

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2784

HOUSE FINANCE COMMITTEE

April 7, 1981

1:45 p.m.

{Tape HFC 81-32, Side 2, #010}

PRESENT

Chairman Cotten called the meeting to order at 1:45 p.m. All members of the Committee were present, except Representative Buchholdt. Representatives Malone and Meekins arrived later in the meeting. Also in attendance: Representatives Mike Miller and Rick Halford; Commissioner Robert LeResche and Geoffrey Haynes, Deputy Commissioner, Department of Natural Resources; Elmer Lindstrom and Bob Grogan, Fiscal Analysts, Division of Legislative Finance.

HB 28 AND HB 29

Chairman Cotten advised the first order of business was to hear testimony on HB 28 and HB 29:

HB 28 - "An Act relating to youth hostels; and providing for an effective date."

HB 29 - "An Act making a special appropriation to the Department of Commerce and Economic Development for the youth hostel revolving loan fund; and providing for an effective date."

(Representative Malone arrived at this time.)

Representative Miller, sponsor of the bills and State Affairs Committee chairman, presented testimony. Hosteling, he said, is a prime activity in the State, and he feels the name is a misnomer, as it does not just apply to youth, but includes all ages. He likened it to a camping situation and indicated he feels hosteling ought to be available to anyone who wishes to take advantage of it. He advised there are hostels in Ketchikan, Juneau, Anchorage, "Mt. McKinley sort of" and Nome. "Presently," he continued, "they are being operated in association with churches; and the churches would like to get out of the hostel business for the simple reason that hostels don't make very good churches, and churches don't make very good hostels."

This is a request for some help in the form of a no-interest loan--because hostels do not make money--to a hostel organization to either buy or build a youth hostel on a year-round basis, Representative Miller continued. He advised the loan would be paid back at the rate of \$2 a bed per night, and "It is amazing how fast a loan can be paid off if there is no interest charged." So, in effect, he said, "We are not giving anything, except no interest." He advised the hostel clientele includes a lot of

Alaskans as well as national and international visitors, and he feels Alaska should provide for them. This legislation (HB 28), he said, provides for loans not to exceed \$200,000 and can be used to convert a building or to begin "from the ground up"; and the appropriation (HB 29) calls for \$300,000, which he feels is adequate for starters.

Representative Miller stated these buildings can be used for youth gatherings, housing such groups as visiting basketball teams, etc., and would offer the youth clean, safe buildings. He indicated he has used hostel accommodations when traveling and feels, "It's a wonderfully worthwhile program (and) a wonderful lifestyle."

Referring to the Youth Hostel Coordinator's Office, located in Anchorage and created some years ago, Representative Miller advised it was felt this would take away business from the hotels, when in fact it does not. He added the Coordinator of the Alaska Youth Hostel program is Linda Sheldon, who "is doing a terrific job."

Chairman Cotten questioned the language on page 1, line 15, 16 & 17, of the State Affairs CS for HB 28, relating to the effective date. Representative Miller advised that is not what the SA Committee meant to do. The intent was, he stated, that the youth hostel meet the "current or 1981" guidelines as set by the American YouthHostels.

Representative Freeman questioned the \$50,000 fiscal note prepared by the Department, which he feels is excessive to handle a \$300,000 loan. Representative Miller agreed and feels "they can do this 'out-of-pocket' for three or four loans per year." He also pointed out that, at the time the fiscal note was prepared, the Department did not quite understand the program. Answering questions, he responded Juneau is interested, as the hostel is currently being housed in the basement of the Northern Lights Church. He advised Sitka has expressed an interest in this program, as well as Anchorage, which just began operation last year and is interested in expanding, and Nome.

Noting this is a very demanding type of operation and not a money-maker, Representative Montgomery indicated he understands its being managed by a church, but wondered what other group would be interested in taking this on. Representative Miller responded some very outstanding people, such as Boy Scout leaders, Cancer Campaign, etc., have expressed interest.

AMENDMENT

Representative Rogers moved an amendment on page 1, line 15, of CSHB 28 (SA), after "meets" insert "the 1981"; lines 16 & 17, delete "by the effective date of this Act". Representative Carney moved an amendment to the amendment, page 1, line 15, after "hostel" insert "proposal". There being no objection, the

amendment to the amendment was adopted. There being no objection, the amendment was adopted.

CSHB 28 (FINANCE) REPORTED OUT

Representative Rogers moved to report out a Finance Committee Substitute for HB 28, as amended. There was no objection. Representative Rogers moved a \$3,000 fiscal note to provide travel to inspect the hostels. During discussion on the fiscal note, Chairman Cotten asked if there is any problem with a zero fiscal note, and Representative Miller indicated "not this year, anyway". Chairman Cotten moved a zero fiscal note. There was no objection. CSHB 28 (Finance) with zero fiscal note attached was reported out of Committee with "individual recommendation".

HB 29 REPORTED OUT

Representative Rogers moved to report out HB 29. There being no objection, it was so ordered. HB 29 was reported out of Committee with "individual recommendation".

RECESS

(Chairman Cotten called a brief recess at 2:15 p.m. and reconvened the meeting at 2:20 p.m. All Committee members were present, except Representatives Meekins and Buchholdt.)

HB 31

Chairman Cotten brought HB 31 up for consideration:

HB 31 - "An Act relating to the management and use of state, municipal, and private land; annulling 11 AAC 53.450(c); and providing for an effective date."

Representative Freeman took the witness stand to testify on the history of land disposal. He advised about five years ago, he introduced a bill that became known as the "hippy homestead bill," which was the start of the problems, and not too much happened to it." The next year, he said, he and Representative Bradley introduced a bill that "mandated this be done". The following year, he stated, was the year of the "homesite bill--a sweat-equity type of program". "The problem we have had," he continued, "is one of the Legislature's making." As an example, he cited the passage of the mandatory borough act several years ago that says the boroughs are entitled to select up to so many acres and are allowed to overselect, which "created some terrible inequities." He gave examples of the particular problems encountered in Southeast. He noted a tremendous amount of time and effort has gone into this bill and that he has worked closely with Representative Halford on the Resources Committee. The one section of the bill he was mainly concerned with, he said, is the mandate, and this bill tries to take care of that problem. "It doesn't allow the municipality to sit and hold the prime land that is available within the State," he concluded.

At this time, Chairman Cotten asked that Representative Halford, who had joined Representative Freeman at the witness table, highlight the changes in the disposal program and touch on the fiscal implications. Referring to the Resources CS for HB 31, Representative Halford, member of the Resources Committee, advised one of the main changes is in the remote parcel section of the program, which repeals the minimum per acre cost.

There was discussion on the definition of "remote parcel" and the lease agreement regarding surveying and brush lines brought up by Representative Moss. Representative Moss asked exactly what land this would involve and explained he is worried about not having a definite enough definition, "because as soon as they get this land, they want roads built," etc. Representative Halford advised the Division of Lands sets remote parcel land, and some lies inside and some outside a municipality.

Another area changed in the remote parcel section, Representative Halford stated, is that the appraisal is now based on date of entry. Chairman Cotten asked about pricing, and Representative Halford replied it was previously \$50 per acre per lease but was reduced to \$10 in this legislation. Representative Rogers indicated it was his understanding that, in terms of pricing being changed to date of entry, this was to discourage speculation on remote parcels. However, he added, he feels this way encourages speculation even more than the previous language. Representative Halford stated he feels it does discourage speculation as much as possible without making it too restrictive.

{Tape HFC 81-33, Side 1, #001}

Representative Moss asked about the surveying of remote parcels, and Representative Halford indicated this is very technical and should be answered by Division officials.

Continuing with his presentation, Representative Halford advised the major portion of the bill goes back to Representative Freeman's comments, in that it sets up provisions whereby the municipalities must designate their selection of land before they get further patent to the land they have under selection; and this designation must be made by July 1. "They cannot sit on the lands," he said. Chairman Cotten commented this is "to encourage the municipality to put out better land; (and if they do,) they will be allowed to enter into an agreement with the State as to which 20% will be disposed of through the system."

Representative Halford indicated this is correct, with the following three exceptions: (1) "if the land they need patent to is for an essential public purpose, they go ahead and get title to it; (2) if the land is scheduled for disposal of their's (sic), then they get title to it immediately; and (3) if the amount of land the municipality has is less than 10% of its entitlement, they go ahead and get up to 10% of the entitlement."

Representative Rogers commented he is concerned with the impact on communities and feels "a deal is a deal". Last year, he said,

the State tried to encourage the formation of boroughs, and now it's taking it back. Representative Freeman indicated this is a situation where the State went 16-17 years where it didn't give the boroughs their land. As an example, in territorial days, he said, the U.S. Congress granted to Alaska about one million acres of land for mental health to support mental health programs, and it didn't work that way. It was to be land adjacent to and most suitable to mental health, he continued; however, this was changed from a land trust to a money trust, and the land was made available for selection. "A lot has been done for municipalities for making land available; we have allowed them to take the best land," he said. Representative Freeman stated his goal is to make land available to the public for private ownership and not to allow the municipalities to "sit and hold the land".

Chairman Cotten announced it is not his intent to move the bill out of Committee today and that further hearings are scheduled tomorrow. He also advised Representative Freeman's proposed amendment (see Attachment 1) would be addressed at that time.

In closing, Representative Halford summarized the main points of the bill as follows: (1) the quota is repealed; (2) slight change in the definition of veterans--broadened so that it encompasses all vets, not just war-time; (3) slight change in the subdivision requirements regarding remote parcels and OTE's; (4) size of lots is not restricted to just five acres; and (5) requirement that residential lands auction be held in the closest location to the lands. He referred to the amendment to be offered by Representative Freeman this afternoon as a technical amendment that deals with capital improvements and will qualify the combination of over-ride and quota if "we still add a quota".

At this time, Commissioner LeResche presented the Department's view of the bill. He described the bill as a switch from land disposal. He advised he feels this bill takes care of the two real problems under existing statutes; namely, eliminating the quota requirement of 100,000 acres and the selling of very poor land. "This bill solves both problems," he said; and "the Resources Committee did a good job on the CS" for HB 31. Each year a needs or demands assessment would be done, he advised, and brought to the Legislature for direction, where it would be looked at and tailored to fit the needs. It also "springs" some of this land, through the 20% and over-ride provisions, from the municipality so that it can be offered. Remote parcel, Commissioner LeResche explained, means simply land that is disposed of in a certain way; it is just the name of a type of disposal, and there is no requirement that the land be described in a certain way.

Representative Rogers again commented he feels, "We are over-riding the local wishes." For example, he said, last year in the D-2 debate, the fight was for more local control. In rebuttal, Representative Freeman referred to his past involvement in local government and described the type of people who came to him to request land. "The flaw was," he said, "the same class or

type of people are not the same group of people in local government." He indicated, "It's State land, and the municipality came in possession of it by a fluke." He maintained it is the Legislature's responsibility to see that the municipal government is not doing what the federal government did. He doesn't think the federal, State or local government should sit on this land.

(Representative Meekins joined the meeting, and Representative Moss left at this time.)

Representative Carney commented the State is the biggest land owner, and he doesn't think it should over-ride the local governments. He wondered if it is essential to have the over-ride provision in the bill to administer the program.

Commissioner LeResche indicated he believes it is essential they require things of the State that they don't require of the local government. Jeff Haynes added the 20% will then go back to the land bank. Representative Carney indicated this still puts the Legislature in the position of telling the local governments what they have to do. Commissioner LeResche added he feels it is important the Legislature have the right to control.

Chairman Cotten thanked Commissioner LeResche and the Department for their part in working so closely with the Legislature.

Representative Rogers asked about a fiscal note, and Commissioner LeResche advised the original was for approximately \$2.1 million, and the Department is in the process of revising the fiscal note for the Resources CS downward and that it will be forthcoming. Chairman Cotten asked what it would cost to survey all the entitlements under this bill, and Mr. Haynes indicated \$12.4 million and that the breakout is by borough (see Attachment 2). For FY 82, he said, the fiscal impact should be under \$2 million. The fiscal note is in three parts, he explained; the operating budget, which is under \$1 million; (2) surveying, which is \$12.4; and (3) survey for actual costs.

HB 31 HELD

ADJOURNMENT

The meeting adjourned at 3:00 p.m.

Tape HFC 81-32, Side 2, #010 - End
HFC 81-33, Side 1, #001 - #651

Freeman

AS 40.15.010 is amended by adding a new subsection to read:

(b) Notwithstanding (a) of this section, AS 29.33.190, 38.04.-045(b), 40.15.070, and 40.15.200, subdivisions of state land classified for disposal under AS 38.05 and AS 38.08 need not show the approval of the platting board or other subdivision authority having jurisdiction in order to file the plat for record in the office of the recorder. However, state subdivision plats must be submitted to the platting authority for review in compliance with this subsection and AS 29.33.-160(c) and recorded before the sale of any lots or tracts in the subdivision.

MEMORANDUM

State of Alaska

TO: Jeff Haynes
Deputy Commissioner
Department of Natural Resources

DATE: March 31, 1981

FILE NO:

TELEPHONE NO:

FROM: C. M. Hoffman *CHH*
Director
Division of Technical Services

SUBJECT: Survey Costs
(Municipalities &
Boroughs)

Survey costs to satisfy all requirements of law to allow passage of land title from the State to all municipalities has been completed.

The totals are 9.1M for unsurveyed lands, 2.1M for I.L.M.A.'s within the same areas, and 1.2M for DTS Administration and Management (10%).

Total cost is 12.4M to survey, plat and issue patents to the various municipalities.

Attachments - Breakout as above

cc: DNR Directors
Deputy Director, Div. of Technical Services
Assistant Director, Div. of Technical Services
Section Chiefs, Div. of Technical Services

(Includes Tot

Municipality

Bristol Bay Borough

Kenai Penn. Borough

Kodiak Is. Borough

Mat-Su Borough

Anchorage Municipality

City of Bethel

City of Cordova

City of Homer

City of Houston

City of Kodiak

City of Ouzinkie

City of Port L...

C.D. - L. S. L.

Summary Sheet

(Includes Totals of Unsurveyed Final Decisions, G.S.I.s, Municipal Selections and Unknown Unsurv.)

