

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2788

AFDC

Management
and
Administrative
Review

Alaska

September 1980

Region X



HOUSE FINANCE COMMITTEE

April 29, 1981

1:45 p.m.

{Tape HFC 81-57, Side 2, #127}

PRESENT

Chairman Cotten called the meeting to order at 1:45 p.m. All members of the Committee were present, except Representative Carney. Also in attendance: Ron Wende, Executive Director, Southern Southeast Regional Aquaculture Association; Jay Hogan, Director, and Elmer Lindstrom, Fiscal Analyst, Division of Legislative Finance Division.

MUNICIPAL GRANT ACCOUNT

Chairman Cotten advised Jay Hogan would present an overview of the problem in making grants to non-profit organizations.

Mr. Hogan distributed copies of a memorandum (see Attachment 1) from him to Billy Berrier, Division of Legal Services. He described the lawsuit brought against the Governor by the Legislative Budget and Audit Committee (L/B&A) for a substantial number of grants vetoed by the Governor in last year's budget. He advised the Legislature had set these grants out in a paragraph-of-intent form, and the Governor vetoed the language and used that money for other items. Approximately 80% of the money is going for purposes specified by the Legislature, he stated; it is the other 20% that is the problem. Referring to the memorandum, he advised the recommendation to the Committee is that each grant--whether allocation or appropriation--be designated at that time. He explained the advantage of an allocation is that it is specific. The difficulty with appropriations, he said, is that the Governor has no choice but to accept it as written or veto it in its entirety.

Mr. Hogan referred to a draft bill (see Attachment 2), which would amend the Municipal Grants Act passed last year, and encouraged the Committee to consider this language. What this amendment does, he said, is breakout all provisions that relate to the three kinds of grants--municipal grants, grants to unincorporated communities and named recipient grants; last year all grants were left as municipal grants only.

(Representative Meekins left the meeting at this time.)

Mr. Hogan noted there is no substantive change, with the exception of language added which clarifies appropriation or allocation. By referring to the three types of grants in the statutes--.315, .316 and .317--he explained, makes it specific so that there can be no doubt as to how that grant is to be treated. Discussion followed.

Representative Rogers asked if there is a list of State employees by region or district, and Mr. Hogan advised there is a list that runs against the payroll files, which is the only one in existence.

There was discussion on the number of new employees put on through Revised Programs (RP's) and RPX. Explaining the differences, Mr. Hogan advised the RP is the form that accompanies the Agency request that goes before the L/B&A; and the RPX is the actual document from which those positions are created. The practice has been, he said, that if there is any surplus money, the Agency can move that money to fund the position, with the approval of Budget and Management. There is no review and approval mechanism here, he added, and you do not see it unless you request a copy.

Chairman Cotten brought up the L/B&A authorization that was added in the Executive Budget Act last year. Mr. Hogan explained there is a provision in the statutes that includes approval of the L/B&A for the new federal monies that are not specifically set out. The statutes, conditioned upon the compliance, he said, makes the formal appropriation. It is a two-pronged approach aimed at providing a check through L/B&A and statutory review, he stated.

Representative Malone indicated he is interested in Representative Rogers' request for a listing of the number of new positions in the Governor's budget by election districts, as it would be useful for comparison purposes. Mr. Hogan advised Legislative Finance can have a computer run done from the State payroll by election districts and one of the Governor's new positions.

Representative Freeman said he is interested in finding out where the requirements are contained that specify "monies to be spent shall be appropriated by the Legislature and that no people shall be hired unless authorized by the Legislature." Mr. Hogan informed the Committee the latter is located in the Alaska State Constitution, and the former is "found at the end of a rather lengthy section in the Executive Budget Act." Referring to the RPX process, Representative Freeman added he feels not having control over the number of positions makes the whole budget process a farce. He cited the amount of work that goes into this by the Legislature, and then the Agency can still go out and hire people anyway, which just makes the Legislature look foolish.

During discussion on what can be done to eliminate this problem, Mr. Hogan suggested including a statement to be added in front of the General Appropriations Act that the number of positions shown are to be considered a ceiling number and that the appropriations are contingent upon following these directions; i.e., "you appropriate 'X' number of dollars and authorize only 'X' number of positions". In response to a question from Chairman Cotten, Mr. Hogan stated it is his opinion that a statutory change would not be necessary.

[Tape HFC 81-58, Side 1, #001]

Commenting further on limiting State growth, Representative Freeman indicated he has discussed various ways to obtain and keep control with Ron Lehr, Director, Budget and Management, and there are two ways to do it--limiting dollars or bodies. He indicated Mr. Lehr favors dollars, while he (Freeman) prefers bodies.

There was discussion on whether this should be specified in the statutes, included in the General Appropriations Act or the Executive Budget Act. Mr. Hogan was requested to prepare a draft of the suggested language and report back to the Committee.

RECESS

(Chairman Cotten called a recess at 2:45 p.m. and reconvened the meeting at 3:00 p.m. Representative Meekins joined the meeting during this time.)

DEVELOPMENT BUDGET CLOSEOUTS

Chairman Cotten advised the Committee would continue consideration of the recommendations of the subcommittee on the DEVELOPMENT BUDGET--Representative Buchholdt, chairman.

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT, Fish Enhancement Tax Receipts, p 50: Representative Buchholdt brought up a recent legislative request (see Attachment 3) and advised she will not make a motion to include this in the budget at this time. Representative Malone observed this would be shifting the burden of budgeting to the Legislature and questioned if the Legislature should accept that responsibility. Mr. Hogan believed it would be more appropriate to tie the taxes collected to the statutes.

There was discussion on the \$1.6 million figure versus a \$1.3 million figure. Elmer Lindstrom explained the \$1.3 million represents an estimate by the Department of Revenue, and the \$1.6 million figure is the Aquaculture Association's estimate. As far as the figures are concerned, he pointed out that the tax did not exist last year. Chairman Cotten commented the intent was to return the tax receipts, but they can't have more than the return on the tax receipts. Representative Malone suggested a compromise approach that the amount of last year's receipts be appropriated for next year's budget.

At this time, Ron Wende, Southern Southeast Regional Aquaculture Association, presented testimony. He described the court suit regarding the previous system of mandatory assessment. He advised the bulk of their expenses occur at the beginning of the fiscal year, which is primarily why they recommend the general fund approach. Commenting on the difference in the figures, he stated the \$1.6 million is the recommendation of the Association, and they will have to bear the responsibility if this proves to be incorrect. Last year for his region, he said, they received a

grant of \$691,000, and the receipts were \$935,000. Therefore, he said he thinks they have been conservative and asked that the Committee consider the \$6.5 million figure, based on the estimates of the three Regional Aquaculture Associations.

Representative Freeman agreed with Representative Malone's proposal that the Associations receive the requested figure, but next year their budget would consist of what was collected the previous year. Mr. Wende indicated he saw no problem with this suggestion and volunteered they would probably know exactly what was collected by March.

In response to a question, Mr. Lindstrom advised this represents a landing tax, as opposed to a catching tax.

Representative Rogers noted that, in the Governor's budget, there is no allocation or difference between the three regions. Mr. Wende strongly urged the Legislature to consider separating these three regions in intent. He also mentioned he feels their estimate is more accurate than that of the Department of Revenue.

Representative Haugen wondered if it wouldn't be better to accept the funds from the 3% tax directly rather than to go through this process. Mr. Wende indicated yes, and this is the question currently being decided in the supreme court. They want the ability to raise that tax to meet their budget, he explained; the statute says a 2-3% tax.

{Tape HFC 81-58, Side 2, #001}

DEPARTMENT OF REVENUE, Shared Taxes--Municipal Assistance, p 12:
Mr. Lindstrom noted the \$87.4 million represents the March revenue projections for FY 82.

Representative Rogers explained the problems in formula funding, using Fairbanks as an example. He questioned the reason for full formula funding when a need hasn't been demonstrated. The intent was also to reduce property taxes, he said, but indicated this is not being done. In response to a question, Mr. Lindstrom advised the proportion for city to city would remain basically the same under formula funding.

There was discussion on the 18% increase recommended by the subcommittee and the 55% increase recommended in the Governor's budget. The \$51.9 million figure, which represents full funding, refers to the hold harmless clause and the minimum entitlement clause, which is the result of HB 192, Mr. Lindstrom explained. Representative Meekins indicated he finds it hard to reconcile the jump from \$27 million last year to \$51.9 million this year. Representative Rogers advised the subcommittee recommendation amounts to a 20% increase over FY 81 revenue sharing and a 395% increase over FY 81 municipal assistance. He reminded the Committee the municipality is not the only Legislative priority. During further discussion, Mr. Lindstrom advised the Senate fully funded municipal assistance at \$87.4 million for FY 82.

Representative Rogers stated he cannot support action that increases one budget by 395% when the need has not been demonstrated, while other budget categories are limited to an 18-20% increase. He argued that the actions of a previous Legislature should not take precedence over the preference of the current Legislature just because it is in the statute. This amounts to "turning budget writing over to a computer", he said.

(Representative Malone left the meeting at this time.)

Representative Meekins commented that, while he strongly supports getting more money out to the municipality, he understands the question raised by Representative Rogers. He requested Mr. Lindstrom find out if any municipality is confronted with a surplus. Representative Freeman observed, "Based on experience, you can take it from me, there ain't goin' to be no surplus." The only problem, Mr. Lindstrom indicated, is that this will already contain some State funds.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT, Economic Enterprise--Administration/Grants, p 46: Chairman Cotten requested an explanation of the various programs listed in the intent. Representative Buchholdt explained the history of each of the five programs.

