 study of the application of two-factor financing for the oil pipeline and
7 bottomfish industry.

8 * Sec. 61. The sum of \$100,000 is appropriated from the general fund to
9 the legislative finance division for aquaculture study.

10 * Sec. 62. The sum of \$55,000 is appropriated from the general fund to
11 the legislative finance division for the establishment of a computer program
12 designed to track funding changes in state positions.

13 * Sec. 63. The appropriations in secs. 47 - 62 ^{of the Act} are for operating expendi-
14 tures for FY 1979 beginning July 1, 1978 and ending June 30, 1979.

15 Miscellaneous Claims

16 * Sec. 64. The sum of \$261,211.78 is appropriated from the general fund
17 to pay miscellaneous claims against the state, to be allocated as follows:

18 Department	Amount
19 Office of the Governor	\$ 249.60
20 Department of Health and Social Services	13,192.83
21 Department of Commerce and Economic Development	2,665.00
22 Department of Public Safety	1,120.24
23 Department of Administration	1,160.94
24 Department of Fish and Game	18 ⁶ / ₁₀₀ .63
25 Department of Revenue	2,485.73
26 Department of Community and Regional Affairs	1,254.00
27 Department of Transportation and Public	
28 Facilities	22,861.79
29 Anchorage Neighborhood Health Center for	