Municipality	Total Acreage	Survey Cost/Ac. Average	No. Miles Known	Cost/\$ mile Average	No. Contracts	Total Cost/\$ Estimate
Bristol Bay Borough	400	47 ⁰⁰			1	18,700
Kenai Penn. Boro.	46,600	18 ⁰⁰	40	6366 ⁰⁰	6	642,500
Kodiak Is. Boro.	26,800	31 ⁰⁰	148	5397 ⁰⁰	15	786,300
Mat-Su. Boro.	151,685	22 ⁰⁰	586	5393 ⁰⁰	39	3,077,700
Anchorage Munic.	2000	28 ⁰⁰	20	2827 ⁰⁰	3	55,400
City of Bethel	40	520 ⁰⁰	0.4		1	20,800
City of Cordova	243	188 ⁰⁰	9	4396 ⁰⁰	2	45,640
City of Homer	1	5700 ⁰⁰			1	5,700
City of Houston	170	71 ⁰⁰	3	3871 ⁰⁰	1	12,000
City of Kodiak	32	178 ⁰⁰			1	5,700
City of Ozunike	240	41 ⁰⁰			1	9,800
City of Port Lions	35	176 ⁰⁰			1	6,150
City of Soldotna	9	456 ⁰⁰	0.6	6833 ⁰⁰	1	4,100
City of Valdez	4,135	67 ⁰⁰	44	4359 ⁰⁰	7	190,700
City of Juneau Boro	15,115	83 ⁰⁰	131	9049 ⁰⁰	9	1,222,400
City of Sitka Boro	4,350	72 ⁰⁰	36	8687 ⁰⁰	4	318,300
Haines Boro	288	262 ⁰⁰	8	9894 ⁰⁰	2	25,500
Ketchikan Gateway Bor.	10,450	85 ⁰⁰	68	8689 ⁰⁰	10	889,300
City of Hoonah	15	410 ⁰⁰			1	6,150
City of Ketchikan	0.5	4100 ⁰⁰	0.2	4100 ⁰⁰	1	4,100
City of Skagway	275	1,7 ⁰⁰	6	9458 ⁰⁰	1	54,600
City of Yakutat	48	535 ⁰⁰	3	10,280 ⁰⁰	1	25,300
Fairbank No. Star Boro.	37,550	15 ⁰⁰	169	3362 ⁰⁰	18	537,200
North Slope Boro	89,850	12 ⁰⁰			4	1,067,200
City of Delta Jct.	100	89 ⁰⁰	3	3296 ⁰⁰	1	8,900
City of North Pole	0.5	5200 ⁰⁰			1	5,200
Totals	390,372		1275		133	9,096,740

MUNIC

BRISTOL

KENAI

KODIAK

MAT-S

MUNIC

CITY O

CITY O

CITY E

CITY E

HAINES

KETCHI

CITY O

FAIRB

SUMMARY SHEET - ILMAS WITHIN

MUNICIPAL SELECTIONS

1	2	3	4	5
MUNICIPALITY		NO. OF ILMA'S		ESTIMATED ACRES
BRISTOL BAY BOROUGH		2		80
KENAI PENINSULA BOROUGH		28		3,200
KODIAK ISLAND BOROUGH		8		620
MAT-SU BOROUGH		44		2,800
MUNICIPALITY OF ANCHORAGE		26		1,020
CITY OF HOUSTON		1		40
CITY OF VALDEZ		6		200
CITY & BOROUGH OF JUNEAU		8		300
CITY & BOROUGH OF SITKA		6		300
HAINES BOROUGH		3		120
KETCHIKAN GATEWAY BOROUGH		4		120
CITY OF YAKUTAT		1		40
FAIRBANKS NORTH STAR BORO.		4		160
CITY OF DELTA JUNCTION		1		20
CITY OF SEWARD		2		80
				9,100
ALL OTHER				

6	7	8	9	10	11	12	13
EST. COST PER ACRE					NO. OF CONTRACTS		TOTAL COST
225					1		18,000
225					4		7,200
225					2		139,500
225					6		630,000
225					4		229,500
225					1		900
225					1		450
225					1		67,500
225					2		67,500
225					1		27,000
225					1		27,000
225					1		900
225					1		36,000
350					1		700
225					1		18,000
					28		42,000

HOUSE FINANCE COMMITTEE

April 8, 1981

8:45 a.m.

(HFC 81-33, side 1 #651.)

PRESENT

All Members of the Committee were in attendance except Representative Malone. (Representative Meekins arrived later in the meeting.) Representative Clocksin, Chairman, House HESS Committee, was present to testify.

SSHB 41

Chairman Cotten called the meeting to order and brought SSHB 41 up for consideration.

SSHB 41 -- "An Act relating to the health of residents of the state; and providing for an effective date."

Representative Moss MOVED TO REPORT CS SSHB 41 (HESS) out of Committee. Representative Buchholdt OBJECTED for the purpose of offering an Amendment to the Bill.

Representative Buchholdt presented an amendment to the bill which would delete section 18.27.010(b) on page 2, lines 8-18, and add a new section 5 establishing a joint interim committee on page 4, line 28. (See attachment #1.) She explained the reason for the amendment is there is a group of people in the state that would wish to be under this program in the co-payments section; however, we don't have available the information on who would want the coverage. She said at this time exclusion is not a sign we object to including them in the co-payment section; however if the state took over coverage she thinks it would be probable that many people would be indirectly effected by this action. She said this is more a political than economic decision. She suggested that if, in time, they discover these people should be covered under this program because their programs are poor and/or phasing out, she would have no objection to including them. She said the other services provided by the federal government need to be studied also. She explained the interim committee would study these issues and return the information to the second session of this legislature. Representative Buchholdt advised the fiscal note for the interim committee is \$160.0. She briefly explained how that number was established. Chairman Cotten said part of her amendment refers to deleting section (b). He asked the reason for this. Representative Buchholdt said this section talks about secondary coverage. She said unfortunately the state plan is not as comprehensive as plans held by the labor union.

state employees, and others. She said the Indian Health Services is also providing primary care.

Chairman Cotten said it seems one reason to delete section (b) would be to make a statement that the state plan is designed for those people that fall into that category of not having any health insurance. He said his understanding of the program is that it was not to take in all employees of the state.

(Representative Meekins arrived at this time.)

(Tape Change, HFC 81-33, side 2.)

Representative Buchholdt said Chairman Cotten was correct, this plan was originally for those people who did not have coverage. She said they also felt that everyone who wants to should be able to join in. She said section 2 of the bill sets out some conditions for participation through co-payments.

Representative Buchholdt said the Department of Health and Social Services contracted out for a study last year. She said she didn't have any objection to their health planning process, but it is also very important that the Legislature keeps up with a program to deliver health care to its constituents. She said her only solution is this bill.

Representative Rogers referred to subsection (7) of the amendment where it states "the executive director of one of the native health corporations, or his representative" and he asked who appoints that person. He also asked who will chair the interim committee. Representative Buchholdt replied this would be a creation of the Legislature and normally the interim appointments would be made by the Speaker of the House and President of the Senate. Representative Adams said the selection would be made by the group that meets on a monthly basis, the health arm of the Alaska Federation of Natives.

Representative Rogers MOVED TO AMEND THE AMENDMENT, under subsection (7) to add "selected by the Alaska Native Health Board". There being no objection, it was so ordered.

Representative Meekins pointed out subsection (6) has the same problem, who will select the representative from the Alaska insurance industry?

Representative Rogers wondered if anyone had come up with an alternative to the federal Office of Human Development Services to determine median income.

REPRESENTATIVE CLOCKSIN said the thrust of Representative Buchholdt's amendment is to delete the secondary coverage that the HESS Committee added to the Bill. He said he reluctantly opposes the amendment. He advised the HESS Committee felt this was a desirable way to go. He suggested it would be an error to simply delete subsection (b) without reinserting the language

that was in the original bill. He said that language sets out the eligibility for the insurance subsidy, and he doesn't think a simple repeal of the language puts this back to the primary coverage.

With regard to the interim committee of the Legislature, Representative Clocksin said the HESS Committee considered this alternative. He advised they drafted language that would have funded the proposed study as an appropriation through the Legislative Council to the House Research Agency. He said he does not agree with the idea of establishing an interim committee. He pointed out this interim committee does not include a representative from the standing legislative committee whose primary responsibility is health care -- the HESS Committee.

Representative Clocksin pointed out there is a request in the Governor's budget for an additional \$150.0 for Phase II of the Botell study. He suggested if they intend to fund a study through the legislature, these funds could probably be taken out of the budget.

There was brief discussion on Representative Clocksin's recommendations.

RECESS

A recess was called at 9:08 a.m. (During the Recess Committee members requested additional time to review the proposed amendment.) Chairman Cotten recalled the meeting to order at 9:15 a.m.

ADJOURNMENT

The meeting adjourned at 9:15 a.m.

HFC 81-33, side 1 #651 to end
side 2 #001 to 330

AMENDMENT TO CS SS HB 41 (HESS)

Offered by Rep. Buchholdt

Page 2, lines 8-18: Delete sec. 18.27.020(b). Change section numbers and references to sections accordingly.

Page 4, line 28: Add a new section 5, and renumber remaining sections accordingly.

* Sec. 5. JOINT INTERIM COMMITTEE ESTABLISHED. (a) There is established a Joint Interim Committee on Indian Health Service and Medicare of the Twelfth Legislature, composed as follows:

(1) one member of the finance committee of the senate appointed by the chairman of the finance committee of the senate;

(2) one member of the finance committee of the house appointed by the chairman of the finance committee of the house;

(3) the director of the Division of Retirement and Benefits, Department of Administration, or his representative;

(4) the coordinator of the Division of Adult and Aging Services, Department of Health and Social Services, or his representative;

(5) the area director of Indian Health Service in Alaska, or his representative;

(6) one representative of the Alaska insurance industry;

(7) the executive director of one of the native health corporations, or his representative;

(8) the president of the Alaska Federation of Natives, or his representative; and

(9) the director of the Older Persons Action Group, or his representative.

(b) The committee established under (a) of this section shall by the 30th day of the Second Session of the Twelfth State Legislature

(1) determine and report to the legislature how the Indian Health Service delivery system can be improved;

(2) determine and report to the legislature what role the state should play to complement federal funding of the Indian Health Service;

(3) determine and report to the legislature what role the state should play to complement services available to Alaska's senior citizens under Medicare; and

(4) obtain the assistance of a private attorney skilled in health care financing law, for the purposes of (1) - (3) of this section.

HOUSE FINANCE COMMITTEE

April 8, 1981

1:45 p.m.

(Tape HFC 81-33, side 2 #330)

PRESENT

All members of the Committee were in attendance except Representative Meekins. (Representatives Carney and Malone arrived later in the meeting.) Present to testify were: Representatives Clocksin and Halford; LuAnn Cutler, Aide to Representative Buchholdt; Commissioner Bob LeResche and Deputy Commissioner Jeff Haynes, Department of Natural Resources; and Deputy Commissioner Marie Matsuno, Department of Community and Regional Affairs.

SSHB 41

Chairman Cotten called the meeting to order and advised discussion would continue on SSHB 41.

SSHB 41 -- "An Act relating to the health of residents of the state; and providing for an effective date."

Representative Buchholdt advised she wished to WITHDRAW THE AMENDMENT she offered earlier. She presented a new amendment to the HESS CS for SSHB 41. She said both she and Representative Adams agreed to this amendment. (See attachment #1.)

Chairman Cotten clarified that the amendment would be deleting from the HESS CS the language on lines 8 through 18. Representative Buchholdt said they would also be putting back in the language from the original bill. She said she believes that covers the concern expressed by Representative Clocksin when he testified at this morning's meeting.

Chairman Cotten asked if in order to qualify the person cannot be enrolled in a group insurance program or a federal health insurance program. Representative Buchholdt said that was correct. Chairman Cotten said they would have to opt out of that program if they wanted to participate in the state's program. Representative Buchholdt said that was correct.

Chairman Cotten pointed out that under this amendment they would not be going with the interim committee approach. He said instead they would be directing the Legislative Council to do a report to answer the questions raised and outlined in this legislation. Representative Buchholdt agreed. She said she and Representative Adams worked out this amendment with the HESS Chairman (Representative Clocksin). She said they will be coordinating the work with the Legislative Council and

Representative Adams has agreed to work with the Legislative Council as the project director.

(Representative Carney arrived at this time.)

Representative Buchholdt suggested they would still need to provide funding to the Legislative Council for this project, and she suggested they prepare a fiscal note. Chairman Cotten pointed out this could also be funded through the operating budget for the Legislative Council. There was brief discussion on methods of financing the study.

Representative Montgomery asked why, when this bill is providing for certain health services, they are also going to do a study. Chairman Cotten said the study could easily be separated from this bill. Representative Buchholdt said the information is not available to us yet. She stated they didn't understand what they were getting into, and that is why she is proposing to do this study.

Concerning the fiscal note, Representative Buchholdt said they don't know the extent of the population they will be serving. She said the amount is approximately \$3.5 million. There was brief discussion on the fiscal note. Representative Montgomery said the magnitude of the program leaves him breathless.

(Representative Malone arrived at this time.)

Representative Montgomery said he would like to see a clean version of the bill and the fiscal note before it is passed out of Committee. Chairman Cotten agreed a new set of fiscal notes should be prepared by Administration for the CS.

Regarding the fiscal note, REPRESENTATIVE CLOCKSIN said it is impossible to establish any reasonable estimate for a fiscal note for FY 83 and beyond. He said they can't establish what the amount of the subsidy will be or what the impact will be. He said the Legislature has to establish what the benefit package will be before the cost can be determined.

Representative Buchholdt agreed and said this bill is the enabling legislation for the insurance plan. She said it allows them to go into the program, but they don't know all the answers. She said they will be coming back and providing the necessary information next year. There was further discussion on the bill.

Representative Rogers pointed out there are several parts to the bill. He said the Medicaid and GR Med create the highest impact this year. He said the bill also implements this comprehensive insurance plan. He supports the bill in its current form. There was further discussion on the need for the study.

(Tape change, HFC 81-34, side 1.)

Representative Adams presented a proposed AMENDMENT TO THE AMENDMENT to Section 5, adding a new subsection to read:

"The study shall include edequate involvement by the Health, Education and Social Services Committee of the Legislature, the Alaska Native Health Board, regional health organizations, other health care providers and consumers, the Department of Health and Social Services and the Alaska Area Native Health Service."

Representative Freeman asked what the fiscal note will be for future years. Chairman Cotten said it is difficult to establish what the fiscal impact will be until section one is completed and computed, and the legislature has established the benefit standards.