Representative Rogers pointed out that the Bristol Bay Native Association, Outer Continental Shelf (OCS) Advisory Committee, should be moved to DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS, Administration--Administration/Grants p 159, to be consistent with other OCS money.

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

There was discussion on the Alaska Business Development Center, with Representative Adams commenting that there is already a Community Development Corporation in Anchorage and that, if there is to be an appropriation, it should go to someone with expertise. Representative Buchholdt explained this group is composed of a number of participants, such as NANA Regional Corporation.

{Tape HFC 81-59, Side 1, #001}

Representative Moss indicated his support for this organization, as it helps people obtain small business loans.

ADJOURNMENT

The meeting adjourned at 4:30 p.m.

Tape HFC 81-57, Side 2, #127 - End
HFC 81-58, Side 1, #001 - End
Side 2, #001 - End
HFC 81-59, Side 1, #001 - #182

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

April 8, 1981

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

MEMORANDUM

TO: Billy G. Berrier, Director
Division of Legal Services
Legislative Affairs Agency

FROM: J. H. Hogan, Director
Legislative Finance Division

SUBJECT: The Non-Profit Grants Nightmare (#1)

Attached are copies of two pages from last year's general appropriations act which contain examples of the Governor's veto of certain grants set out in paragraph format following a particular program name. For discussion purposes, let's use the example of Youth Services on line 12, page 26. My question is, could we restructure that paragraph as follows and by so doing persuasively argue that the grants are appropriations and that as suc. if you veto the language, you veto the money?

	ALLOCATIONS	APPROPRIATION ITEMS
PROGRAM SERVICES		
Homemaker Services	1,392,400	
Day Care	292,100	
Youth Services		670,200

The appropriation for Youth Services is the sum of the following named recipient grants (AS 37.05.315) which are appropriated from the general fund to the agencies shown for the amount and purpose specified:

Fairbanks Child Protection Task Force, operations	118,200
Anchorage Child Abuse Board, operations	152,600
Youth Alternative Services Network, operations	79,000
Big Brothers/Big Sisters of Southeast Alaska, operations	40,000
Minority Resource and Services, Inc., summer youth employment program	66,900
Hilltop Home, teenager services program	20,000

745

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
SITIONS)	1,423,900			
I POSITIONS)	444,700			
ITIONS)	744,700			
POSITIONS)	481,700			
SITIONS)	528,700			
ION		1,395,400	1,297,000	98,400
ITIONS)	1,020,300			
DSITIONS)	375,100			
K		1,055,100	1,003,100	52,000
		849,700	347,400	502,300
		5,198,000	4,677,000	521,000
ITIONS)	1,029,500			
ITIONS)	4,168,500			
		2,088,800	2,088,800	

LENCE IS THE SUM OF THE FOLLOWING NAMED RECIPIENT GRANTS (AS 37.05.315) WHICH ARE
TO THE AGENCIES SHOWN FOR THE AMOUNT AND PURPOSE SPECIFIED:

TER.	50,000
ARROW.	137,000
	137,000
	1,764,800

7,709,300 2,078,200 5,631,100

IS THE SUM OF THE FOLLOWING NAMED RECIPIENT GRANTS (AS 37.05.315) WHICH ARE APPROPRIATED
IES SHOWN FOR THE AMOUNT AND PURPOSE SPECIFIED:

FOR FIRST YEAR START UP 271,000

1 SOCIAL SERVICES (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
3					
4	NORTHERN REGION (31 POSITIONS)	1,423,900			
5	SOUTHEASTERN REGION (11 POSITIONS)	444,700			
6	WESTERN REGION (16 POSITIONS)	744,700			
7	NORTHWESTERN REGION (9 POSITIONS)	481,700			
8	SOUTHERN REGION (16 POSITIONS)	528,700			
9	SOCIAL SERVICES ADMINISTRATION		1,395,400	1,297,000	98,400
10	CENTRAL OFFICE (21 POSITIONS)	1,020,300			
11	STAFF DEVELOPMENT (3 POSITIONS)	375,100			
12	CONTRACT SERVICES - MAUNELUK		1,055,100	1,003,100	52,000
13	WIN (13 POSITIONS)		849,700	347,400	502,300
14	ADULT AND AGING SERVICES		5,198,000	4,677,000	521,000
15	ADMINISTRATION (20 POSITIONS)	1,029,500			
16	ADULT SERVICES (17 POSITIONS)	4,168,500			
17	DOMESTIC VIOLENCE		2,088,800	2,088,800	
18	THE APPROPRIATION FOR DOMESTIC VIOLENCE IS THE SUM OF THE FOLLOWING NAMED RECIPIENT GRANTS (AS 37.05.315) WHICH ARE				
19	APPROPRIATED FROM THE GENERAL FUND TO THE AGENCIES SHOWN FOR THE AMOUNT AND PURPOSE SPECIFIED:				
20	MAT-SU VALLEY WOMEN'S RESOURCE CENTER.	50,000			
21	ARCTIC WOMEN IN CRISIS CENTER IN BARROW.	137,000			
22	BERING SEA WOMEN'S GROUP IN NOME.	137,000			
23	UNDESIGNATED.	1,764,800			
24	AGING GRANTS (5 POSITIONS)		7,709,300	2,078,200	5,631,100
25	THE APPROPRIATION FOR AGING GRANTS IS THE SUM OF THE FOLLOWING NAMED RECIPIENT GRANTS (AS 37.05.315) WHICH ARE APPROPRIATED				
26	FROM THE GENERAL FUND TO THE AGENCIES SHOWN FOR THE AMOUNT AND PURPOSE SPECIFIED:				
27	BRISTOL BAY SENIOR CITIZENS CENTER FOR FIRST YEAR START UP	271,000			

1 For an Act entitled: "An Act relating to grants."

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

3 * Section 1. AS 37.05 is amended by adding a new section- to read:

4 Sec. 37.05.315. MUNICIPAL GRANTS. (a) When an amount is appro-
5 priated or allocated [appropriation is made] as a grant to a municipality,
6 the Department of Administration shall promptly notify the municipality
7 of the availability of the grant. When the Department of Administration
8 receives an agreement executed by the municipality which provides that
9 the municipality (1) will spend the grant for the purposes specified
10 in the appropriation; (2) will allow, on request, an audit by the
11 state of the uses made of the grant; and (3) assures that, to the
12 extent consistent with the purpose of the appropriation or allocation,
13 the facilities and services provided with the grant will be available
14 for the use of the general public, the Department of Administration
15 shall pay the grant directly to the municipality. The agreement
16 executed by a municipality under this section shall be on a form fur-
17 nished by the Department of Administration and shall be made within

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7 of the availability of the grant. When the Department of Administration
8 receives an agreement executed by the municipality which provides that
9 the municipality (1) will spend the grant for the purposes specified
10 in the appropriation; (2) will allow, on request, an audit by the
11 state of the uses made of the grant; and (3) assures that, to the
12 extent consistent with the purpose of the appropriation or allocation,
13 the facilities and services provided with the grant will be available
14 for the use of the general public, the Department of Administration
15 shall pay the grant directly to the municipality. The agreement
16 executed by a municipality under this section shall be on a form fur-
17 nished by the Department of Administration and shall be made within
18 60 days after the effective date of the appropriation.

19 (b) An appropriation or allocation for a grant to a municipality
20 for construction of a public facility lapses if substantial, ongoing
21 work on the project has not begun within five years after the effective
22 date of the appropriation.

23 (c) In accepting a grant of money for construction of a public
24 facility, each municipality covenants with the state that it will
25 operate and maintain the facility for its practical life and that it
26 will not look to the state to operate or maintain the facility or pay
27 for its operation or maintenance.

28 (d) Not less than 20 percent of the grant shall be paid to the
29 municipality within 10 days of the effective date of the agreement.

1 The remainder of the grant shall be paid either in monthly installments
2 equal to the amount of grant money the municipality expended in the
3 previous month or in a lump sum as determined by the Department of
4 Administration.

5 Sec. 37.05.317. NAMED RECIPIENT GRANTS. [(e)] When an amount
6 is appropriated or allocated [appropriation is made] to a department
7 as a grant for a named recipient which is not a municipality, the
8 department [to which the appropriation is made] shall promptly notify
9 the named recipient of the availability of the grant and request the
10 named recipient to submit a proposal to provide the
11 goods or services specified in the appropriation Act; [, or both,
12 for which the appropriation is made. At] at the same time, the
13 department may [shall] issue a request for proposals from other
14 qualified persons to provide the same goods or services, or both, in
15 the same area. The department shall contract with the named recipient
16 unless the Office of the Governor, with due regard for any local
17 expertise or experience among those making proposals, determines that

1 The remainder of the grant shall be paid either in monthly installments
2 equal to the amount of grant money the municipality expended in the
3 previous month or in a lump sum as determined by the Department of
4 Administration.