MS. LUANN CUTLER, Aide to Representative Buchholdt, said they have made assumptions on what the cost would be, but they are only assumptions. She pointed out they never know how much a program is going to cost until it goes into effect. Representative Freeman said that may be right, but it is not a normal approach for the Finance Committee to decide to do something without knowing what the cost is. He said he would like to have more information on the cost. Ms. Cutler said they think it will be around \$18 million for FY 83, but it depends on how much the Legislature wants to spend. Representative Freeman said it might cost five times that amount for all they know. Ms. Cutler said it is possible, but they don't expect it to cost that much.

Representative Montgomery said he has never found insurance companies to be bashful or reluctant to submit cold clear figures. Ms. Cutler said they asked Blue Cross to give them an estimate and basically they said that because of the assortment of people that will be included in the plan, they don't want to invest the time coming up with figures until they are sure the Legislature wants the plan. There was further discussion. Representative Montgomery said he thinks the horse is in the wrong place in relationship to the cart. He said he still thinks the insurance companies will respond and they could get a fiscal note.

Chairman Cotten advised they will be getting new fiscal notes for the finance committee substitute. He said he would entertain motions to accept amendments to the bill and have a committee substitute prepared.

Representative Buchholdt MOVED TO ADOPT THE AMENDMENT she presented earlier. Representative Malone MOVED TO AMEND THE AMENDMENT to delete subsection (4) of section 5. {"(4) obtain the assistance of a private attorney skilled in health care financing law, for the purposes of (1)-(3) of this section."}

Representative Malone said he didn't think it was appropriate to include that subsection. Representative Buchholdt asked if by

not including it they would be prevented from hiring staff knowledgeable in health care financing law. Chairman Cotten said taking this out would not prevent them from having that ability, but it also would not require them to hire. Representative Buchholdt said she has NO OBJECTION to the amendment to the amendment. There being no further objection, the AMENDMENT TO THE AMENDMENT WAS ADOPTED.

Representative Adams MOVED THAT THE AMENDMENT TO THE AMENDMENT he presented earlier be adopted. There was brief discussion.

RECESS

A recess was called at 2:30 p.m. and Chairman Cotten recalled the meeting to order at 2:38 p.m.

SSHB_41

Representative Adams' AMENDMENT TO THE AMENDMENT was before the Committee. There being no objection, the amendment to the amendment was ADOPTED.

The AMENDMENT AS AMENDED was before the Committee. There being no objection, the amendment as amended WAS ADOPTED.

Representative Rogers offered the following amendment:

Page 1, following line 25, add new material to read:

"(e) Notwithstanding the provisions of (c) of this section and the limitations in AS 18.27.020(b), an individual eligible for a permanent fund dividend under AS 43.23.010, may to the extent of his eligibility under AS 43.23.010,

(1) enroll in the state comprehensive health plan or in an individual health insurance plan certified under AS 18.27.010(a)(1);

(2) direct the commissioner of revenue to use as much of the permanent fund dividend to which the individual is entitled under AS 43.23.010 as is necessary to pay a cost of the individual incurred in participation in the state comprehensive health plan or in an individual health insurance plan certified under AS 18.27.020(a)(1)."

Representative Rogers MOVED AND ASKED UNANIMOUS CONSENT that the amendment be adopted. He explained it would allow any individual who wishes to, to apply the amount of money he receives in permanent fund dividends to the comprehensive health plan.

Chairman Cotten asked what the fiscal note on this amendment would be. Representative Rogers said it would have a zero fiscal note. Chairman Cotten asked about administrative costs. Representative Rogers said there might be, but they wouldn't apply until after the permanent fund case is decided through the

courts. There being NO OBJECTION TO THE AMENDMENT, it was ADOPTED.

Chairman Cotten explained his intent is to have a Finance Committee Substitute prepared incorporating the amendments adopted at today's meeting; and to request a new set of fiscal notes from Administration. He said the Bill will come back before the Committee once the new fiscal notes and committee substitute are prepared.

HB 31

The next bill to be considered was HB 31.

"An Act relating to the management and use of state, municipal, and private land; annulling 11 AAC 53.450(c); and providing for an effective date."

Representative Freeman MOVED TO AMEND CSHB 31 (RES) to include a new section to read:

"AS 40.15.010 is amended by adding a new subsection to read: (b) notwithstanding (a) of this section, AS 29.33.190, 38.04.045(b), 40.15.070, and 40.15.200, subdivisions of state land classified for disposal under AS 38.05 and AS 38.08 need not show the approval of the platting board or other subdivision authority having jurisdiction in order to file the plat for record in the office of the recorder. However, state subdivision plats must be submitted to the platting authority for review in compliance with this subsection and AS 29.33.160(c) and recorded before the sale of any lots or tracts in the subdivision.

Representative Freeman explained that in prior years they had added language they thought denied the municipalities to have veto power over the state disposal program. He said that was the intent of the Free Conference Committee that put the language into the bill. He said notwithstanding that, some of the municipalities claim they have found an out and can still veto the disposals. He explained his amendment takes care of that out.

REPRESENTATIVE HALFORD agreed this amendment clarifies the intent provided for in HB 66 from 1979. He commented that as part of the overall package the state and municipalities both are gaining certain things. He said the Department of Natural Resources will still come in and advise what the costs of capital improvements with regard to subdivisions are. However, he said the municipalities cannot refuse to sign the plats.

Representative Malone questioned the wording of the amendment. Representative Halford explained that although they cannot deny the plat, they can refuse to sign it, and that stops the entire process. Representative Malone said if the intent of the amendment is to provide the plats by way of information to the

local planning authorities, perhaps the words "for review" should be deleted. He suggested that otherwise it implies the platting authority is supposed to do something with the plat. He said this may lead to confusion.

Chairman Cotten asked if anyone has refused to sign the plats. COMMISSIONER ROBERT LERESCHE, Department of Natural Resources, said yes it has happened in several cases.

Representative Malone said it seems that AS 29.33.160(c) already covers review at the platting stage. He suggested the words "this subsection and" in the amendment be deleted. Commissioner LeResche agreed that would qualify the language and not change the intent of the motion.

Representative Rogers said he opposes the amendment in total. He said elsewhere in the bill it says what municipalities must do. He said allowing them to not sign the plats seems to create a healthy situation. He said they didn't want to give absolute power to the Department of Natural Resources. He suggested adding this amendment would be overriding the rights of local governments to be involved in the decision making.

Representative Freeman said this has been an argument from the very beginning of the program. He commented that in his district outside the boundaries of the municipality the state has moved right along with the disposal program without any problems. From his point of view, he said it isn't proper to make this effort and then allow the municipality to just say no. He said the question is whether there is going to be a state land disposal program or are they going to turn it over to the municipality, where they will provide land in the same manner they have been providing it and nothing will get done.

Representative Carney asked how the state has been harmed by negotiating with the municipalities over state land. Commissioner LeResche said the state government hasn't been harmed, but the people who need to get land have certainly been hurt. He commented when a municipality decides it doesn't want land disposed of, it can overrule not only the administration, but also the Legislature. He said it is a matter of whether or not the state controls disposal of state land.

Representative Freeman said he didn't necessarily approve of or want to make an argument for "big brother". He said his concern is not for government but for the people that need the land. He said he cannot agree with anything that stands in the way of that or blocks it. There was discussion on who has control of the land.

Representative Rogers commented the State requires local governments to have platting authorities, and now we are saying we don't want that to apply to state land. He said there appears to be a double standard. There was further discussion.

(Tape change, HFC B1-34, side 2.)

Representative Malone asked what procedures the state has to follow in developing an area for setting up a subdivision for disposal. Commissioner LeResche said basically their procedures far exceed those of private industry. Deputy Commissioner Jeff Haynes said they start with public hearings.

Representative Halford said it no easy process to dispose of land. He said what they are hoping to achieve under this legislation is a higher percentage of good land. He said he thinks they will be getting more good land under this that they did under the quota procedure. He agreed the quota hasn't worked.

Representative Malone requested that the Department provide him with a schedule of public hearings that were held in areas that were affected by the state land disposal program in 1980. He said his concern is that there are certain things that should be observed when going into land disposal, and if those procedures aren't followed he thinks there is a damage to the public interest.

Representative Freeman said he feels the Department has bent over backwards in trying to win the local people over. He said the argument from local government has always been against land disposal; however, he said the people he is trying to meet the needs of don't really have a voice in local government decisions.

The question was called for on Representative Freeman's amendment. Four in favor, five opposed. THE MOTION FAILED.

Representative Moss presented a proposed amendment to the Bill. (See attachment #2.) He briefly explained the amendment which would allow land improvement credits on agricultural land. Representative Halford pointed out that when they passed HB 66 in 1979 they did add a discount. He said there were problems with the administration of the land improvement credits. He said he thinks there are other programs and credits that provide the same thing Representative Moss is suggesting here. There was brief discussion. Representative Moss said he would not move the amendment at this time.

Representative Carney MOVED TO AMEND the Resources CS on page 6, line 14 to replace "commissioner" with "municipality". He said his feeling is that such land belongs to municipalities, and if they can't agree, control should go to the municipality instead of the State. Representative Rogers OBJECTED to the motion. He said he opposed this for the same reason he opposed Representative Freeman's amendment -- the bill before us has a balance to it, and he thinks the municipalities were protected in other ways. Representative Carney said he didn't think in any case the municipality has the power to stop a disposal. He said they only have the ability to set specifications. He said he thinks this bill gives the state a lot of power over the boroughs in the disposal of land. Representative Halford said this would be taking a big section out of the bill. He said the

commissioner is responsible to the Legislature. He said that one change guts the program as far as designating land. There was further discussion. The QUESTION was called for. Two in favor; five opposed. The MOTION FAILED.

Chairman Cotten requested additional information on the fiscal note. Deputy Commissioner Jeff Haynes explained there are three parts to the fiscal note. He said the information they presented to the Committee yesterday was an estimate of the total cost for surveying all municipal entitlements under the bill. He said this will not be done until January 1983. He said the operating costs will be about \$750,000. He said he will provide a revised fiscal note to the Committee. Chairman Cotten instructed him to include the full amount for surveying in the fiscal note and give a description of what might happen if the Committee pro rates the amount down.

Representative Halford pointed out that without Representative Freeman's amendment there is "some question as to where we are". He said this may end up in court. He suggested if they are going to null the over-ride that they consider going back and taking the over-ride out. He said what they have now is a direct conflict in the statutes.

Chairman Cotten said HB 31 would be held pending receipt of the revised fiscal note.

RECESS

A recess was called at 3:45 p.m., and Chairman Cotten recalled the meeting to order at 3:50 p.m.

SSHB 150

The next bill to be considered was SSHB 150.

"An Act making a special appropriation to the Department of Community and Regional Affairs, senior citizens housing development fund to develop senior citizen housing; and providing for an effective date."

Representative Buchholdt MOVED TO REPORT SSHB 150 out of Committee. Chairman Cotten OBJECTED. He MOVED TO AMEND Sec. 2 of the bill to appropriate \$16,000,000. Representative Malone OBJECTED for the purpose of an explanation. He asked what the revised figure was based on. Chairman Cotten said there appears to be some conflicting information from the Department of Community and Regional Affairs. Representative Rogers said he supports the amendment. He said based on information received from the Department it appears there is almost \$6 million where they haven't even applied for money yet. He said from the information provided \$16 million would fully fund them until the Legislature comes back in session next year. There was further discussion. Representative Malone asked where they got their planning money. Representative Rogers said in the regular

operating budget. Chairman Cotten said when the Department testified they indicated they had almost \$1 million in the fund for planning money. Representative Malone REMOVED HIS OBJECTION. There being no further objection, the MOTION WAS ADOPTED.

Representative Adams questioned the \$225,000 study. Chairman Cotten said the Department's testimony was that they did not submit that number. There was brief discussion. Representative Carney MOVED TO AMEND the figure in Section 1 to \$125,000. Chairman Cotten objected. There was discussion on whether or not the study could be done from the senior citizens housing development fund. Representative Carney WITHDREW HIS MOTION.

Chairman Cotten MOVED to delete section 1 and add the following to the end of section 2: "In addition, the Department has the authority to contract for a senior citizen housing needs assessment in the state." Representative Rogers suggested this may not be possible without changing the statutes that say what the senior citizen housing development fund can be used for. Chairman Cotten WITHDREW HIS MOTION.

(Tape change, HFC 81-35, side 1.)

Chairman Cotten MOVED TO AMEND section 1 to appropriate the sum of \$125,000. Representative Rogers moved to amend the amendment to delete "senior citizens housing development fund (AS 18.54.070)" from section 1. There being NO OBJECTION to the amendment, it was so ordered. There being NO OBJECTION TO THE MAIN MOTION AS AMENDED, it was so ordered.

Representative Rogers MOVED TO REPORT OUT a Finance CS for SSHB 150 incorporating the amendments made at today's meeting. There being NO OBJECTION, it was so ordered. CS SSHB 150 (fin) was reported out with a "do pass" recommendation.

ADJOURNMENT

The meeting adjourned at 4:00 p.m.

Tape HFC 81-33, side 2 #330 to end
HFC 81-34, side 1 #001 to end
HFC 81-34, side 2 #001 to end
HFC 81-35, Side 1 #001 to #037

Am#1

REVISED AMENDMENT TO CS SS HB 41 (HESS)

Offered by Reps. Buchholdt and Adams

Page 1, line 26: Delete Sec. 18.27.020, and reenact it to read as follows:

Sec. 18.27.020. STATE HEALTH INSURANCE COST SHARING PROGRAM. (a) A resident of the state is entitled to cost sharing under the state health insurance cost sharing program if

(1) the resident is enrolled in the state comprehensive health plan or an individual health insurance plan which the insurance company has certified to the commissioner as equivalent to or exceeding the benefit standards of the state comprehensive health plan established by the commissioner under AS 18.27.010(a);

(2) the resident is not enrolled in a group health insurance plan or enrolled in a federal health program; and

(3) the resident qualifies for cost sharing under (b) of this section.

(b) The commissioner shall pay the state share of the costs of health insurance incurred by a resident of the state and his covered dependents qualifying for cost sharing under (a) of this section under the following formula:

(1) if the total adjusted gross income of the resident and his dependents is at or below 75 percent of the base income, 100 percent of the premium cost of health insurance;

(2) if the total adjusted gross income of the resident and his dependents is between 75 percent of the base income and 125 percent of the base income, a graduated percentage of the premium cost of health insurance between 100 percent and zero percent;

(3) if the total adjusted gross income of the resident and his dependents is at or below 45 percent of the base income, 100 percent of copayments and deductibles;

(4) if the total adjusted gross income of the resident and

Offered by Reps. Buchholdt and Adams

Page 1, line 26: Delete Sec. 18.27.020, and reenact it to read as follows:

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(b) The commissioner shall pay the state share of the costs of health insurance incurred by a resident of the state and his covered dependents qualifying for cost sharing under (a) of this section under the following formula:

(1) if the total adjusted gross income of the resident and his dependents is at or below 75 percent of the base income, 100 percent of the premium cost of health insurance;

(2) if the total adjusted gross income of the resident and his dependents is between 75 percent of the base income and 125 percent of the base income, a graduated percentage of the premium cost of health insurance between 100 percent and zero percent;

(3) if the total adjusted gross income of the resident and his dependents is at or below 45 percent of the base income, 100 percent of copayments and deductibles;

(4) if the total adjusted gross income of the resident and his dependents is between 45 percent of the base income and 95 percent of the base income, a graduated percentage of the copayments and deductibles from 100 percent and zero percent;

(5) if a resident is enrolled in an individual health insurance plan certified to the commissioner under (a) of this section, the state share of the cost of health insurance for the resident is limited to the amount that the state's share would have been if the resident had been enrolled in the state comprehensive health plan.

(c) The commissioner shall adopt minimum benefit standards and guidelines for determining benefit equivalence for the certification of plans under (a)(1) of this section.

(d) Notwithstanding the provisions of an individual health insurance plan, a plan certified by an insurance company to the commissioner under (a)(1) of this section provides the minimum benefits and the equivalent benefits required for certification.

Page 4, line 28: Add a new section 5, and renumber remaining sections accordingly. The new section 5 would read as follows:

*Sec. 5. The Legislative Council shall by the 30th day of the Second Session of the Twelfth Alaska State Legislature

(1) determine and report to the legislature how the Indian Health Service delivery system can be improved;

(2) determine and report to the legislature what role the state should play to complement federal funding of the Indian Health Service;

(3) determine and report to the legislature what role the state should play to complement services available to Alaska's senior citizens under Medicare; and

(4) obtain the assistance of a private attorney skilled in health care financing law, for the purposes of (1) - (3) of this section.

delete

(d) Notwithstanding the provisions of an individual health insurance plan, a plan certified by an insurance company to the commissioner under (a)(1) of this section provides the minimum benefits and the equivalent benefits required for certification.

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(3) determine and report to the legislature what role the state should play to complement services available to Alaska's senior citizens under Medicare; and

(4) obtain the assistance of a private attorney skilled in health care financing law, for the purposes of (1) - (3) of this section.

delete

15 31

AMENDMENT

OFFERED IN THE HOUSE:

BY: Representative Moss

TO: Finance

HOUSE BILL No. _____

SENATE BILL No. _____

PAGE: 25 16

LINE: ¹²8, Section ²⁵47

* Section 47. AS 38.05 is amended by adding a new section to read:

Sec. 38.05.064. AGRICULTURAL LAND IMPROVEMENT CREDITS. (a) The commissioner shall allow as a credit toward the sale price of land classified for agricultural purposes and sold under this section an amount approved by the commissioner and spent by the purchaser for the following improvements to the land;

(1) \$90 per acre for land brought to cultivation, including clearing and drainage when necessary;

(2) \$7 per hundred feet of fencing;

(3) \$9 per square foot, not to exceed \$5,600 for permanent family dwellings;

(4) \$5 per square foot, not to exceed \$5,600 for farm buildings;

(5) \$11 per foot of a well producing water for domestic use;

(6) \$1,700 per mile, not to exceed \$11,200 for access roads;

(7) 50 percent of the purchaser's actual costs, not to exceed \$2,800 for the installation of electrical service lines.

(b) The total land improvement credits granted under this section may not exceed 50 percent of the sale price. Land improvement credits in excess of a payment may be credited to a future payment.

(c) To receive a land improvement credit under this section the purchaser shall certify under oath to the commissioner

(1) the nature and extent of completion of the improvement;

(2) the cost of the improvement not including labor provided by the purchaser, the spouse of the purchaser, or dependents of the purchaser.

(d) A purchaser may not receive a credit under this section which duplicates an entitlement under a federal or state farm conservation program.

HOUSE FINANCE COMMITTEE

April 9, 1981

8:40 a.m.

{Tape HFC 81-35, Side 1, #037}

PRESENT

Chairman Cotten called the meeting to order at 8:40 a.m. All members of the Committee were present, except Representative Malone. Also in attendance: Bill Lasher and Ben Harding from the Engineering Department of the Mayor's Office in Fairbanks.

HB 286

Chairman Cotten advised the first order of business is consideration of HB 286:

HB 286 - "An Act making a special appropriation for the 1982 Arctic Winter Games; and providing for an effective date."

Representative Rogers, sponsor of the bill, provided background information and addressed his comments to the draft (see Attachment 1) he had prepared of a Finance Committee CS for HB 286 that eliminates the operational funds from the original appropriation request. The next Arctic Winter Games is scheduled to be held in Fairbanks next March, he said; and in preparation for the games, certain facilities have to be provided. The ski slope, Birch Hill Ski Trail, needs to be upgraded at a cost of \$100,000, he continued, and the Big Dipper Ice Rink needs to be renovated. He explained he has introduced this as an appropriation, instead of waiting to bring it up as a capital project, because of the time crunch involved. He introduced Bill Lasher and Ben Harding from the Mayor's Office in Fairbanks, who would provide further information.

Mr. Harding referred to this as being Alaska-wide; Alaska is the host, Fairbanks is the location. In the past, the Arctic Winter Games has been carried on Canadian TV and "Wide World of Sports". He explained they work very closely with the Canadians. He distributed copies of a letter (see Attachment 2), completely unsolicited, to Mayor Carlson of Fairbanks from the Director of the President's Council on Physical Fitness and Sports. He advised they requested this be treated as separate legislation in order to be able to take advantage of this construction season.

Representative Meekins asked what kinds of games are involved, and Mr. Harding indicated it includes basic track and field events with special emphasis on winter or northern sports. He added he would leave a brochure with the Committee on the 1982 Arctic Winter Games.

Representative Rogers noted the last time the games were held in Alaska was in 1972, when not much was spent on capital costs. Yukon Territory, he added, put a total of \$7 million into the games last year. Representative Montgomery commented he suspects the games could be housed in already constructed facilities. Representative Rogers explained one of the problems is with the ice heating up in the Big Dipper Recreation Center, which is a converted airplane hangar, and a lot of the improvements would go to remedy that situation. The University does have a facility, he said, but there is a problem with scheduling, because it is in continuous use by the University.

Providing further information, Mr. Harding explained they lost the ice January 16 of this year; it was replaced, but gone again about the middle of March. Some studies have been done to determine if the University's Patty Ice Arena can be used, but there would be no practice time or warm-up time. Answering Representative Buchholdt's questions, Mr. Harding responded the renovation plans call for artificial ice in the Big Dipper and expanding the facility from its current 43,000 square feet to 64,000 square feet. He added the Parks and Recreation Center is run by the North Star Borough.

Chairman Cotten commented the only reason this request is being considered separately from the capital budget is because of the time element. Mr. Harding advised the borough has committed \$250,000 of local money for the first three phases of design, which will bring it to the bidding state. He noted they are using the same architect that put together the Patty Ice Arena. They hope to begin construction by June 1 and keep to an eight-month schedule to accommodate the winter games, he continued, while not interrupting the already established skating program, which begins November 16. He noted they would advertise for bid May 1, and the early allocation of funds would provide a better chance for bids. The borough has also committed funds to purchase ice equipment, he pointed out. He also made available to the Committee copies of the budget (see Attachment 3), prepared by the consultant, for the Big Dipper and the ice slope.

Focusing on the timing and given the fact that it is important, Representative Meekins wondered why it is necessary to have the money appropriated sooner than the capital budget. Representative Rogers explained there are three constraints involved: (1) having the building finished for the Arctic Winter Games by March 1982; (2) use of the facility by the youth hockey and others by mid-November; and (3) and most important is the early allocation of funds that allows for more competitive bidding, in that the contractors know the money is there and available.

During discussion, Representative Montgomery asked if there weren't another half-million dollars requested in SB 125, and Representative Rogers indicated yes. Chairman Cotten suggested a more appropriate title for the bill would be "a special

appropriation for the renovation of the Big Dipper Recreational Center".

There was brief discussion on the Birch Hill Ski Trail plans for expansion and widening (see Attachment 4).

In answer to Representative Buchholdt's question on what other countries participate in the games, Bill Lasher indicated most of the Canadian provinces and Alaska; and they are making an attempt to interest the Scandinavian countries, which includes Greenland. Representative Buchholdt then asked if any of the contestants qualify for the Winter Olympics, and Mr. Lasher indicated he didn't believe so but wasn't sure. Representative Rogers advised there have been some contestants that have qualified.

Representative Adams posed a question to Representative Rogers asking if the Interior Delegation Caucus supports this before the Haul Road. Representative Rogers responded that, absenting the two Libertarians, the answer is yes, but if they are included, then no. "In my estimation," he added, "it comes higher than the Haul Road."

Answering a question from Representative Freeman, Representative Rogers indicated a portion of this should be credited between Fairbanks and statewide accounts in the capital budget, as it impacts the participants in both.

Chairman Cotten requested a copy of the renovation plans, and Mr. Lasher indicated the plans they brought with them are only preliminary ones and that the others will be completed by May 1. He said he would make them available to the Committee.

Representative Meekins inquired what it would cost to build the exact structure from the ground up, and Mr. Lasher indicated \$6.7-\$9 million without site imposition costs. He indicated some code problems with the current building they are trying to solve, such as additions of three-four feet to take care of the enter and exit code requirements. They also plan a room for the "Zamboni"--the artificial ice machine, he said. During discussion, Mr. Lasher advised, when renovation plans are completed, the Big Dipper will be the largest seating capacity facility in Fairbanks.

Representative Meekins asked if the borough were going to take care of any cost overruns with regard to the schematic study/feasibility study in the design and development stage of the phase, which costs \$5.54 million. Mr. Lasher advised they have built in a 10% contingency to allow for cost overruns.

[Technical difficulties--Tape HFC 81-35, Side 2--would not record. Begin new Tape HFC 81-36, Side 1, #001]

Representative Carney commented he feels Alaska does not have a sport and that the Legislature might want to consider funding

perhaps \$50 million worth of facilities around the State, not just confining this to Fairbanks, to remedy this.

Representative Meekins noted most capital budget appropriations will have to wait until next construction season, and there are others in the same position of timing (he referred to Representative Malone's request as an example).

HB 286 HELD

Chairman Cotten announced it was not his intent to move the bill out of Committee today, but promised to bring it up again within the week, after he has obtained further information from State engineers regarding the time period of construction involved.

ADJOURNMENT

The meeting adjourned at 9:30 a.m.

Tape HFC 81-35, Side 1, #037 - End
(Technical difficulties--Tape HFC 81-35, Side 2--would not record.)
Tape HFC 81-36, Side 1, #001 - #118

Original Sponsor: Rogers --

Rogers

Funding Information

General Fund	\$5,678,400
Other Funds	-0-
	<u>\$5,678,400</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 286 (Finance)...

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for the 1982
7 Arctic Winter Games; and providing for an effective
8 date."

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

10 * Section 1. The sum of \$5,678,400 is appropriated from the general fund
11 as payment as a grant to the Fairbanks North Star Borough for capital
12 expenditures for the 1982 Arctic Winter Games.

13 * Sec. 2. The appropriation made by this Act shall be disbursed in
14 accordance with AS 37.05.315.

15 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).



THE PRESIDENT'S COUNCIL ON PHYSICAL FITNESS AND SPORTS

WASHINGTON, D.C. 20201

3-11-81 cc: Pick, M

#B 286

March 12, 1981

The Honorable John Carlson
Mayor, Fairbanks North Star Borough
Fairbanks, Alaska

Dear Mayor Carlson:

Recently my brother-in-law, Mr. Ray Haley Vice-President Wien Airlines, sent me an article appearing in the Daily News-Miner vividly describing the up-coming 1982 Arctic Games.

Needless to say you have an ardent rooter and loyal supporter in Mr. Haley. He, in turn, caught me up in the excitement of the games and convinced me of their importance. I called Senator Ted Stevens office and volunteered the President's Council to lend support and help in any way we can.

As a point of information, the President, by Executive Order, has made the Council responsible for encouraging State and local governments to emphasize the importance of regular physical fitness and sports participation.

In this respect our staff conducts a continuous public service advertising program designed to inform and motivate the American people; prepares articles for popular and professional publications; publishes booklets, pamphlets, a newsletter; and works with private enterprise to develop TV and film materials.

The Games sound exciting. Can we help!

Sincerely,

Ted Forbes
Director of Sports Administration

cc: Senator Stevens
Ray Haley

Ellerbe Alaska
Architects Engineers Planners
601 College Road
Fairbanks AK 99701
907 452 1241



March 10, 1981

Fairbanks North Star Borough
P. O. Box 1267
Fairbanks, Alaska, 99707

Attn: Bill Lacher

Ref: Big Dipper Renovation
7348-810
Design Development Cost Estimate

Gentlemen:

Enclosed find a summary of our current best estimate of probable construction cost (Design Development Level) for complete reconstruction in accordance with the current plan for the subject renovation project.

We are prepared to discuss the various elements that make up the enclosed summary costs at your convenience. We have also compiled the costs associated with some elements of the construction that may be eliminated from the current design or included in the drawings or bid alternates.

Very truly yours,

ELLERBE ALASKA

A handwritten signature in cursive script, appearing to read 'Bob P. Gray'.

Bob P. Gray, P.E.