5 Sec. 37.05.317. NAMED RECIPIENT GRANTS. [(e)] When an amount
6 is appropriated or allocated [appropriation is made] to a department
7 as a grant for a named recipient which is not a municipality, the
8 department [to which the appropriation is made] shall promptly notify
9 the named recipient of the availability of the grant and request the
10 named recipient to submit a proposal to provide the
11 goods or services specified in the appropriation Act; [, or both,
12 for which the appropriation is made. At] at the same time, the
13 department may [shall] issue a request for proposals from other
14 qualified persons to provide the same goods or services, or both, in
15 the same area. The department shall contract with the named recipient
16 unless the Office of the Governor, with due regard for any local
17 expertise or experience among those making proposals, determines that
18 an award of the contract to a different party would better serve the
19 public interest. If the contract is awarded to another party than
20 that named by the legislature, the basis of that action shall be stated
21 in writing and sent to the Legislative Budget and Audit Committee
22 at the time the grant is issued. A contract must be executed within
23 60 days after the effective date of the appropriation. The purchase of
24 the goods or services, or both, shall be in accordance with AS 37.05.-
25 230(1)(C).

26 [(f) A grant to a municipality must be made within 60 days after
27 the effective date of the appropriation. A contract under (e) of
28 this section must be executed within 60 days after the effective date
29 of the appropriation.]

1 Sec. 37.05.318. EXEMPTION FROM REGULATIONS - DEFINITIONS. (a)

2 [(g)] Notwithstanding the Administrative Procedure Act (AS 44.62), the
3 Fiscal Procedures Act (AS 37.05), and the Executive Budget Act (AS 37.-
4 07), no state agency may [a department may not] adopt regulations or
5 impose additional requirements or procedures to implement, interpret,
6 make specific or otherwise carry out the provisions of sections .315 -
7 .317 [this section] unless required by the federal government for par-
8 ticipation in federal programs.

9 (b) "Appropriation" and "allocation" in sections .315-.317 have
10 the same definitions as set out in AS 37.07.120.

11 Sec. 37.05.316. UNINCORPORATED COMMUNITY GRANTS. [(h)] When an
12 amount is appropriated or allocated as a grant under this section
13 [A grant] to an unincorporated community [made under this section] it
14 shall be disbursed as follows:

15 (1) Within 45 days after the effective date of the appro-
16 priation, the Department of Community and Regional Affairs shall
17 notify the governing body of the unincorporated community, if any,

1 Sec. 37.05.318. EXEMPTION FROM REGULATIONS - DEFINITIONS. (a)

2 [(g)] Notwithstanding the Administrative Procedure Act (AS 44.62), the
3 Fiscal Procedures Act (AS 37.05), and the Executive Budget Act (AS 37.-
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5 impose additional requirements or procedures to implement, interpret,
6 make specific or otherwise carry out the provisions of sections .315 -
7 .317 [this section] unless required by the federal government for par-
8 ticipation in federal programs.

9 (b) "Appropriation" and "allocation" in sections .315-.317 have
10 the same definitions as set out in AS 37.07.120.

11 Sec. 37.05.316. UNINCORPORATED COMMUNITY GRANTS. [(h)] When an
12 amount is appropriated or allocated as a grant under this section
13 [A grant] to an unincorporated community [made under this section] it
14 shall be disbursed as follows:

15 (1) Within 45 days after the effective date of the appro-
16 priation, the Department of Community and Regional Affairs shall
17 notify the governing body of the unincorporated community, if any,
18 that a grant is available.

19 (2) The Department of Community and Regional Affairs shall
20 determine whether there is a qualified incorporated entity in the
21 community area which will agree to receive the grant and administer
22 it, subject to terms generally applicable to private grantees. If
23 there is more than one such entity, the Department of Community and
24 Regional Affairs shall select the most qualified and the grant shall
25 be awarded to that incorporated entity for the purposes specified in
26 [of] the appropriation Act; however, the Department of Community and
27 Regional Affairs shall give preference to a nonprofit corporation
28 organized by a community for receipt of the grant.
29

1 (3) If there is no incorporated entity qualified to receive
2 the grant, the Department of Community and Regional Affairs shall
3 administer the program as specified in the appropriation Act directly
4 or through agents or contractors with whom it may contract in the
5 community area.

6 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
7 10.070(c).
8
9
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17

(3) If there is no incorporated entity qualified to receive the grant, the Department of Community and Regional Affairs shall administer the program as specified in the appropriation Act directly or through agents or contractors with whom it may contract in the community area.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-10.070(c).



Alaska State Legislature

House of Representatives

Committee on Resources

Terry Gardiner, Co-Chairman
Fred F. Zharoff, Co-Chairman
465-3715

April 13, 1981

Pouch V
State Capitol
Juneau, Alaska 99811

The Honorable Sam Cotten
Chairman House Finance Committee
Capital Building
Juneau, Alaska 99811

Dear Representative Cotten:

The House Resources Committee has held hearings on the status of the fisheries rehabilitation and enhancement program; both the public effort through the Department of Fish and Game and Private-Not-For-Profit program set up in AS 16.10.375-600.

It is the recommendation of the House Resources Committee that the following budgetary matters be included in the FY 82 budget:

1.0 Appropriation of \$1,650,000 to the Department of Commerce and Economic Development for transfer to the Regional Aquaculture Associations. The money is a result of the Fisheries Enhancement Tax that the appropriate regional associations has elected to impose on themselves. At the time that tax law was passed in 1980 and an election was held in each region, the legislature and governor committed to passing at least the total amount collected back to the regions. The total should be allocated as follows:

- .1 Southern Southeast Regional Aquaculture Association. \$800,000
- .2 Northern Southeast Regional Aquaculture Association. \$500,000
- .3 Cook Inlet Aquaculture Association. \$350,000

The appropriation should not be tied to the collection of the receipts from the enhancement tax. The programs must be assured of continuity of funding. Although the appropriation is based upon a anticipated collections any discrepancy can be compensated in next years budget.

Thank you for your consideration of this matter.

Sincerely,

Handwritten signature of Fred F. Zharoff.

Fred Zharoff
Co-Chairman

Handwritten signature of Terry Gardiner.

75 Terry Gardiner
Co-Chairman

HOUSE FINANCE COMMITTEE

April 30, 1981

8:40 a.m.

(HFC 81-59, side 1 #182)

PRESENT

All Members of the Committee were in attendance except Representatives Malone and Carney. (Representative Haugen arrived later in the meeting.) Also present were: Representative Clocksin; and Jack Coghill, Mayor, City of Nenana.

HB 330

Chairman Cotten called the meeting to order and brought HB 330 up for consideration.

HB 330 -- "An Act relating to payment of the costs of care of pregnant women; and providing for an effective date."

Representative Meekins presented a proposed Finance CS for HB 330 which he believes addresses the concerns raised by Committee Members. He said on line 12 they deleted "and medical" and inserted "and"; on line 24 after woman, they inserted "experiencing social and economic difficulties"; and after prenatal care they added "and parenting skills".

Representative Moss MOVED AND ASKED UNANIMOUS CONSENT that the Finance CS for HB 330 be reported out of Committee. There being NO OBJECTION, it was so ordered. CSHB 330 (fin) was reported out with a "do pass" recommendation.

(Representative Haugen arrived at this time.)

SB 329 am (title)

The next bill to be considered was SB 329 am (title).

SB 329 am (title) -- "An Act making a special appropriation to the Alaska Municipal Bond Bank Authority for the purchase of general obligation bonds issued by the city of Nenana; and providing for an effective date."

Representative Moss advised this was discussed in detail at an earlier meeting when he moved to amend HB 201 for the same purpose.

MAYOR JACK COGHILL, City of Nenana advised this bill is not going to cost the State anything; it is going to be a revenue bond for the state. He presented a brief history of the bill: the Alaska Railroad has owned and operated the river transportation system since 1923. Last year the General Services Administration

decided they were going to auction off the 13 barges and dock. This is the only delivery/transportation system for the resupply of communities from the Yukon River to Mountain Village. The City of Nenana would like to take over the barges.

Chairman Cotten asked who would own the barges under this situation. Mayor Coghill said the City of Nenana. He explained they would contract out with the Yutana Barge Company, who has operated the barges since 1927. There was further discussion.

Representative Freeman said the Municipal Bond Bank Authority was set up to allow the Authority to package bonds of small communities where the issue was such that it would not be economically feasible for them to go on the open market. He asked why can't the bond bank take care of the City of Nenana. Mr. Coghill explained the bond bank is a pass through; it will take the bonds and market them on the open market. He said this is not a bond to build schools or for municipal improvements, it is to maintain a certain structure on the Yukon River. There was further discussion. Representative Freeman said the bond bank was not established to be an advocate in the manner this bill proposes.

Chairman Cotten commented it seems clear the City of Nenana doesn't have a lot of choice. There was further discussion.

Representative Rogers MOVED AND ASKED UNANIMOUS CONSENT that SB 329 am (title) be reported out of Committee. There being NO OBJECTION, it was so ordered. SB 329 am (title) was reported out with individual recommendations.

HB 201

The next bill to be considered was HB 201.

HB 201 -- "An Act making special appropriations to the Department of Revenue to provide partial interest payments on municipal bonds as a general fund subsidy to local government; and providing for an effective date."

Representative Moss MOVED AND ASKED UNANIMOUS CONSENT that the Committee rescind their action in approving the amendment for CSHB 201 (approved at the March 5, 1981 meeting). There being NO OBJECTION, it was so ordered. The original bill was now before the Committee.