BPG/bc

Enc.
cc: C. Morgan

486

BIG DIPPER RENOVATION
7348-810
QUANTITY TAKEOFF
March 3, 1981

GENERAL CONTRACTOR WORK

Excavation - 2,348 c.y.	\$ 9,392
Structural Fill - 1,717 c.y.	13,736
Common Fill - 166 c.y.	664
Remove Asphalt - 25,200 s.f.	12,600
Remove Concrete Slab - 4,200 s.f.	4,200
Perimeter Insul. - 840 s.f.	1,812
Concrete Floor Slab - 23,256 s.f.	93,024
Concrete Footings (Ext. Wall)	11,100
Shear Walls	
Concrete	115,150
Bracing	39,690
Wall Detail 1 (South Side Carpenter Shop)	
First Floor	2,530
Second Floor	15,096
Wall Detail 1A (North Side Team Rooms)	
First Floor	4,280
Second Floor	15,096
Wall Detail 2 (South Side Garage)	
Effect of Doorways	4,943
Wall Detail 2	
First Floor	
South Side	1,800
North Side	3,100
Second Floor	41,458
Wall Detail 3A (North Side Team Room)	28,988
Wall Detail 4 (West Side Garage)	84,309
Wall Detail 5 (West Side Garage) - included in Detail 4	

BIG DIPPER RENOVATION
7348-810
QUANTITY TAKEOFF
March 3, 1981
Page Two

Wall Detail 6 (West Side Zamboni) First Floor	\$ 1,550
Wall Detail 7 (East Side & West Side Exits) First Floor	6,199
First Floor Walls - Remove Interior Partitions	10,344
Wall Detail 7 (West Side - Exits & Zamboni) Second Floor	10,980
Wall Detail 7 (East Side - Exits) Second Floor	4,511
Interior Partitions - First Floor	
Grid A-B	27,788
Grid B-E	18,784
Grid E-H	3,255
Grid H-M	25,237
Grid M-N	4,640
Misc. First Floor	
Toilet Partitions	5,200
Urinal Partitions	2,200
Counters	8,560
Benches	1,200
Ext. Doors	73,200
Overhead Doors	17,500
Int. Doors	44,800
Windows	2,880
Mesh Part.	3,600 *
Roll-up Doors	6,240
Toilet Rooms - Accessories	5,500
Stairs	16,800
Floor Grates	700
Drinking Fountains	3,600
Ceiling - Floors (First Floor Ceiling/Second Floor Floor)	
Detail 1	5,040
Detail 1A	13,328
Detail 2	15,744
Details 4,5,6 & 7	106,620
Seating - Bleachers	
Fixed Seats	250,000
Folding Seats	32,500 *

BIG DIPPER RENOVATION

7348-810

QUANTITY TAKEOFF

March 3, 1981

Page Three

Misc. Second Floor	
Toilet Partitions	5,600
Toilet Room - Accessories	2,000
Counters	7,600
Base Cab.	1,440
Wall Cab.	540
Trophy Case	6,400
Interior Partitions	64,512
Windows	29,440
Doors	23,200
Roll-up Door	4,800
Walls Each End of Rink	51,120
Elevator	40,000
Ceiling - Roof (Second Floor Ceilings)	
Details 1, 1A & 2	55,213
Ceiling - Roof (Second Floor Ceilings) - New	
Details 4, 5, 6 & 7	
Metal Roofing	107,104
Ceiling	39,135
Ceiling - Roof (Ice Rink High Roof)	237,739
First Floor Floor Finishes	
Skate Tile - 4,812 s.f.	40,000
Sport Tread - 4,480 s.f.	31,360
Ceramic Tile - 600 s.f.	4,500
Pedigrid - 1,030 s.f.	15,450
Second Floor Finishes	
Ceramic Tile - 936 s.f.	7,020
Vinyl Asbestos Tile - 643 s.f.	965
Quarry Tile - 1,560 s.f.	14,040
Carpet - 14,932 s.f.	41,830
Structural	
Steel Beams - First & Second Floors - 53,128#	54,000
Columns - 12,120#	13,000
Repair Trusses	54,000
SUBTOTAL GENERAL CONSTRUCTION WORK	\$ 2,183,180

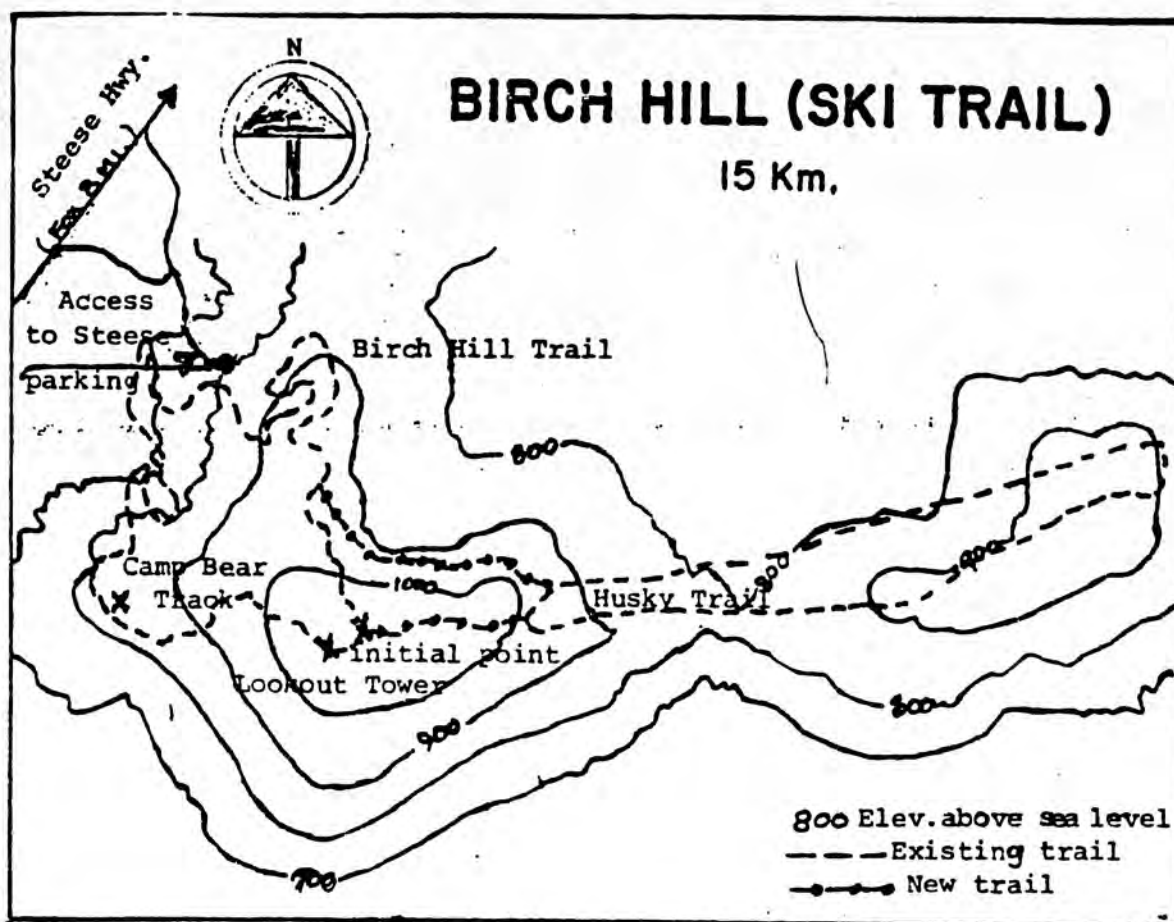
BIG DIPPER RENOVATION
7348-810
QUANTITY TAKEOFF
March 3, 1981
Page Four

EXTERIOR SITE WORK

Concrete Sidewalks	
Building - 4,260 s.f.	\$ 17,040
Parking Lot - 6,200 s.f.	24,800
Curb	
Building - 550 l.f.	11,000
Parking Area - 1,700 l.f.	34,000
Asphalt Paving (Zamboni) - 4,240 s.f.	5,512
Gravel Fill	
Building - 2,077 c.y.	16,616
Parking Lot - 8,178 c.y.	65,424
Clearing - 2.65 acres	7,950
Stripping - 4,300 c.y.	17,200
Lighting	40,000
Headbolt Heaters - 19 each	14,250
Common Fill - 120 c.y.	720
Signs - Six	900
SUBTOTAL SITE WORK	\$ 255,412

BID DIPPER RENOVATION
7348-810
PRELIMINARY COST ESTIMATE
March 6, 1981

General Contractor's Cost		\$ 2,183,180
Mobilization		80,000
Site Work		255,412
	Subtotal	<u>\$ 2,518,592</u>
Gen. Contractor Overhead (15%)		377,789
	Subtotal	<u>\$ 2,896,381</u>
Mechanical		780,000
Electrical		500,000
Gen. Contractor Overhead (5%) - Mechanical & Electrical		64,000
	Subtotal	<u>\$ 4,240,381</u>
Gen. Contractor Profit (10%)		424,038
	Subtotal	<u>\$ 4,664,419</u>
Contingency (10%)		<u>466,442</u>
TOTAL		\$ 5,130,861 ←
Ice Rink		
Compressor		\$ 68,000
Rink Installation		175,000
Subbase Heating		18,000
Dashers		70,000
	Subtotal	<u>\$ 331,000</u>
Overhead & Profit (10%)		33,100
	Subtotal	<u>\$ 364,100</u>
Contingency		<u>36,400</u>
TOTAL		\$ 400,500 ←

BIRCH HILL SKI TRAILCAPITAL REQUEST: \$105,400

In 1982, the Arctic Winter Games will be held in Fairbanks. The Birch Hill Ski Trail has been designated as the site where cross-country ski races will be conducted.

In order to adequately test racers' technical, tactical and physical capabilities, some trail renovation is necessary.

Approximately 4 km's of Birch Hill and 6 km's of Husky Trail need renovation. An additional 5 km's of trail could be cut to create a continuous 15 km loop. The entire trail should be 15 feet wide to provide for dual tracks and must avoid steep grades and sharp turns. This entails considerable renovation of the existing trail.

FOR FURTHER INFORMATION REFER TO Pg. 46 OF TECHNICAL APPENDIX.
IMPACT ON CURRENT OPERATION AND MAINTENANCE COSTS: \$0

PROGRAM FOR PROGRESS
PARKS AND RECREATION
TECHNICAL APPENDIX

BIRCH HILL SKI TRAIL				
ITEM	QUANTITY	UNITS	UNIT COST	TOTAL
Improve existing trail:				
Sidehill	1	km	10,600	10,600
Other	3	km	2,500	7,500
Improve Husky Trail				
Sidehill	2	km	10,600	21,200
Other	4	km	2,500	10,000
Build additional trail				
Sidehill	2	km	11,400	22,800
Other	3	km	5,000	15,000
			SUBTOTAL	\$ 87,100
10% Contingency				8,700
			SUBTOTAL	95,800
A/E Design Fee				4,800
Administration	487			4,800
			PROJECT TOTAL	\$105,400

HOUSE FINANCE COMMITTEE

April 9, 1981

2:10 p.m.

(Tape HFC 81-36, side 1 #116.)

PRESENT

All members of the Committee were present except Representative Buchholdt. Present to testify were Representative Halford and Deputy Commissioner Jeff Haynes, Department of Natural Resources.

CSSB 86 (Rls)

Chairman Cotten called the meeting to order and asked if anyone was interested in testifying on SB 86.

CSSB 86 (Rls) -- "An Act relating to relocation of the state capital, and repealing and reenacting the law enacted by the initiative popularly known as the 'FRANK Initiative' to provide for the determination of the costs of capital relocation."

Chairman Cotten advised it was not his intent to take action on the bill today. Representative Meekins asked if he was talking about the House State Affairs CS or the Senate Rules CS. Chairman Cotten said there are two versions of the bill right now, and he would take testimony on either. Representative Rogers asked if he would explain the difference between the work draft marked as a Finance CS and the other bills. Chairman Cotten said his intent was to take testimony today, and do mark up on the bill tomorrow. There was brief discussion between Chairman Cotten and Representative Rogers.

RECESS

Chairman Cotten called for a recess at 2:15 p.m. and recalled the meeting to order at 2:40 p.m. (Representative Rogers was not in attendance at this time.)

HB 31

Chairman Cotten advised the next bill to be considered was HB 31.

HB 31 -- "An Act relating to the management and use of state, municipal, and private land; annulling 11 AAC 53.450(c); and providing for an effective date."

MR. JEFF HAYNES, Deputy Commissioner, Department of Natural Resources, presented a revised fiscal note for the bill in the amount of \$13,140.1. He advised the operating total is \$740,000, and capital is \$12,400.0. He briefly explained the capital

portion. He advised that under operating expenses they would be adding nine new positions: 1 information officer, 1 appraiser II, 1 assessor, 3 land management officers, 1 deputy director (division of forestry), a position with the division of agriculture, and 1 land management officer II. There was further discussion on the fiscal note.

Representative Moss asked how much the state has collected from land sales in the last fiscal year. Mr. Haynes said he has the exact information back in his office, but he would estimate it was about \$10 million for last fiscal year. There was brief discussion on the amount of time it takes to get the contracts out.

Representative Carney asked how much work it would be for the Department to come up with the projected cost of providing access to all subdivisions sold in the last year. Mr. Haynes said they could probably come up with some kind of estimate fairly quickly. Representative Carney suggested this Committee get those figures and consider funding those capital improvements in municipalities where land has been disposed of. There was further discussion.

There was further discussion on the \$12 million capital cost in the fiscal note. Chairman Cotten said that figure can be adjusted downward substantially for this year. He asked if the Department still felt \$2 million would be enough for FY 82 to handle a significant portion of the municipal land. Mr. Haynes said he would like to see at least \$2 million.

Representative Freeman MOVED THAT THE COMMITTEE RESCIND THEIR ACTION IN FAILING TO APPROVE THE MOTION HE MADE YESTERDAY.

{ Adding a new section as follows:

"AS 40.15.010 is amended by adding a new subsection to read: (b) notwithstanding (a) of this section, AS 29.33.190, 38.04.045(b), 40.15.070, and 40.15.200, subdivisions of state land classified for disposal under AS 38.05 and AS 38.08 need not show the approval of the platting board or other subdivision authority having jurisdiction in order to file and plat for record in the office of the recorder. However, state subdivision plats must be submitted to the platting authority for review in compliance with AS 29.33.160(c) and recorded before the sale of any lots or tracts in the subdivision."}

Representative Adams OBJECTED. Chairman Cotten ruled that in order for the motion to pass it would require 6 votes. The QUESTION was called for. 6 in favor, 3 opposed. The MOTION CARRIED.

Representative Freeman MOVED AND ASKED UNANIMOUS CONSENT THAT THE AMENDMENT BE ADOPTED. Representatives Adams and Carney objected. The question was called for. 6 in favor, 2 opposed. The MOTION CARRIED.

Chairman Cotten MOVED TO REVISE THE FISCAL NOTE to \$2,740,000 -- \$2,000.0 capital and \$740,000 operating. There being NO OBJECTION, it was so ordered.

Representative Moss MOVED TO REPORT OUT a Finance CS for HB 31 incorporating Representative Freeman's amendment. There being NO OBJECTION, it was so ordered. CSHB 31 (fin) was reported out with a "do pass" recommendation.

ADJOURNMENT

The meeting adjourned at 3:10 p.m.

Tape HFC 81-36, side 1 #116 to #659

HOUSE FINANCE COMMITTEE

April 10, 1981

1:40 p.m.

[Tape HFC 81-36, Side 2, #001]

PRESENT

Chairman Cotten called the meeting to order at 1:40 p.m. All members of the Committee were present, except Representative Adams. Representatives Malone, Carney, Buchholdt and Rogers arrived later in the meeting. Also in attendance: Representative Fred Zharoff, Chairman of the Resources Committee; Donald Rosenberg, Director of the Offices of Fisheries, University of Alaska, and Director of the College Sea Grant Program; Roger Painter, Executive Director of United Fishermen of Alaska; Rich Lauber, Pacific Seafood Processors Association; Eric Eckholm, Director, Alaska Seafood Marketing Institute; John Sund, Administrative Assistant to Representative Terry Gardiner; Rod Peques, Assistant Attorney General, Department of Law; Elmer Lindstrom, Fiscal Analyst, Division of Legislative Finance.

HB 262 AND HB 263

Chairman Cotten brought HB 262 and HB 263 up for consideration:

HB 262 - "An Act establishing a Fishery Industrial Technology Center as part of the University of Alaska; and providing for an effective date."

HB 263 - "An Act making an appropriation to the University of Alaska for the Fishery Industrial Technology Center; and providing for an effective date."

Representative Zharoff, sponsor of the bills, presented testimony. He distributed to the Committee copies of the House Journal (see Attachment 1) referring to the above bills being reported out of the HESS Committee with a unanimous "do pass" recommendation. He noted his interest is that the Center would be based in Kodiak and that a number of individuals as well as municipalities support the establishment of the Center.

(Representative Malone arrived at this time.)

HB 263, he stated, requests \$200,000 for the initial planning activities to set up the Fishery Industrial Technology Policy Council, which will detail the priority listing of the projects, etc. He offered some amendments to HB 262 (see Attachment 2) that he explained were overlooked by him and explained they, in no way, change the content of the bill, but just make some classifications regarding the 11-member Policy Council.

(Representative Carney arrived at this time.)

Representative Freeman moved the amendments presented by Representative Zharoff. Representative Meekins objected for purposes of discussion.

(Representative Buchholdt arrived at this time.)

Chairman Cotten asked if there are any existing facilities that could house the Center, and Representative Zharoff indicated none that would be in conjunction with Near Island Harbor. This construction season should see the development of the boat harbor, he added, guessing 1985 as a completion date. Referring to Section 2 of HB 262, relating to the duties of the Policy Council, where it would make project selections for the Center, Representative Zharoff indicated no projects would be done this year; hence, nothing in the fiscal note this year for projects.

Representative Meekins asked how this differs from some of the other research centers that have been created and wondered if perhaps Items (2), (3) and (4) couldn't be handled, in terms of the research aspects, by the Alaska Renewable Resources Corporation. Representative Zharoff responded that it will allow the University to expand its research capabilities and that this is part of a three-pronged approach. Regarding marketing, he explained Kodiak was designated because it is the hub of fishing activities.

(Representative Malone arrived at this time.)

Representative Montgomery requested a rough breakdown of the utilization of the \$200,000 and then indicated he would defer these questions until the University officials testified.

Referring to the the members of the Policy Council, Representative Buchholdt commented she sees this as training for the cannery workers and would like to see at least one of the three members from the public be a cannery worker. Representative Zharoff replied he doesn't disagree with this and would encourage the University to take this into consideration. He further stated perhaps another of the public members should be from the banking community. Once this is established, he sees this as a vehicle to benefit the workers there.

Representative Meekins asked if the intent is to limit these members to State residents. Representative Zharoff indicated he has no real objection to this and offered a suggestion that perhaps three-fourths or half of the members be from the State, but cautioned against restricting expertise only to in-state. Representative Meekins suggested maybe adding language that guarantees all members be residents of the State. Representative Zharoff indicated no objection as long as the entire board is not restricted.

Representative Haugen commented some of the main expertise in this area comes from out-of-state and cautioned against restriction. For instance, he said, he knows two or three people

who, for all intents and purposes are Alaska residents, but live in Seattle because that is where the market is headquartered. Representative Malone commented he feels Representative Meekins makes a good point and that perhaps at least the chairman should be from the State. Representative Haugen indicated no problem with that.

Chairman Cotten asked about capital funding, and Representative Zharoff advised there are no capital fund requests this year for the program.

Representative Buchholdt indicated she feels this is a very worthwhile program but does want to see the people working there receive better training. Chairman Cotten wondered if she wished to propose an amendment. She said she is concerned with how well the out-of-state firm owners, who only come here during fishing season, will work with the Council. She further stated she would prefer to use the in-state people first, but not to exclude outside expertise, and suggested perhaps use these people as technical advisors. She also suggested perhaps Item (3) read "three local residents who work in the fish processing industry".

Referring to the duties section, Representative Meekins wondered if the University Board of Regents agree with this and if the Legislature has any way of guaranteeing that "what we want will happen that way". In response, Representative Zharoff commented, if this situation came up, the Legislature could take a very hard look at their operations and be a little cautious then of doing anything for them in the future. However, he added, he feels confident with the Board of Regents at this time.

At this time, Donald Rosenberg presented testimony. He stated he is here today representing University President Jay Barton to speak on behalf of HB 262 and the amendments by Representative Zharoff. The Center, as created by this bill, he advised, is one of the University's key components, and noted this particular component has been designed by the fishing industry. He equated this to the Agricultural Experiment Station. Referring to HB 263, he advised the appointment of the Policy Council is the first major step to identify projects to undertake and the facilities that will be needed. He explained they will be looking at a six-step approach for next year; the first is the establishment of the Council, with the second being the long-range training and development program; then development of a facilities center for the program and development of both the budget and personnel needs for the program. Next year, he stated they hope to have the future costs worked out for FY 83, 84 and 85.

Referring to the question brought up by Representative Meekins regarding a possible relationship with ARRC, Mr. Rosenberg pointed out ARRC is basically a funding source and what the University needs is expertise for long-range planning. Also, as far as the Board of Regents goes, he continued, this was developed after the site had already been identified and was

approved by the Board of Regents. The \$200,000 appropriation in HB 263 breaks down, he advised, as follows: 75% for salaries and benefits (or \$80,000) for a full-time fisheries specialist and a full-time secretary; and they hope to pay the Council members an honorarium of \$200 per day plus travel and per diem.

Chairman Cotten posed the question of including cannery workers on the Council, and Mr. Rosenberg indicated yes, "if we can identify the need". He added, however, "I would certainly say this would be limited to one person, because we are looking at developing long-range planning and development."

Mr. Rosenberg estimated administrative travel to be \$10,000, and contractual services--consisting of a series of contracts--at \$60,000, with equipment at \$6,000.

Representative Montgomery asked why this was not included in the University budget. Mr. Rosenberg responded the actual plan was not completed until November of last year, and the University budget was essentially completed by last August. Another reason, he explained, was the goal of the Legislature that this benefit the fishing industry, not the University; and the University wants the fishing industry to support it. By next session, he advised, "We will have projected the budget. The reason we did not do that this year was we didn't want to out-guess the Policy Council."

In answer to a question from Representative Meekins, Mr. Rosenberg advised the primary goal is to create job expertise in the State--Alaska based and Alaska controlled--with two areas in mind; i.e., technology development and management oriented at the business/industry level.

{Tape HFC 81-37, Side 1, #001}

Representative Meekins expressed concern that, while it may create jobs in the long-run, in the short-run, this might reduce jobs. Mr. Rosenberg responded that the industrial market must be kept in Alaska, "because if this isn't developed here, it will go elsewhere." Representative Meekins described a conflict in that they are not looking at efficiency. He suggested perhaps the language on page 2, line 15, should be changed from "effectiveness" to "efficiency". Mr. Rosenberg replied this is not their intention within the first 5-15 years; they are concerned with development and planning.

Representative Malone called attention to a technical amendment that language on pages 1 and 2 should be "state residents" and not "state citizens".

Roger Painter testified briefly in favor of the bill. He told the Committee he has traveled to observe similar centers in Scandinavia and noted these centers have been very effective. He pointed out a definite need for this program, because of expansion to off-shore fishing. However, he said, it is more

than that and mentioned "high-value fisheries", such as crab, and the fact that now-a-days a fisherman has to know more about electronics. He advised the University explained this proposal during the annual meeting of the United Fishermen of Alaska, and it was unanimously endorsed as was the organization. Regarding Representative Buchholdt's concern, he said he would envision this program as being aimed at processing plant workers as Mr. Rosenberg pointed out. Responding to a question from Chairman Cotten, he indicated he feels the Policy Council members, as proposed by the Zharoff amendment, is a good distribution. "However, technology is what is needed right now," he observed.

At this time, Rich Lauber presented testimony. He advised the processors support this idea and concept, and he feels it will mean more than what the University has projected. Rather than decreasing jobs, as mentioned by Representative Meekins, he stated he believes it will increase jobs and, hopefully, the types of jobs--higher paying because of the training there and by having a more finished product. He advised he feels Representative Buchholdt's idea is an excellent one but that the important thing is to get the best people available to act on the Council in the first stages, regardless of where they come from. If the people working in the plants had an input into this, it would only add to its success, he said. He added the Pacific Seafood Processors support the placement of this Center in Kodiak because it has, year-round, all the species, particularly the developing species.

HB 262 AND HB 263 HELD

RECESS

(Chairman Cotten called a recess at 2:40 p.m. and reconvened the meeting at 2:50 p.m. Representative Moss was not present after the recess.)

HB 198 AND HB 453

Chairman Cotten brought HB 198 and HB 453 up for discussion:

HB 198 - "An Act establishing the Alaska Seafood Marketing Institute; and providing for an effective date."

HB 453 - "An Act making a special appropriation for the Alaska Seafood Marketing Institute; and providing for an effective date."

John Sund, representing Representative Gardiner, provided background and historical information on the establishment of the Alaska Seafood Marketing Institute, and the reasons why previously introduced bills failed. HB 198 was introduced by the Governor and was drastically rewritten by the Resources Committee, he advised. The Resources Committee also introduced HB 453, he pointed out. The Institute, he said, was established

last year and funded by a \$1.2 million appropriation. Discussion followed.

Eric Eckholm began his presentation by congratulating the Committee on coming up with a new dish, "Fish and FRANK's," referring to the scheduling of bills on today's agenda. HB 453, he said, is a \$3 million appropriation for the Seafood Marketing Institute, whose purpose is to provide some quality control. Referring to the tax, he advised his group has agreed to this tax. He asked that the Finance Committee give a favorable recommendation to the bill.

Chairman Cotten mentioned he has read their position paper and commented the State already does something similar regarding the Alaska Visitor's Association which makes matching funds available. Mr. Eckholm advised the Institute does not recognize any difference between fishermen and processors. He further stated, "It is our responsibility to increase the overall efficiency in this. How this is defined by the fishermen and processors is none of our business." If one market appears weak, he advised, they will be able to support them. He said they have given away marketing recipe brochures on canned salmon. He advised he would make available to the Committee copies of the Institute's marketing plan, but cautioned they keep in mind it has not yet been approved by the Institute Board. The State will be matching \$2 million to \$1 million from the industry. Representative Haugen asked what happens to the king crab quality control board, and Mr. Eckholm replied it is repealed by this bill under Section 5.

Mr. Sund again noted the Resources CS for HB 198 was rewritten in consultation with Keith Specking, Legislative Assistant, Office of the Governor. He called attention to page 3, lines 6-10, that provide for one member of the Senate and one member of the House to sit on this board.

(Representative Rogers arrived at this time.)

Mr. Eckholm indicated he has some proposed amendments to HB 198, but he would withdraw them at this time until consultation with the Governor's Office.

In his brief testimony, Mr. Painter stressed the need for this legislation, advising the United Fishermen of Alaska have been very strong supporters of seafood marketing and that this has been one of their top priorities. "Unfortunately," he noted, "our seafood does not have a very high reputation for high quality."

Mr. Lauber testified the processors support this these bills and, referring to the legislation last year, noted it was unfortunate it was found to be defective by the Attorney General's Office. He advised he feels the organization has even more support from the fishermen than last year, and it has unanimous support from

the processors this year. He described the goals and work already underway on quality control.

Representative Buchholdt wanted to know what the independent seafood processors, who don't wish to join the Pacific Seafood Processors, will get out of this. They would get more out of it, Mr. Lauber replied, because the members, at the present time, pay substantial dues of \$250. However, he added, there is no distinction drawn when it comes to benefits. He also advised the Association expects to have 100% participation. During discussion, Mr. Lauber advised that currently their membership consists of 50 processors and fishermen. He also noted he has heard no opposition from non-members.

HB 198 AND HB 453 HELD

RECESS

(Chairman Cotten called a recess at 3:10 p.m. and reconvened the meeting at 3:15 p.m. All Committee members were present except Representative Adams.)

At this time, Representative Rogers stated he would like to apologize publicly to Chairman Cotten for comments he made and deemed inappropriate at yesterday's meeting regarding the capital move issue.

CSSB 86 (Rules)

Chairman Cotten advised the Committee would continue consideration of CSSB 86 (Rules):

CSSB 86 (Rules) - "An Act relating to relocation of the state capital, and repealing and reenacting the law enacted by the initiative popularly known as the 'FRANK Initiative' to provide for the determination of the costs of capital relocation."

Recapping, Chairman Cotten advised the intent of the bill is to amend the "FRANK Initiative" to allow the people of Alaska an accurate picture of how much the total move will cost. He referred to the Governor's press release of this morning on the capital move issue which notes the Governor has had a bill drafted by the Department of Law that meets his requirements. He advised Rod Pegues from the Department is here to address this issue.