Representative Freeman requested an explanation. Chairman Cotten said the bonds approved by the voters had the same problems they did last year -- there is a difference between what the municipalities are allowed to pay on bonds and what they are able to get on the market. He said this bill is an attempt by local governments to do something on their own -- they are asking for the difference between the market rates and what they are able to pay. Representative Rogers said there was a letter of intent

passed last year saying this would be a one time only appropriation.

Representative Freeman said this is another example of how what the legislature tries to accomplish gets twisted around and changed. He referred to the original purpose of the Municipal Bond Bank, and said what is happening now is that the larger communities have jumped into the program and it is being used as a subsidy to get lower interest rates. He said this has gotten away from the original intent of the legislation. Representative Freeman commented that last year, when the interest rates went crazy, there were some communities with an interest rate set by charter that couldn't sell bonds because of the gap. He said the communities came to the legislature with this "great emergency" and so the state picked up the difference. He said the conversations at that time were very clear -- this was to be on a one time only basis, to give the communities time to go back and rework their charters. Representative Freeman said they haven't done that, and he doesn't think they have acted in good faith.

Representative Adams referred to the letter of intent passed with HB 950 last year, and said he objects to continuing the discussion on this bill.

Chairman Cotten said there may be good reason not to do this; on the other hand, there are some communities that raised their cap -- Sitka raised it to 10% -- and it still didn't give them enough. There was further discussion.

(Tape change, HFC 81-59, side 2.)

Representative Moss MOVED to report the Bill out of Committee. Representative Rogers MOVED TO AMEND THE MOTION to include a letter of intent saying the Legislature intends to continue to subsidize the difference between 8% interest and the market rate of bonds. Chairman Cotten OBJECTED. There was brief discussion. The Question was called for. 1 in favor, 8 opposed. The AMENDMENT TO THE MOTION FAILED.

Chairman Cotten asked if there was any objection to moving the bill out of Committee. There being no objection, HB 201 was reported out with Individual Recommendations.

CSSB 321 (fin)

Representative Rogers announced he has received the workdraft for a House Finance CS for SB 321; however, there are several errors in it. He said there are also two more amendments he is waiting to receive. He said he hopes to have the bill ready by tomorrow.

HB 174

The next bill to be considered was HB 174.

HB 174 -- "An Act relating to aid to families with dependent children; and providing for an effective date."

Chairman Cotten asked what affect the passage of HB 330 ("An Act relating to payment of the costs of care of pregnant women; and providing for an effective date.") would have on this bill. REPRESENTATIVE CLOCKSIN said, assuming HB 330 becomes law this year, the affect to HB 174 would be to increase AFDC cash payments and provide cash payments to pregnant women. There was brief discussion.

Representative Clocksin presented a proposed amendment to Section 3 of ~~the~~ Bill: Delete "Notwithstanding AS 47.25.320(d)" and after "Act" insert "as increased pursuant to AS 47.25.320(d)". He said the intent of section 3 was to increase the cash payments of AFDC above and beyond what they otherwise would have increased. He said the net effect is a \$43 a month increase. He advised the Fiscal Note assumes passage of this amendment. There was brief discussion. Representative Clocksin said the intent of the amendment he is proposing is to make sure the cost of living adjustment gets added.

Chairman Cotten MOVED to accept the amendment proposed by Representative Clocksin. There being NO OBJECTION, it was so ordered.

Representative Rogers MOVED to accept the amendment proposed by the Department on page 2, line 9, after "department" add "plus a special needs allowance not to exceed \$20 a month." There being NO OBJECTION, it was so ordered.

Representative Rogers MOVED to report out a Finance CS for HB 174 incorporating the two amendments just accepted, with the new fiscal note dated 4/3/81 (\$6176.4). There being NO OBJECTION, it was so ordered. CSHB 174 (fin) was reported out with individual recommendations.

HB 176

The next bill to be considered was HB 176.

HB 176 -- "An Act relating to general relief medical; and providing for an effective date."

There was brief discussion on the fiscal note.

Representative Rogers moved to revise the fiscal note to \$600.0 and to report out CSHB 176 (HESS) with the new fiscal note. There being no objection, it was so ordered. CSHB 176 (HESS) was reported out with Individual Recommendations.

SUBCOMMITTEE'S APPOINTED

Chairman Cotten made the following Subcommittee appointments:

HB_9 -- Representative Malone
Representative Rogers
Representative Haugen

HB_12 -- Representative Moss
Representative Meekins
Representative Montgomery

HB_92 -- Representative Buchholdt

ADJOURNMENT

The meeting adjourned at 9:35 a.m.

Tape HFC 81-59, Side 1 #182 to end
Side 2 #001 to 393

HOUSE FINANCE COMMITTEE

April 30, 1981

1:45 p.m.

[Tape HFC 81-59, Side 2, #393]

PRESENT

Chairman Cotten called the meeting to order at 1:45 p.m. All members of the Committee were present, except Representative Moss. Representative Carney arrived later in the meeting. Also in attendance: Representative Rick Halford, NRMEC subcommittee member; Mark Widdoes, Administrative Assistant to Representative Malone; John Crandall, Administrative Assistant to Representative Meekins; Bob Grogan, Fiscal Analyst, Division of Legislative Finance.

NATURAL RESOURCES MANAGEMENT AND ENVIRONMENTAL CONSERVATION
(NRMEC) BUDGET CLOSEOUTS -- SUBCOMMITTEE RECOMMENDATIONS

Chairman Cotten advised the Committee would hear the recommendations of the subcommittee on the NRMEC BUDGET-- Representative Meekins, chairman.

Representative Meekins gave a brief overview of the budget in general, discussing increases and position count. He stated the subcommittee held extensive Agency hearings and then requested the Agencies reduce their own budgets by 5%--setting priorities-- and that the overall response seemed fair and reasonable.

(Representative Malone left the meeting.)

Representative Meekins called attention to a Selected List packet of legislative requests received by the subcommittee, to be considered after the entire budget overview. Basically, he continued, the subcommittee took the Agency recommendations.

Representative Adams commented he has a real problem when it appears the subcommittee took the 5% reduction basically from the rural areas. He cited DEPARTMENT OF FISH & GAME, Commercial Fish--Salmon, shortform page 166, as an example. Representative Meekins responded there was no conscious effort on the part of the subcommittee to specifically cut the rural areas and again stated they took the Agency recommendations. He also called attention to the tremendous increase in the Governor's budget this year.

(Representative Freeman left the meeting.)

Referring to the cutsheet, Representative Meekins advised the first two Budget Request Units (BRU's) are the Governor's figures, then there are blanks--p 6-88--due to the reorganization

in the Department of Natural Resources, and it starts up again on p 92.

DEPARTMENT OF NATURAL RESOURCES, Management & Administration-- Information/Records Management, p 96: Representative Meekins pointed out this is where the first reduction shows up. He advised the public information project was deleted, at the recommendation of the Department.

Research/Special Projects, p 101: Representative Meekins advised of a \$392.0 reduction. Representative Rogers asked about positions 13 & 14, relating to the Haul Road, and Representative Meekins replied the Governor didn't allow them and neither did the subcommittee.

State Pipeline Surveillance,--Gas Pipeline Review, p 105: Representative Meekins advised they had originally geared up as if for the start of the pipeline, and the 35,215.4 reflects their revised request. Representative Rogers expressed concern that the positions were disallowed and pointed out this does not involve general funds, and it just "might give them another reason to rag the State around." Representative Meekins recognized his point as valid but indicated he thinks they can get around that.

[Tape HFC 81-60, Side 1, #001]

(Representative Carney arrived at this time.)

During further discussion, Bob Grogan stated the request figure was done last fall when they were geared up for the start of the pipeline, but that in his discussions with Northwest people, they indicated the House figure was sufficient. He also indicated he suspects the position count might be in error. Representative Rogers requested Mr. Grogan check on this.

Land Management--Land Selection/Title Defense, p 112: Representative Meekins advised two of the projects were deleted under recommendation of the Department, which leaves it at continuation level.

Limited Land Disposals, p 116: Again, Representative Meekins stated, four projects were deleted, which leaves it at continuation. Chairman Cotten requested Mr. Grogan provide further information on Public Access under Regulation 24.77.

Water Management--Water Inventory/Assessment, p 121: Representative Meekins advised the subcommittee deleted the Western Water Council project, which was a low priority recommendation of the Department.

Forest Management--Timber Inventory/Sales, p 127: Mr. Grogan explained deletion of the Tyonek Timber Sale project does not stop the timber sale, only the revegetation project.

(Representative Adams left the meeting.)

Fire Protection/Suppression, p 131: Representative Meekins advised over \$1 million was deleted for presuppression. Mr. Grogan explained there are two programs--presuppression, Bureau of Land Management (BLM) and presuppression, State. Representative Rogers indicated the analysis works out to 5 cents per acre--or the \$1 million cut represents 20 million acres. Representative Meekins explained the Agency indicated the \$1 million could be reduced to \$465.0; but if it is reduced further, it will be less cost effective.

Representative Carney questioned the wisdom of spending all the money and effort on presuppression where a need has not been demonstrated and when it has been determined that leaving these areas alone and allowing them to burn naturally improves vegetation growth. Representative Meekins requested Mr. Grogan check into this matter and suggested that perhaps intent would be indicated that such a management plan be implemented if none exists. During further discussion, he explained this reduction involves a large chunk of money, and the Agency, in achieving its 5% budget reduction, obviously wanted the cut made here.