Mr. Pegues began his presentation by distributing to the Committee copies of the Governor's press release (see Attachment 3) and copies of the Governor's capital move bill draft (see Attachment 4). He excerpted a portion of the press release that states "all true costs of a functional capital move should be placed before the public for their approval." The Governor feels the people of Alaska should not be misled regarding the true costs of such a move, he said.

Answering a question from Chairman Cotten, Mr. Pegues indicated the Governor would prefer the Capital Site Planning Commission, but would not oppose another commission.

{Tape HFC 81-37, Side 2, #001}

Representative Malone requested Mr. Pegues key in on the points the Governor thinks should be incorporated in various legislation now before the Committee and how the Governor's draft compares with CSSB 86, House State Affairs CS for SB 86 and the House Finance CS draft for CSSB 86.

In summary form, Mr. Pegues began, the Governor's five criteria, to be included in any capital move legislation, is as follows:

1. that true costs--no matter how funded--must be voted on by the people;
2. that this be determined or calculated by the revitalized Capital Site Planning Commission;
3. that the question on the ballot must be specific as to the amount to be spent to achieve that specific result;
4. that the ballot must contain the number or class of jobs or both; and
5. that the bill is to provide a mechanism for laying the issue to rest.

During discussion of Item #1, Mr. Pegues commented last time central government functions were subtracted from the costs. Chairman Cotten requested the Administration come up with a figure of central government employees, and Representative Carney requested a statement regarding the scale of the move. Mr. Pegues indicated he doesn't know what the numbers are, but that this is to be determined by the Commission.

Asked for further explanation of Items #3 and #4, Mr. Pegues advised this means, "It will cost 'X' number of dollars and involve 'X' number of people to move (the capital) from Juneau to Willow"; and that "This must be a true number and not a token."

Referring to Item #5, Chairman Cotten stated he is sure everyone would like to see this issue resolved, but wondered how realistic this is. Mr. Pegues indicated, if the bill takes care of the other concerns, the Governor would not insist on #5. He admitted it probably can't be done altogether.

(Representative Freeman left the meeting at this time.)

When questioned by Representative Malone regarding CSSB 86, Mr. Pegues advised it does not provide for determining the true cost for relocating the capital, and the House Finance CS does not take care of it either, as it only allows that possibility to

498

4-10-81

"net cost
Governor's draft"

499

4-10-81

CORRECTION

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

Answering a question from Chairman Cotten, Mr. Pegues indicated the Governor would prefer the Capital Site Planning Commission, but would not oppose another commission.

[Tape HFC 81-37, Side 2, #001]

Representative Malone requested Mr. Pegues key in on the points the Governor thinks should be incorporated in various legislation now before the Committee and how the Governor's draft compares with CSSB 86, House State Affairs CS for SB 86 and the House Finance CS draft for CSSB 86.

In summary form, Mr. Pegues began, the Governor's five criteria, to be included in any capital move legislation, is as follows:

1. that true costs--no matter how funded--must be voted on by the people;
2. that this be determined or calculated by the revitalized Capital Site Planning Commission;
3. that the question on the ballot must be specific as to the amount to be spent to achieve that specific result;
4. that the ballot must contain the number or class of jobs or both; and
5. that the bill is to provide a mechanism for laying the issue to rest.

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When questioned by Representative Malone regarding CSSB 86, Mr. Pegues advised it does not provide for determining the true cost for relocating the capital, and the House Finance CS does not take care of it either, as it only allows that possibility to

happen. It is not enough that the bill indicate this "might" come up, he said.

There was discussion of indemnification costs as noted in the House State Affairs CS for CSSB 86.

(Representative Freeman returned to the meeting at this time.)

Chairman Cotten advised it is not his intent that indemnification costs be left out of the House Finance CS. Referring to page 3, line 14, of that draft, he indicated this may or may not already be included there.

Noting the Committee has already adopted the House State Affairs CS, Representative Rogers asked that Mr. Pegues address his comments to how this compares with the Governor's draft. Mr. Pegues indicated it does not meet the Governor's criteria. He stated he doesn't feel it is as precise or as enforceable. The one major difference he sees, Representative Rogers pointed out is that it does not repeal the FRANK Initiative, but amends it. He commented he still feels the House State Affairs CS is the better bill, but that neither states specifically such costs as transportation facilities (railroads, etc.). Mr. Pegues responded these are the type of costs that have to be developed by the Commission. "The bottom line," he said, "is how much money is the public going to spend versus how much money are they going to save." Noting that virtually every home is being financed by the State, Representative Rogers asked if this is considered a cost of moving the capital. "Whatever the public is going to pay for is the cost," replied Mr. Pegues. One of the problems with the Finance CS, Representative Rogers commented, is using the Capital Development Corporation. In response, Mr. Pegues stated this is a "mega-powered" organization that would have the power to move in a very fast way and probably should not come into existence until the true costs are known. Chairman Cotten indicated he expects a lot of debate on this and added the statutes would probably have to be amended until the bond issue had been approved. Representative Rogers stated he feels the planning function should be separate from the developing function and that the problem with using the CDC "seems to be a built-in bias". There has to be a medium between the pro-movers and the anti-movers, he reflected, and what it all boils down to is a difference in the numbers as to which group--"those of us who are opposed to the move and those of us who are not"--prepares the figures. The figures prepared by the pro-movers will be deflated, while those who oppose the move will inflate their's, he said.

Representative Buchholdt stated she feels sometimes people get carried away, referring to the inclusion of costs for roads, railroads, etc., regarding the move to Willow. For instance, she added, Juneau doesn't have a railroad. She said her concern is with the definition of the terms "true cost," "total cost" and "net cost." She also requested a fiscal note accompany the Governor's draft.

(Representative Buchholdt left the meeting at this time.)

There was further discussion. Referring to the Governor's criteria, Mr. Pegues noted Items 1, 3 and 4 are inter-locked, but the House State Affairs CS meets Items 2 and 5. The question, brought up by Representative Moss, of the new state office building in Anchorage being part of the true cost was discussed. Commenting on Representative Buchholdt's reference to there being no railroad in Juneau, Representative Rogers countered that perhaps the cost of building a ferry to Willow should be anticipated.

(Representative Buchholdt returned to the meeting at this time.)

{Tape HFC 81-38, Side 1, #001}

Stating the fiscal note is important, Representative Rogers requested a fiscal note for the House Finance CS for CSSB 86. There was further discussion on indemnification, with Representative Rogers expressing concern the Legislature will have to appropriate some of the costs.

(Representatives Meekins and Haugen left the meeting at this time.)

Continuing the discussion, Representative Malone wondered if the general fund should receive all value to the land or, for the purposes of arriving at a cost, perhaps some value would have to be assigned to that land. "Should the asset value of the land be included (in the) true costs, no matter how funded?" he asked, and Mr. Pegues indicated yes.

Referring to "currently planned construction" costs being included, Chairman Cotten commented he feels that language is loosely constructed and not consistent. Mr. Pegues stated this section will have to be revised so that it does not restrict the Commissioner. "These costs are discretionary to whoever is doing the study," he said. "The important thing to consider," he added, "is the tearing off of central government functions that will not be relocated."

(Representative Meekins rejoined the meeting.)

Answering a question from Representative Carney on inflation costs, Mr. Pegues advised estimated costs are calculated, then the 10% inflation is added. Referring to page 2, line 14, of the Governor's draft regarding cost estimate of relocating central government employees, Representative Buchholdt stated several people have told her they will not move to Willow.

(Representative Haugen returned at this time.)

Representative Buchholdt declared the inclusion of true costs to be an impossible situation no matter how you look at it. If a creditable job is done, Mr. Pegues responded, it is not going to

be second guessed. The point is, he added, the pending legislation doesn't come close to the issue; it only suggests a token figure, which is not acceptable to the Governor.

Comparing the Governor's draft with the House Finance CS, Representative Malone stated he sees, in each of those bills, the determination of the number required for the function of a capital as being left to a commission; one provides for the Capital Development Corporation, and one provides for a New Capital Site Planning Commission. Mr. Pegues replied the Governor's draft requires the estimate of moving the capital to Willow be determined first, then the Commission could say "these don't move". The other bill approaches this from a different point, he said; it names the items to be moved. Representative Carney said it seems the key is to come up with the number of employees--how many the Governor considers central--then this can be specified this in the bill. Mr. Pegues compared this with putting the cart before the horse and restated it cannot be a token move but has to have a reasonable basis. As to the number of central government employees, he stated that number was arrived at before, and it would be a matter of updating that figure.

Chairman Cotten requested the Governor's Office poll the Agency heads as to how many government employees they consider central. Representative Montgomery indicated they also need to know the number of "spooks" (CIP positions). Referring to FY 82 budget markup scheduled next week, Representative Rogers stated the Committee needs to know the number of central government employees and also those that are not. Representative Malone indicated it is the gross number the Committee is interested in. Chairman Cotten commented it seems to be a matter of semantics and indicated he may end up agreeing with the Governor's draft.

Representative Carney suggested an interim committee, consisting of half pro-movers and half anti-movers, come up with a compromise figure and report back to the Legislature. Mr. Pegues indicated no problem as long as there is a constitutional amendment to do so that would require it not be a token move figure. Representative Malone stated he feels a constitutional amendment is not a good idea.

CSSB 85 (RULES) HELD

ADJOURNMENT

Chairman Cotten announced the Committee would consider HB 4, HB 31, HB 41, HB 198, HB 262 and HB 263 at tomorrow's (Saturday) meeting. The meeting adjourned at 4:55 p.m.

Tape HFC 81-36, Side 2, #001 - End
HFC 81-37, Side 1, #001 - End
Side 2, #001 - End
HFC 81-38, Side 1, #001 - #717

HOUSE JOURNAL

April 3, 1981

HOUSE JOURNAL

815

REPORTS OF STANDING COMMITTEES

SB 188

The Transportation Committee has had SENATE BILL NO. 188 (naming the North Slope secondary highway bridge across the Yukon River in honor of Edward L. Patton; effective date) under consideration and reports it back with individual recommendations. Hayes, Fanning and Metcalfe recommend do pass. Cato (Chairman), Zharoff and Hurlbert have no recommendation. Buchholdt recommends do not pass.

SB 188 was referred to the Rules Committee for placement on the calendar.

HB 262

The Health, Education and Social Services Committee has had HOUSE BILL NO. 262 (establishing a Fishery Industrial Technology Center as part of the University of Alaska; effective date) under consideration and recommends it do pass. Concurring: Clocksin (Chairman), Cato, Duncan, Martin and Beirne.

HB 262 was referred to the Finance Committee.

HB 263

The Health, Education and Social Services Committee has had HOUSE BILL NO. 263 (appropriation to the University of Alaska for the Fishery Industrial Technology Center; effective date) under consideration and recommends it do pass. Concurring: Clocksin (Chairman), Cato, Duncan, Martin and Beirne.

HB 263 was referred to the Finance Committee.

HB 283

The Health, Education and Social Services Committee has had HOUSE BILL NO. 283 (state aid to school districts for retirement of school construction debt; effective date) under consideration and recommends it do pass. Concurring: Cato, Duncan and Beirne. Not concurring: Clocksin (Chairman) has no recommendation.

HB 283 was referred to the Finance Committee.

A M E N D M E N T

Offered in the HOUSE

By Zharoff

TO: House Bill No. 262

Page 2, line 26:

Change the period to a comma and add:

"including

(1) four members appointed from the seafood processing industry; the members appointed under this paragraph shall be owners or employees of firms which are in operation in the state and, insofar as possible, shall represent diverse processing operations;

(2) four members who are commercial fishermen; the members appointed under this paragraph shall be actively engaged in commercial fishing in the state and, insofar as possible, shall represent fishing for diverse fisheries resources;

(3) three public members."

Page 3, line 6:

Delete "at the beginning" and insert "by the 20th day"

Page 3, line 21:

Delete "and"

Page 3, line 22:

Delete the period and add "; and"

Page 3, following line 22: Add

"(10) the Department of Education."

Reques

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

JAY S. HAMMOND
GOVERNOR

NEWS RELEASE



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Statement: Hammond Expresses Capital Move Bill Sentiments
4-10-81
#59

FOR IMMEDIATE RELEASE

JUNEAU--Governor Jay Hammond this morning issued the following statement concerning his views concerning capital move legislation recently passed by the Senate and under consideration in the House.

"A majority of Alaskan voters voted for the capital to move to Willow. Subsequently, an even greater number of Alaskans voted for the FRANK Initiative which required that they be permitted to vote on all bondable costs of a rather specific, functional capital before the move could commence. Later, a majority in voting against those costs, stopped the capital move in its tracks. Logically, another majority vote of the public, not the Legislature, is the appropriate method of determining if the public meant what it said when it voted for both the capital move and the FRANK Initiative.

It's unfortunate the Senate recently undertook major amendments to the FRANK Initiative before the public was permitted to express itself on the matter. With only an 11 to 9 vote, obviously many senators are less than assured that they, rather than the public, should so substantially amend a proposition supported by a majority vote of the public.

Oddly, some pro-capital movers find it perfectly permissible for the Legislature to make major amendments to the FRANK Initiative while expressing outrage with those who would propose any amendments at all to the move initiative. Let's be consistent. For the Legislature to amend the FRANK Initiative to deny the public the right to vote on all the costs of a far less functional capital move concept than the people voted upon, should be no more acceptable than for the Legislature to amend the move initiative to provide that the capital move, say, to Anchorage rather than to Willow. Were the Legislature to do the latter demands for my veto would come from pro-movers; just as demands for my veto are now coming from anti-movers who view the Senate's amendments as doing violence to public intent.

I personally believe the initiative process is sacred even when I disagree with the proposition. That's why I insisted that the so-called Beirne Homestead Initiative be placed on the ballot despite assertions that it was illegal and would fail, as it did, in the court.

However, apparently unlike some initiative advocates, I feel all initiatives passed by a majority of the voting public are equally sacred so far as process is concerned. They're public mandates-- "marching orders" if you will--to elected officials. As such, the public, not elected officials, are the ones to determine if those orders ought to be changed. When those orders conflict, such as they do on the capital move versus the FRANK Initiative, elected officials are obliged to abide by the public's most recent "orders." Those, of course, are contained in the FRANK Initiative. That some cannot understand this and demand I ignore the FRANK Initiative and start moving the capital is illogical.

I want to see Alaskans relieved of this divisive, crippling issue. Accordingly, the last thing I want is to have to veto a capital move funding proposal.