Oil & Gas Management--Lease Sales, p 137: Representative Meekins stated requests from Representatives Malone and Gardiner are included, and the GBA was also accepted for hardware. Representative Rogers indicated unanimous support of the Oil and Gas Committee for the new position. He stated the dollars are right, but his concern is with position count.

Mr. Grogan advised Lease Sale Administration, p 139 and the above component relate to the same thing and that the money is under Miscellaneous, so there would be no problem. There was further discussion of positions. Representative Meekins stated the subcommittee accepted the Oil and Gas recommendations.

Mineral Resources Administration, p 149: Representative Meekins pointed out the Mineral Resources Admin Project was deleted.

Youth Conservation Corps, p 151: Representative Carney asked the number of kids employed over the summer. Mr. Grogan explained last year there were two five-week sessions with 40 kids in each session.

Park Operations--Park Design/Development, p 157: Representative Meekins noted the Land Management Realty Project was deleted and two programs--totaling \$54.0--were added, reflecting requests of Representatives Rogers and Miller.

(Representative Adams returned to the meeting.)

Representative Rogers explained the problem here is with the Haul Road; because of the status last year, no new positions were included; but the Governor won in court and authorized a position from his contingency fund. He requested the Finance Committee

consider an additional Park Planner II position in Fairbanks. He apologized for not going through the subcommittee but indicated he just found out about it.

{Tape HFC 81-60, Side 2, #001}

Park Maintenance & Operation, p 159: Representative Meekins referred to a parks package regarding \$300.0 that was generated, which is contingent upon passage of legislation. If the capital money does go, he said, then this should be put in.

RECESS

(Chairman Cotten called a recess at 2:55 p.m. and reconvened the meeting at 3:25 p.m. All members were present after the recess, except Representatives Carney, Freeman and Moss.)

DEPARTMENT OF FISH & GAME, Commercial Fish--Salmon, p 167: Representative Meekins pointed out that, even with the reduction, there are 24 new positions and a 22% increase over last year. Mr. Grogan advised all of the Fish and Game budget is located in the NRMEC category.

There was brief discussion on the 21 new part-time positions and the Arctic-Yukon-Kuskokwim Salmon Management project.

(Representative Haugen left the meeting.)

Shellfish, p 169: Representative Meekins advised the increases represent legislative requests for Shellfish Survey shortfall and Norton Sound Kingcrab Studies.

Herring, p 171: Representative Meekins advised the Department recommended a substantial reduction, but there are also a number of legislative requests. Representative Rogers expressed some concern with where the Agency indicated its reductions. Representative Halford agreed. Representative Adams also noted his objection for the record and announced he would present amendments at the proper time. Mr. Grogan offered to provide the Committee with the response sheet from the Agencies.

Fisheries Rehabilitation & Enhancement (FREC)--Operations, p 193: Representative Meekins stated \$191.6 was added for the Cold Bay Hatchery operations. Representative Halford brought up the question of initial operation funds for the Main Bay Hatchery, which is under construction. During discussion, Representative Meekins stated he asked the Department to play it straight, but there seems to be indication they are playing games. He noted there are several different hatcheries due to come on line that apparently the Department feels are not high priority. He requested Mr. Grogan find out the situation on the Main Bay Hatchery.

Administration, p 195: Representative Meekins commented the Resources Committee request was added.

(Representative Adams left the meeting.)

Administration & Support--Administrative Services, p 205: Representative Meekins advised 15 new positions were added. The Agency cited a 30% growth per year for the past several years as their response, he said.

(Representative Freeman returned to the meeting.)

Representative Rogers noted this increase is even greater than 55%, and that with \$785.0 transferred in, it is actually a 93% increase.

Game--Investigations & Research, p 210: Representative Meekins indicated the Marine Mammal program was deleted and \$89.9 was added for Humpback Whale Research. Representative Halford advised they have been working for a long time for a return to State control of marine mammals management. He indicated they are currently very close but stressed the importance of establishing a data base, which is one of the requirements.

Mr. Grogan called attention to the fact that now that the Committee has gone through the Fish and Game budget, this is the end of project budgeting. There was brief discussion on project budgeting.

{Tape HFC 81-61, Side 1, #001}

(Representatives Haugen and Halford left the meeting.)

Boards of Fish & Game, p 225: Representative Meekins advised transcription of meetings was deleted.

Subsistence Section, p 227: \$107.0 for seasonal staff was deleted, and \$249.3 added for the Eskimo Walrus Commission, which was a request of Representative Fuller, Representative Meekins said.

Habitat Protection--Special Federal Projects, p 238: In response to a question, Mr. Grogan explained this is a variety of projects that are kept separate for accounting purposes.

DEPARTMENT OF PUBLIC SAFETY, Fish & Wildlife Protection/Enforcement, p 251: Representative Meekins noted this was zeroed out.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION, p 291-311: Representative Meekins informed the Committee general reductions were taken here.

Environmental Quality Operations--Placer Mining Project, p 313: Representative Rogers indicated this is one of the few times he has been lobbied in favor of a program by miners. This is an attempt to do some demonstrations with settling problems and costs. He explained the program further.

(Representative Haugen returned to the meeting.)

Representative Meekins indicated he agreed and mentioned they made a good presentation and demonstrated a willingness to work with the communities.

Mr. Grogan pointed out this is a small Department, and the 5% reduction only amounts to \$400.0; and this represents one-half of it.

Environmental Management, p 317-325: Representative Meekins stated amounts here represent revised maintenance figures.

Office of Science & Technology--Executive Operations, p 327: Representative Meekins pointed out an error; i.e., the new position recommended by the Governor was accepted by the subcommittee.

ADJOURNMENT

Chairman Cotten announced the Committee would meet this evening at 6:30 p.m. on the DEVELOPMENT BUDGET. The meeting adjourned at 4:30 p.m.

Tape HFC 81-59, Side 2, #393 - End
HFC 81-60, Side 1, #001 - End
Side 2, #001 - End
HFC 81-61, Side 1, #001 - #433

HOUSE FINANCE COMMITTEE

April 30, 1981

6:55 p.m.

(HFC 81-61, side 1 #432.)

PRESENT

All Members of the Committee were present except Representative Meekins and Moss. (Representative Malone arrived later in the meeting.) Also present were: Representative Clocksin; John Crandahl, Aide to Representative Meekins; and Elmer Lindstrom, Fiscal Analyst, Legislative Finance Division.

DEVELOPMENT BUDGET CATEGORY

Chairman Cotten said the Committee would continue with their close-outs of the DEVELOPMENT BUDGET CATEGORY.

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

Economic Enterprise, Commercial Fisheries Dev. Chairman Cotten said this was a new office. Mr. Elmer Lindstrom, Fiscal Analyst, Legislative Finance Division, explained this office will be most heavily involved in bottomfish.

Economic Enterprise: Administration/Grants. Chairman Cotten said he is against giving grants to nonprofit corporations without any supervision. He recommended putting \$500.0 under grants with intent requiring the Division to oversee the implementation of the programs, and allow grants for non profit organizations to provide technical assistance and services to commercial fisheries in developing unutilized fish species. He said his concern is we are not making any effort towards coordinating our approach in fisheries services.

Representative Rogers asked if the intent was to not allow named recipients of grants throughout the budget. Chairman Cotten said he would like to avoid it as much as possible.

Chairman Cotten said he would like to move these grants to (page 43) Economic Enterprise, Commercial Fisheries Development. There was brief discussion. Representative Buchholdt said she had no objection to moving the grants to that page.

Economic Enterprise: Special Development Projects (page 37). Chairman Cotten MOVED to delete the legislative intent and reduce contractual by \$250.0. Representative Rogers OBJECTED. Chairman Cotten said this is in keeping with what they are doing with Gas Pipeline Surveillance. Representative Rogers removed his objection. There being NO FURTHER OBJECTION, the motion was adopted.

Energy & Power Development: Energy Administration (page 67). Chairman Cotten MOVED to delete \$100.0 from contractual and change the intent to read: "It is the intent of the Legislature that the contractual line item allocation include \$114,200 for an alternative energy resource center." There being NO OBJECTION, it was so ordered.

Alaska Power Authority (page 77). Chairman Cotten commented the Governor offered \$1.7 million, and the Subcommittee came in with \$4.8 million for the power production assistance program. He said it may be this is not an appropriate place to fund that program, and the energy package being put together might be more appropriate. He MOVED to delete \$4.8 million from grants/claims. Representative Rogers said the intent would be to take in up in HCS SB 26. There being NO OBJECTION, it was so ordered.

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

Community Assistance Grants: Bulk Fuel Grants (page 127). There was discussion on the grants.

(Tape change, HFC 81-62, Side 2.)

Representative Rogers said that, assuming this funding is included in HCS SB 26, they could take \$100.0 out of contractual and \$2300.0 out of grants/claims. There was brief discussion. The Committee decided to leave the \$100.0 in contractual for inspection of projects. There was NO OBJECTION to reducing grants/claims by \$2300.0.

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

Royalty Oil and Gas Board (page 79). Representative Rogers advised the Subcommittee added \$100.0 requested by the agency and refused by the Governor. He said staff has since indicated they could probably get along without this study. Chairman Cotten recommended removing the funding. There being NO OBJECTION, \$100.0 was reduced from contractual.