To avoid this, I presented in my State of the State Address certain stipulations which would place a proposal on the ballot reflecting the expressed intent of most Alaskan voters.

Finally, I believe there is a clear desire by most to have this issue settled, as best we can, once and for all. Unfortunately, the current Senate bill fails to do this. For example, should the electorate reject a funding proposal under terms of the bill, we could find ourselves next year faced with a new proposal and the same arguments and divisiveness would continue ad nauseum. We must lay this issue to rest the best we can. However, it can only be laid to rest if a majority of the people believe that their major concerns had been accommodated in whatever proposition is placed on the ballot. Then, dependent upon the vote of the people, either the capital should commence moving promptly without further delay, or the issue should be defused through repeal of all prior initiatives.

At least nine senators and myself believe that all true costs of a functional capital move should be placed before the public for their approval. Since this was obviously the intent of the majority of Alaskans who voted for the FRANK Initiative, any bill which fails to clearly make such provisions must be considered seriously flawed and against the will of the voters.

Sometime ago, rather than simply respond to various proposals by pointing out flaws, I asked the Department of Law to propose a bill which accommodated my concerns. It was not my intention to introduce such a bill unless members of the legislature could not draft a bill which would meet those criteria and asked me to do so. Meanwhile, I am prepared to help legislators devise a bill which would clearly meet the objectives the people supported in both the 1974 move initiative and the subsequent FRANK Initiative.

MORE 509

add 3-3-3-3

A bill as drafted by the Department of Law is now under review by myself and lawmakers whom have requested to see it. Meanwhile, I'll continue my long-standing policy of never asserting which bill I will support and which I will veto until I see the final version.

-30-

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6 For an Act entitled: "An Act relating to the relocation of the capital; re-
7 pealing and reenacting the FRANK Initiative; condi-
8 tioning the relocation on voter approval of its true
9 costs; conditionally repealing other laws relating to
10 the relocation of the capital; and providing for an
11 effective date."

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

13 * Section 1. AS 44.06.196 is repealed and reenacted to read:

14 Sec. 44.06.196. CAPITAL RELOCATION EXPENDITURES. (a) No public
15 money may be expended to relocate the capital from its present location

For an Act entitled: "An Act relating to the relocation of the capital; repealing and reenacting the FRANK Initiative; conditioning the relocation on voter approval of its true costs; conditionally repealing other laws relating to the relocation of the capital; and providing for an effective date."

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

* Section 1. AS 44.06.196 is repealed and reenacted to read:

Sec. 44.06.196. CAPITAL RELOCATION EXPENDITURES. (a) No public money may be expended to relocate the capital from its present location until a majority of those voting on the question at a statewide election have approved a single ballot question which authorizes spending for the true costs of public financing for the relocation and the facilities required for a functional capital city at Willow through the year 1992 as estimated under this section by the New Capital Site Planning Commission (AS 44.06.200 -- 44.06.260).

(b) The New Capital Site Planning Commission shall estimate the true costs to relocate the capital through the year 1992, including the costs of moving the central government employees and offices to Willow; the indemnification costs provided in AS 44.08.010 -- 44.08.080; and the cost to the public for planning, building, furnishing, using and financing the facilities required for a functional capital city. In making its estimate, the commission shall use the average annual rate of inflation for the preceding 10 years.

1 (c) The estimated true costs shall be reduced by the difference,
2 if any, between the estimated amount of money which the state will re-
3 ceive by 1992 from the sale of the state lands at the capital site to
4 private persons and their estimated value on the day before the vote
5 required by this section is held. The estimated true costs shall also
6 be reduced by the estimated cost of any currently planned construction
7 of new or enlarged facilities at Juneau for central government func-
8 tions which will not be constructed or enlarged if the capital is relo-
9 cated by 1992. This specification here does not preclude the commis-
10 sion from making other adjustments to arrive at the true costs.

11 (d) The New Capital Site Planning Commission shall, on August 15,
12 1982, provide the legislature, the governor, the lieutenant governor,
13 the director of elections, and the public with a report setting out the
14 cost estimate required by this section and the number of central gov-
15 ernment employees to be relocated from existing, named locations to the

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13 the director of elections, and the public with a report setting out the
14 cost estimate required by this section and the number of central gov-
15 ernment employees to be relocated from existing, named locations to the
16 new capital.

17 (e) After receipt of the report of the New Capital Site Planning
18 Commission, the director of elections shall prepare a ballot title to
19 provide for a vote on the question of approving the expenditure of
20 amount of the true cost of relocation estimated by the commission. The
21 ballot shall also include the number of central government employees to
22 be relocated from existing, named locations to the new capital. If a
23 majority of votes cast on the question approve the expenditure, an
24 amount equal to the estimate may be expended to relocate the capital.
25 If the majority of votes cast on the question do not approve the expen-
26 diture, no money may be expended, and the Capital Relocation Initiative
27 (AS 44.06.100 -- 44.06.190), the FRANK Initiative (AS 44.06.195, 44.-
28 06.196), the laws establishing the New Capital Site Planning Commission
29 (AS 44.06.200 -- 44.06.260) and the Alaska Capital City Development

1 Corporation (AS 44.07), and the Relocation Indemnification Act (AS 44.-
2 08) are repealed.

3 (f) In this section,

4 (1) "functional capital city" means a city having facilities
5 to serve the needs of the state's central government offices, including
6 the supreme court, the intermediate appellate court, the office of the
7 governor, the legislature and its agencies, the central government em-
8 ployees, and the facilities prescribed by AS 44.06.130;

9 (2) "central government employee, function, or office" means
10 an employee, function, or office principally involved in matters which
11 concern statewide, as opposed to regional or local, activities of the
12 state government.

13 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
14 10.070(c).
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12 state government.

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14 10.070(c).

HOUSE FINANCE COMMITTEE

April 11, 1981

1:40 p.m.

(Tape HFC 81-38, side 1 #717.)

PRESENT

All Members of the Committee were present except Representative Adams. (Representative Rogers arrived later in the meeting.) Present to testify: Representative Grussendorf; Eric Echols, Director, Seafood Marketing Institute; Palmer McCarter, Department of Community and Regional Affairs; Elmer Lindstrom, Fiscal Analyst, Legislative Finance Division; and Mike Bradner.

HB 31

Chairman Cotten called the meeting to order and advised that after the Bill was reported out, it was pointed out that there were some technical problems with HB 31.

HB 31 -- "An Act relating to the management and use of state, municipal, and private land; annulling 11 AAC 53.450(c); and providing for an effective date."

Chairman Cotten advised on page 15, line 18 of the Resources CS the Department claims the Resources Committee made a typo, and "shall" should be "may". He said the Resources Committee says that isn't true. He recommended they leave it at "shall". There was brief discussion. The Committee concurred with Chairman Cotten.

Chairman Cotten said on page 11, lines 19-22, what they wanted to do was say that any veteran would be eligible for a discount (not just veterans of war). He said that was a policy decision made by the Resources Committee. He explained further.

(Tape Change -- HFC 81-38, side 2.)

There was brief discussion on the veterans preference policy. There was no objection to including the corrected language in this section.

HB 262 and HB 263

The next bills to be considered were HB 262 and HB 263.

HB 262 -- "An Act establishing a Fishery Industrial Technology Center as part of the University of Alaska; and providing for an effective date."

HB 263 -- "An Act making an appropriation to the University of Alaska for the Fishery Industrial Technology Center; and providing for an effective date."

Representative Freeman reminded the Committee he had a motion on the floor to accept Representative Zharoff's amendment to HB 262.

{Page 2, line 26: Change the period to a comma and add:
"including

(1) four members appointed from the seafood processing industry; the members appointed under this paragraph shall be owners or employees of firms which are in operation in the state and, insofar as possible, shall represent diverse processing operations;

(2) four members who are commercial fishermen; the members appointed under this paragraph shall be actively engaged in commercial fishing in the state and, insofar as possible, shall represent diverse fisheries resources;

(3) three public members."}

Representative Buchholdt MOVED TO AMEND THE AMENDMENT under subsection (3) after "three public members" to add "which should include an employee from the seafood processing industry". She explained the reason for the amendment is that the owners would be represented by themselves or their managers, but they would not necessarily be representing the lower employee, and she wanted to insure that the lower employees had representation.

(Representative Rogers arrived at this time.)

Chairman Cotten suggested the more proper wording for the amendment would be under subsection (1) deleting "or employees" and adding "and at least one employee not in management". Representative Buchholdt accepted that correction. Representative Meekins OBJECTED to the motion. There was brief discussion. Representative Meekins REMOVED HIS OBJECTION. There being NO FURTHER OBJECTION, the amendment to the amendment WAS ADOPTED.

The main motion as amended was before the Committee. There being NO OBJECTION, Representative Zharoff's amendment as amended was ADOPTED.

Representative Malone MOVED TO AMEND THE BILL on page 2, line 26, to add a new subsection "(d) the chairman of the policy council shall be a resident of the state of Alaska."

There was brief discussion. Representative Meekins MOVED TO AMEND REPRESENTATIVE MALONE'S AMENDMENT to add "(d) a majority of the members of the policy council shall be members of the state of Alaska." Representative Malone said he also thought of that amendment, and if this one passes he doesn't think it will be

necessary to also require that the chairman be a resident. There was further discussion.

Representative Carney MOVED TO AMEND THE AMENDMENT TO THE AMENDMENT to state "(d) all members of the policy council shall be residents of Alaska."

Representative Rogers said he is against Representative Carney's amendment. He said to say that not a single member of the council can be from outside the state could create severe problems. Representative Montgomery said he is in favor of the amendment. He said the council is being established to provide program and planning guidance, and he thinks the council members should be from the state. Representative Freeman commented he can't imagine any other state letting people come in from outside and make policy decisions affecting their state.

Representative Malone MOVED TO WITHDRAW the main motion. Representative Buchholdt OBJECTED. There being no further objection, the motion was WITHDRAWN.

Representative Carney MOVED TO AMEND THE BILL on page 2, line 27 to add a new subsection (d) to state "all members of the policy council shall be residents of the state of Alaska."
Representative Rogers OBJECTED. The QUESTION was called for. 6 in favor, 3 opposed. The MOTION CARRIED.

Representative Meekins MOVED on page 2, line 5 to change "citizens" to "residents". Representative Malone read the definition of "citizen" from WEBSTER'S DICTIONARY, and said he thinks that word is proper in this legislation. Representative Meekins WITHDREW his motion.

Representative Malone MOVED THAT THE FOLLOWING AMENDMENTS offered by Representative Zharoff be ADOPTED:

Page 3, line 6:

Delete "at the beginning" and insert "by the 20th day"

page 3, line 21:

Delete "and"

Page 3, line 22:

Delete the period and add "; and"

Page 3, following line 22 add:

"(10) the Department of Education."

There being NO OBJECTION, the amendments were ADOPTED.

Representative Moss MOVED TO REPORT OUT a Finance CS for HB 262 incorporating the amendments made at today's meeting. There being NO OBJECTION, it was so ordered. CSHB 262 (fin) was reported out with a "do pass" recommendation.

Representative Meekins moved that HB 263 be reported out of Committee. There being no objection, it was so ordered. HB 263 was reported out with a "do pass" recommendation.

HB 198

The next bill to be considered was HB 198.

HB 198 -- "An Act establihsing the Alaska Seafood Marketing Institute; and providing for an effective date."

Representative Meekins MOVED TO AMEND CSHB 198 (Resources) as follows:

Page 4, line 20 add: "The executive director and all employees of the board are in the exempt service under AS 39.25."

Page 5, after line 22, add: "Sec. ____ EXECUTIVE BUDGET ACT. The operating budget of the institute shall be prepared and submitted in accordance with the Executive Budget Act (AS 37.07) for fiscal years beginning after June 30, 1982."

Page 5, delete lines 26-27.

Page 11. Add a new section after line 20 to read: "Sec. 7. AS 39.25.110 is amended by adding a new paragraph to read: (26) employees of the Alaska Seafood Marketing Institute."

Representative Rogers OBJECTED for purposes of an explanation. Representative Meekins explained this would put the Seafood Marketing Institute under the Executive Budget Act. There was brief discussion. Representative Rogers REMOVED HIS OBJECTION. Chairman Cotten OBJECTED. In answer to a question from Chairman Cotten, ELMER LINDSTROM, Fiscal Analyst, Legislative Finance Division explained they would be state employees in the same sense that employees of the Alaska Energy Center are state employees. There was further discussion. Chairman Cotten REMOVED HIS OBJECTION.

There being NO FURTHER OBJECTION, the amendment was ADOPTED.

Representative Rogers MOVED TO REPORT OUT a Finance CS incorporating the above amendment. Representative Meekins OBJECTED for the purpose of asking a question. In answer to his question, Mr. ERIC ECHOLM, Director, Alaska Seafood Marketing Institute said yes, they are working with groups outside the

State. He commented on a group they have been working with from Portland on a promotional effort.

(Tape change, HFC 81-39, side 1.)

Representative Montgomery asked if they were anticipating that some of these 18 members not be Alaskans. Chairman Cotten said definitely. There was further discussion.

Representative Meekins pointed out that the language on page 2, line 29 through page 3, line 3 may create constitutional questions. There was discussion.

Representative Rogers WITHDREW HIS MOTION to report the Bill out.

Representative Rogers MOVED TO AMEND the bill on page 2, line 29 through page 3, line 3 as follows:

"(1) thirteen members appointed by the governor from the seafood processing industry;

(2) five commercial fishermen appointed by the governor.

There was brief discussion. There being NO OBJECTION, the amendment was adopted.

Representative Rogers MOVED TO REPORT OUT a Finance CS for HB 198 incorporating the above amendments. There being NO OBJECTION, it was so ordered. CSHB 198 (fin) was reported out with a "do pass" recommendation.

HB 453

The next bill to be considered was HB 453.

HB 453 -- "An Act making a special appropriation to the Alaska Seafood Marketing Institute; and providing for an effective date."

MR. ERIC ECHOLM, Director, Alaska Seafood Marketing Institute, advised the Budget for the Institute is in the Marketing Plan he submitted to Committee members at the last meeting. He said they are taking a long range approach to the problem. He commented briefly on the budget and said whether or not the Board will go down the line with these recommendations, he doesn't know.

Representative Freeman MOVED to report the bill out of Committee. There being NO OBJECTION, it was so ordered. HB 453 was reported out with a "do pass" recommendation.

HB 4

The next bill to be considered was HB 4.