DEPARTMENT OF NATURAL RESOURCES

Agricultural Management, Directors Office/Grants (page 105). Representative Buchholdt pointed out the Subcommittee has designated who these grants were to go to.

(Representative Malone arrived at this time.)

There was discussion on the grant for St. Lawrence Island Reindeer Stock Improvements in the amount of \$25,800. Chairman Cotten MOVED to delete the name Kawerak Inc. from the legislative intent, and to move the funding to the Directors Office, with intent that it be for St. Lawrence Island Reindeer Stock Improvements. There being NO OBJECTION, it was so ordered. After brief discussion, the Committee decided to leave the \$1,900 for the Ninilchik State Fair under this BRU.

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

Local Government Assistance: Coastal Energy Impact Program (page 139). Representative Buchholdt advised the legislative intent was included at the request of the Governor: "It is the intent of the Legislature that the appropriation of \$2152.6 FY 82 federal receipts will not lapse until June 30, 1983." There was brief discussion.

Administration/Grants (page 159). There was discussion on the grants. Representative Buchholdt explained the appropriation for Association of Village Council Presidents, Outer Continental Shelf Task Force in the amount of \$293,400. They are basically concerned with the 1982 Norton Sound lease sale. Representative Rogers advised this is a federal sale they are trying to prepare for. He said he believes the figure could be reduced to \$200,000. Chairman Cotten said it would appear it is the State's responsibility to be prepared for this; however, he is not sure the responsibility should be given to a nonprofit group. He recommended this be given to a state office to oversee. There was further discussion. Representative Haugen suggested this would be a job for the Habitat Management people. Representative Rogers said part of the problem is that the issues are not in any one single agency's area. He said the impact of outer continental shelf (OCS) exploration and development on the people in the areas is pretty significant. He said the study is more than just an environmental impact assessment. Representative Malone commented they included a substantial amount of money in the GENERAL GOVERNMENT BUDGET CATEGORY under Office of the Governor, Division of Policy Development and Planning for this purpose, and the Subcommittee is preparing a recommendation to reduce most of those funds. There was further discussion.

RECESS

Chairman Cotten called for a recess at 7:55 p.m., and recalled the meeting to order at 8:10 p.m.

DEVELOPMENT BUDGET CATEGORY

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

Administration/Grants. Representative Rogers MOVED to delete the grant for the Association of Village Council Presidents from this page, and to REINSERT \$200.0 on page 143 (Community Planning Services: Community Planning Assistance) in the grants/claims line item with intent that they shall contract out with an Outer Continental Shelf task force in the Yukon/Kuskokwim/Delta area. There being NO OBJECTION, it was so ordered.

Representative Buchholdt explained the \$85.0 appropriation for the Coalition for Economic Justice, Community Self-Help Program. Representative Clocksin explained this was funded by the Legislature last year, and they are doing a fine job of responding to consumer interests. There was discussion on naming

the recipients for the grants. Chairman Cotten said there are some cases, like for the Whale Census Project, where there is no question about who will be doing the project. There was further discussion on the grant for a community self-help program. Representative Rogers MOVED to delete the \$85.0 from this page and move it to Administration, Office of the Commissioner (page 153) in the grants/claims line item with intent that it be for a community based economic justice self-help program - Anchorage. There being no objection, it was so ordered.

Representative Buchholdt commented on the grant for Alaska Consumer Advocacy Project, Consumer Representation in the amount of \$225,000. There was discussion. Chairman Cotten MOVED to delete this grant from this page, and move the funds to Administration, Office of the Commissioner (page 153) in the grants/claims line item with intent that it be for consumer advocacy representation before regulatory commissions. There being no objection, it was so ordered.

Chairman Cotten MOVED to include intent under the Commissioners Office that "it is the intent of the Legislature that the Commissioner's Office shall oversee implementation of the programs for which grants are issued." There being no objection, it was so ordered.

(Tape change, HFC 81-62, Side 1.)

Representative Rogers referred to the \$67,600 grant for Kawerak Inc., Energy Specialist Nome, and said there have been discussions in meetings on HB 9 about including items such as this, and he recommended deleting it from here and bringing it up when HB 9 is discussed. There was no objection.

There was discussion on the grant for the Alaska Black Leadership Conference, Community Based Education, \$116,300. Representative Rogers recommended it be a grant for minority community based education. There was no objection.

Chairman Cotten recommended deleting the grant for the Cultural Facilities Development Committee, Economic Impact of Arts in Alaska Study in the amount of \$25,000. He said they could apply through the Arts Council budget grants program. There was no objection.

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

Representative Adams requested that they go back to page 43 (Economic Enterprise, Commercial Fisheries Dev.), and he MOVED that the amount in contractual be bumped up to \$750.0 so the Bering Straits Fishing Council and the Alaska Village Council Presidents may participate. There was no objection.

Foreign Offices. Representative Buchholdt said she has talked with the Director regarding the Asian Office. She said she cannot make a recommendation at this time to reinstate the

office. She said she is waiting for additional information to be provided.

Representative Buchholdt said she has received a request for \$363,000 for training pilots to learn more about flying in the State. There was brief discussion. Chairman Cotten suggested that could be better addressed in the TRANSPORTATION BUDGET CATEGORY.

Mr. Lindstrom advised they just received a Budget Amendment in the amount of \$50.0 in the Office of the Commissioner, Department of Commerce and Economic Development to allow Alaskan participation in the Food Fair in Cologne, Germany. No action was taken to accept this Amendment.

Chairman Cotten announced the DEVELOPMENT BUDGET CATEGORY IS CLOSED. except for additional reductions and position deletions.

NATURAL RESOURCE MANAGEMENT (NRMEC) BUDGET CATEGORY

MR. JOHN CRANDAH, Aide to Representative Meekins presented a list of requested legislative add-ons to the Natural Resource Management Budget Category (See attachment #1.) He briefly explained the requests.

(Tape change, HFC 81-63, Side 2.)

Chairman Cotten announced he may be making a request for an addition to the Chugiak State Park appropriation because they are losing C.E.T.A. employees. He explained he may request seven seasonal positions to make up for the shortfall.

ADJOURNMENT

The meeting adjourned at 9:10 p.m.

Tape HFC 81-61, side 1 #432 to end
 side 2 #001 to end
 HFC 81-62, side 1 #001 to end
 side 2 #001 to #025

NRMEC

<u>Page</u>	<u>Requestor</u>	<u>Dept.</u>	<u>BRU</u>	<u>S.</u>
	Duncan	Various	Research Special Projects	Haines Interdis
145	Smith	DNR	Geologic Hazard Ident.	Add Seismologis
153	Public	DNR	Historic Resource Mgmt.	Replace Fed. Fu History & Arc Position
157	Rogers	DNR		
167	Vaska	F&G	Comm. Fish-Salmon?	AYK Fisheries M
171	Vaska	F&G	Comm. Fish-Herring	Statewide Herri
192-B	Gardiner ✓	F&G	Fred-Operations	Lake Fertilizat
192-B	Gardiner ✓	F&G	Fred Operations	Chinook Rehab. -Contract to
192-B	Hs. Res. ✓	F&G	Fred Operations	Fish Marketing, Evaluation
205	Hs. Res. ✓	F&G	Admin. Svs.	Regional Assoc.
205	Zharoff	F&G	Admin. Svs.	Regional Assoc.
306-11	Gardiner	DEC	Envir. Qual. Mgt.	3 Envir. Techn:
311	Rogers	DEC	Envir. Qual. Oper.-Northern Region	1 Envir. Field 2 Envir. Field
327	Rogers	DEC	Office of Science & Technology	1 Grant Admini: 1 Clerk Typist Associated Cos

4/30/81

768

Attachment #1

NRMEC

<u>Page</u>	<u>Requestor</u>	<u>Dept.</u>	<u>BRU</u>	<u>S.L.</u>	<u>Amount</u>	<u>Back Up</u>
	Duncan	Various	Research Special Projects	Haines Interdisciplinary Team	361.0	See #1
145	Smith	DNR	Geologic Hazard Ident.	Add Seismologist Position	85.0	See #2
153	Public	DNR	Historic Resource Mgmt.	Replace Fed. Funds-Office of History & Archaeology	520.0	See #3
157	Rogers	DNR		Position	49.9	
167	Vaska	F&G	Comm. Fish-Salmon?	AYK Fisheries Mgt. Program	2,431.4	See #4
171	Vaska	F&G	Comm. Fish-Herring	Statewide Herring Research	386.6	See #4 o
192-B	Gardiner ✓	F&G	Fred-Operations	Lake Fertilization - SSRAA	229.0	See #5
192-B	Gardiner ✓	F&G	Fred Operations	Chinook Rehab. Research -Contract to SSRAA	70.0	See #5 o
192-B	Hs. Res. ✓	F&G	Fred Operations	Fish Marketing, Recovery & Evaluation	1,208.8	See #6
205	Hs. Res. ✓	F&G	Admin. Svs.	Regional Assoc. Planning	600.0	See #7
205	Zharoff	F&G	Admin. Svs.	Regional Assoc. Planning - Kodiak	100.0	See #7 o
306-11	Gardiner	DEC	Envir. Qual. Mgt.	3 Envir. Technicians (1 per Region)	148.8	See #9
311	Rogers	DEC	Envir. Qual. Oper.-Northern Region	1 Envir. Field Officer III 19 Fbx. 2 Envir. Field Officer II 17 Fbx.	39.1 68.1	See #8
327	Rogers	DEC	Office of Science & Technology	1 Grant Administrator 17 Jun. 1 Clerk Typist III 8 Jun. Associated Costs	36.0 20.6 55.1	See #8 o

NRMEC
Budget

Alaska State Legislature

J.C.
Budget Request (1)



Official Business

Speaker of the House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Rep. Russ Meekins, Chairman
Finance Subcommittee for NRMEC

Rep. Sam Cotten, Chairman
House Finance Committee

FROM: Representative Jim Duncan
Speaker of the House

DATE: April 3, 1981

SUBJECT: Operating Budget Request

Please include the following in your subcommittee budget recommendations:

Cooperative Resource Study Room, Haines	5.0 ✓
Scientific Advisory Services, Haines	40.0 ✓
Topographic Mapping, Haines	51.0 ✓
Eagle Tracking, Haines	30.0 ✓
Resource Center Feasibility Study, Haines	75.0 ✓
Resource Study Reports, Haines	7.0 ✓
Resource Study Travel, Haines	3.0 ✓
Resource Study Contingency	10.0 ✓

Department of Natural Resources

Program: Management and Administration

Sub-program: Research/Special Projects

Project: Haines IDT

709

4/30/81

Operating Budget Request
April 3, 1981
Page Two

Moose and Goat Habitat, Haines

64.0 ✓

Department of Fish and Game

Program: Game

Sub-program: Investigations and Research

Project: Haines Research

Salmon Habitat Inventory, Haines

20.5 ✓

Chum Salmon Spawning Inventory, Haines

11.2 ✓

Fisheries Study Coordinator

3.4 ✓

Out-Migration Inventory, Chilkat & Chilkoot Inlets, Haines

15.2 ✓

Sonar on Chilkat River, Haines

45.0 ✓

Department of Fish and Game

Program: Commercial Fish

Sub-program: Special Projects

Project: Haines Research

T & H Theme Park Study

14.0

Department of Natural Resources

Program: Park Operations

Sub-program: Park Design/Development

Park Ranger, Juneau

44.7

Department of Natural Resources

Program: Parks

Sub-program: Parks Maintenance & Operation

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE:

March 20, 1981

The Honorable Jim Duncan
Speaker of the House
Pouch Y, State Capitol
Juneau, Alaska 99811

Dear Mr. Speaker:

After one public meeting in Haines and one teleconference in Juneau, the Haines Klukwan Cooperative Resource Study Advisory Committee has developed the attached budget recommendations. Most of the projects are continuations of work begun in FY '81 and are necessary to collect adequate information to understand the specific nature and interrelationships of these resources and their uses in the Haines area.

The summary page of the Advisory Committee's budget request compares the level of appropriation received by the Departments of Natural Resources and Fish and Game last year to the level requested this year. The summary page also indicates new projects and projects that would fall under the Governor's capital budget request. The Department of Natural Resources has indicated that Haines is a priority area for resource investigations funded under the capital budget, making the recommendations of the Advisory Committee compatible with the resource investigation priorities of the Department of Natural Resources.

Finally, the Advisory Committee would like to draw your attention to a project proposal which has great merit, but does not fall within the normal purview of the agencies represented on the Advisory Committee. This proposal is for an education project which would take the information gathered by the various resource studies and develop teaching packets which could be used by teachers in the Haines, or other schools to give natural resource related subjects a local reference. The Advisory Committee recommends that \$90,000 be funded for this project through the Department of Education which could work with the Advisory Committee and the Agencies involved in the Cooperative Resources Study and the local school district to develop a contract for this work. The people of Haines

and Klukwan have been very supportive of this concept.

The Haines Klukwan Cooperative Resource Study Advisory Committee appreciates your help in this matter. If you have any questions, please contact Mr. Reed Stoops, Director, Division of Research & Development, Department of Natural Resources.

Sincerely yours,

Haines Klukwan Cooperative Resource Study Advisory Committee

Members:

Mr. Jon Halliwill, Mayor, City of Haines
Mr. Bill Thomas, Klukwan, Inc.
Mr. Dick Logan, ADF&G
Mr. Dave Cline, National Audubon Society
Mr. Reed Stoops, Department of Natural Resources
Mr. Jack Hodges, U.S. Fish and Wildlife Service

cc: Michael Whitehead, Office of the Governor
Mr. Ron Lehr, Director, Budget and Management

**HAINES KLUKWAN COOPERATIVE RESOURCE STUDY ADVISORY COMMITTEE
RECOMMENDED
FY82 STATE BUDGET PRIORITIES
MARCH 18, 1981**

		<u>FY82</u>	<u>FY81</u>
1. Haines Cooperative Resource Study Room	\$	5,000 ✓	\$ 5,000
2. Scientific Advisory Services		40,000 ✓	20,000
3. Fisheries		95,300	50,000
a. salmon habitat inventory	20,500		
b. chum salmon spawning inventory	11,200		
c. fisheries study coordinator	3,400		
d. out-migration inventory for Chilkat and Chilkoot inlets	15,200		
e. sonar on Chilkat River	45,000		
4. Moose and Goat Habitat		64,000 ✓	25,000
5. Topographic Mapping		51,000 ✓	35,000
6. Eagle Tracking		30,000 ✓	---
7. Alaska Resource Center at Haines - Feasibility Study		75,000 ✓	---
Study Reports		7,000 ✓	7,000
Travel		3,000 ✓	3,000
Contingency		10,000	10,000
	SUBTOTAL A	\$ 380,300	
8. Hydrology*	\$	70,000	\$ 70,000
9. Soils*		50,000	50,000
10. Timber*		250,000	---
11. Minerals*		250,000	---
	SUBTOTAL B	\$ 620,000 -	
	TOTAL of A & B	\$1,000,300	\$275,000

*Included in the Department of Natural Resources Capital Improvement budget request.

Date -

1, 2, 5, 6, 7, and miscellaneous can go under the following Programs, etc

<u>Dept.</u>	<u>Cover Programs</u>	<u>BRU</u>	<u>Component</u>	<u>Project</u>
Nat. Res.	Administ. & Support	Manag. & Admin.	Research Sp. Projects	Haines IDT

# 4	Fish & Game	Game Resources Conservation	Division of Game	Investigations & Research	Haines Research
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# 3 F + G	Com. Fish	Special Projects	Line 200
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4/30/81

HAINES-KLUKWAN COOPERATIVE RESOURCE STUDY ADVISORY COMMITTEE

RECOMMENDED BUDGET PRIORITIES FISCAL YEAR 1982

The following projects are not listed in order of priority as the Advisory Committee did not try to determine an order of priority.

1.) Haines-Klukwan Cooperative Resource Study Room \$ 5,000

The Haines Cooperative Resource Study Room has been working during fiscal year 1981 as a point of coordination for the various studies. This coordination has involved disseminating information on employment opportunities to local residents and maintaining a list of persons available for employment by contractors. Also, all funding proposals and contracts are kept on file, all reports or other available resource information are kept on file, and all contractors are asked to make weekly schedules available at the resource room so the different projects can coordinate where it is mutually beneficial and the public can stay informed about the various projects. The resource room should be maintained throughout the project's duration.

2.) Scientific Advisory Committee \$ 40,000

The Alaska Commission on Science and Technology would appoint a Scientific Advisory Committee to the Haines Klukwan Cooperative Resource Study. The responsibilities of the committee would

consist of the following: 1) provide expert advice on how multi-disciplinary cooperative study can be structured for maximum effectiveness; 2) evaluate all resource study proposals and findings for scientific validity; 3) identify additional research needs to ensure that all of the study objectives are achieved; 4) direct the Arctic Environmental Information and Data Center to synthesize scientific findings, prepare multi-color maps depicting Chilkat Valley resources, prepare and distribute comprehensive progress report and final report; coordinate photo coverage of resource investigations and prepare educational materials for use in Alaska schools for grades k-12; and 5) develop a management oriented ecosystem model for Chilkat Valley using results of the various resource studies.

9.) <u>Fisheries</u>	\$ 95,300
3a.) <u>Salmon Habitat Inventory</u>	\$ 20,500

This study will provide baseline data on fisheries habitat in the Haines area which will compliment information gathered during FY81 and give a more complete picture of the location and extent of salmon use of various habitats. The study will include the following tasks:

- 1.) inventory streams to obtain information of salmon stocks, habitat types, physical and chemical characteristics;
- 2.) identify overwintering areas which support salmon fry and trout; and
- 3.) quantify gravel areas available for salmon spawning.

The study will also identify critical environmental factors necessary for the protection of the stream environment during development of related resources.

Finally, the field work will be concentrated in timber sale units under present and future cutting plans and it will recommend buffer strips in critical fishery habitat.

3b.) Fisheries Study Coordinator

\$ 3,400

The objectives of this study element is to have a resource professional in Haines who can perform the following tasks:

- 1.) coordinate the progress of fisheries habitat studies by posting field data in comprehensible form (tables, graphs, maps, written summations) in the local research center for easy access by the public and interested professionals;
- 2.) gather and index copies of all available general salmon fisheries habitat research information from other research institutions (private, university, state, federal and foreign) for inclusion in the local resource center library;
- 3.) gather and index copies of all available environmental impact information concerning fish habitat in relation to other resource utilization, industrial development, road construction and artificial and wildstock aquaculture;
- 4.) use the resources of the local research center, fisheries biologists and the local library to assist in

gathering, compiling, and indexing the above information; and,

- 5.) coordinate with other researchers to provide timely data from all areas of research as it becomes available to better understand the relationships with fish habitat and to prevent duplication of effort.

3c.) Chum Salmon Spawning Gravel Evaluation and Pre-emergent Fry Sampling in the Klukwan Delta Area.

\$ 11,200

This study element will build on data gathered during fiscal year 1981 to achieve the following objectives:

- 1.) determine the degree of siltation occurring in major spawning areas;
- 2.) examine extent of instability of upwelling spawning channels;
- 3.) identify problem areas and recommend possible solutions; and,
- 4.) sample pre-emergent chum fry to determine winter survival from egg to fry.

3d.) Estuarine Studies in Chilkat and Chilkoot Inlets During Early Spring

\$ 15,200

This study element will build on information gathered during fiscal year 1981 to provide better understanding of these two systems. This study will:

- 1.) provide baseline data on the salt water environment during salmon smolt out-migration in Chilkat and Chilkoot Inlets; and,
- 2.) determine early marine survival conditions as reflected by water temperatures, salinity, food abundance, etc.

3e). Adult Salmon Enumeration Using Side Scanning Sonar in the Chilkat River \$ 45,000

The funds in this project will be used to purchase one Bendix side scanning sonar unit to electronically count adult salmon in the Chilkat River. Sonar has been used successfully to count salmon in the glacial water of Chilkat River. A sonar unit needs to be permanently assigned to the Haines area because of the significance of the Chilkat system as a fish producer. However, due to budget limitations the Department of Fish and Game has only one such unit in the entire Southeast Region and it is needed in other fisheries districts during fiscal year 1982.

4). Moose and Goat Habitat Investigations \$ 64,000

This three year study began during FY81 and will continue to be carried out by the Alaska Department of Fish and Game, Game Division and will achieve the following objectives: 1) a description of the seasonal distribution, habitat preferences, and human use of moose and goats in the Haines timber sale area; |

2) evaluate how proposed cutting will affect moose and goats so land management plans can accommodate the needs of these wildlife species; and 3) incidental to major objectives one and two, gather information on the distribution and human use of furbearers, bears and small game.

During FY81 the Department of Fish and Game had 25,000 to do a reconnaissance study of Moose. The study is projected for two more years at the suggested level of funding. The next year of the Study, fiscal year 1982, will consist of radio collaring and aerial tracking of moose and goats. During fiscal year 1983 the study will consist of continued monitoring of radio-collared moose and field research, including pellet counts, to corroborate and expand on information gathered by the radio collaring segment of the project.

5.) Topographic Mapping Project

\$ 51,000

It is difficult at the present time to estimate the cost of continuing this project in FY82 as there are two major unknown factors which will influence the cost of the project:

1) the bids from the prospective contractors have not yet been received for the fiscal year 1981 portion of the project, so it is not yet known the price per acre, and whether the existing photography and ground control are adequate to produce the accuracy desired. If ground control and photography are not accurate, the contractors have been asked to provide an estimate of the cost of establishing adequate ground control and

photography. 2) Land ownership near Haines is still changing with major state selections in the area yet to be conveyed to the state. If the lands are conveyed soon, those areas will be of prime importance for mapping and will add to the total cost.

The current best estimate is that this project will require \$115,000 to provide topographic maps for approximately 80,000 acres which includes all the forested State patented, T.A.'d and selected land near Haines. During fiscal year 1982 it will cost \$51,000 to do one half of the mapping with the expectation that the job can be finished with equivalent funding in fiscal year 1983. This project is a popular one with several state and federal agencies, research groups, and others who have recognized a need for better topographic maps than already exist.

6.) Bald Eagle Aerial Survey

\$ 30,000

The seasonal eagle movements outside of the Chilkat Valley and the local movements within the valley will be determined by conducting bi-weekly surveys of Chilkat bald eagles to which radio telemetry equipment has been attached. The seasonal movements will define the areas of use, the food sources and the breeding grounds upon which the Chilkat eagles depend during the portion of the year when they are absent from the Chilkat Valley. The local movements will define the habitat needs of the eagles during the concentration period in the Chilkat Valley. The surveys will be conducted along predetermined routes in the Chilkat Valley

and throughout southeastern Alaska and adjacent Canadian territories. This work will be accomplished through a cooperative agreement with the U.S. Fish and Wildlife Service which will fly surveys using Service aircraft and Service radio telemetry equipment.

7.) Alaska Center for Natural Resources at Haines -
Feasibility Study

\$ 75,000

The City of Haines passed resolution 8081-15 (attached) supporting the concept of a Center for Natural Resources which would house a natural history museum, a resource research/facility and a visitor information center. The Center would be dedicated to fostering awareness, understanding and better management of the state's natural resources through education and research.

The Haines-Klukwan Cooperative Resource Study Board supports the concept presented by the City of Haines and agrees that the Center could fulfill the role envisioned by the Governor's Task Force on Resource Education for a resource study center. The Board recognizes that Haines has the good fortune and ultimate challenge of being situated in the midst of important mineral, forest, fish, wildlife, recreation, and scenic resources. Haines has the opportunity to become the standard for wise use and husbandry of natural resources in Alaska. An essential step in achieving the standard of excellence Alaskans desire in the management of their resources is the understanding of the nature and interrelationship of these resources. A center devoted

to the task of understanding not just the resources of Haines, but those of the entire state will take that important step toward responsible use and husbandry of the state's natural resources.

The funding suggested for fiscal year 1982 would cover the cost of doing a feasibility study to determine the options available in Haines for housing such a center, the range of programs and research activities that could be incorporated into the center and the work required from various state, local and private organizations to implement the range of programs and research activities.

CAPITAL BUDGET

8.) Hydrology

\$70,000 per year for 3 years
(with federal match)

The entire Chilkat Valley would be investigated over the three years and the hydrology data will be gathered first from areas where decisions need to be made immediately. The information will be extremely useful in future land and fisheries management. The funds requested would be used to match funding from the United States Geologic Survey which will actually perform the investigations, analyze the data and prepare interim reports and final technical and nontechnical reports.

9.) Soils

\$50,000 per year for 3 years
(with federal match)

Knowledge about Chilkat Valley soils is essential for future resource management. Investigations will be targeted first to areas where management decisions need to be made immediately, with the entire valley mapped at the end of the three year period.

The \$50,000 will be used to match funds from the Soil Conservation Service which will carry out the investigations, do the analysis and present the interpretations after consultation with the Department's land managers to ensure that their needs are being met by the analysis and interpretations. The Department's foresters have set criteria for the soil interpretations to give them information they need for timber management.

10.) Timber Inventory

\$250,000

Forest inventory and re-inventories are standard procedures to measure the quality, quantity, location, species mix, and associated data of the forest resource. Re-inventories are valuable in tracking growth, mortality, and other changes in the forest stand. Both provide basic data necessary to compute annual allowable cut figures for the given area. The original U.S. Forest Service inventory for the Haines Skagway area was done in cooperation with the state in 1965. The time is right for a re-inventory.

The Southeast District Forester and the State Forester's Office have proposed an inventory for the Haines area that will include: 1) current volume data for each individual planning unit; 2) volume recovery information such as net and gross ratios for old-growth stands; and 3) growth monitoring system (permanent sample plots) for the area. It is estimated that the project will cost \$250,000.

11.) Mineral Inventory

\$250,000

The Division of Geologic and Geophysical Surveys is responsible for doing basic geologic investigations for the state. The Division will target the Haines area for geologic mapping as part of its southeast region investigations.

Title

Requested by Rep. Jim DuncanDate 3/30/81

II. FISCAL DETAIL

Agency Affected Natural Resources - ParksProgram Category Affected Parks & RecreationBRU, Program, or Subprogram(s) Affected Park Operations - Park Maint. & Ops

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		29.9	32.9			
200 TRAVEL		1.5	1.7			
300 CONTRACTUAL		5.5	6.1			
400 COMMODITIES		1.0	1.1			
500 EQUIPMENT		7.8	8.6			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		44.7	50.4			

FUNDING (Thousands of Dollars)

GENERAL FUND		44.7	50.4			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1.0	1.0			
PART TIME						
TEMPORARY						
		12.0	12.0			

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

Park Ranger I with a Juneau work location to provide maintenance and operational services for existing State Parks trails and for new day-use and overnight facilities being developed with funds appropriated in 1979 as Northern Panhandle Marine Recreation Facilities, to coordinate State Parks programs with municipal and federal programs, and to provide visitor services to non-resident as well as resident recreationists.

IV. DATE 4/2/81PREPARED BY Hilton WolfeAGENCY Natural Resources - ParksPHONE 46502421

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

785

4/30/81

NRMEC
P145

(2)

ALASKA STATE LEGISLATURE



HOUSE OF REPRESENTATIVES

REPRESENTATIVE SALLY SMITH • 321 CHURCH STREET • FAIRBANKS, ALASKA 99701 • IN JUNEAU: POUCH V • JUNEAU, ALASKA 99811

MEMORANDUM

TO: Representative Russ Meekins
FROM: Representative Sally Smith
DATE: March 3, 1981
RE: Seismic Monitoring
Division of Geological & Geophysical Surveys
Department of Natural Resources

Your Finance Subcommittee will be reviewing the attached budget request at tomorrow's meeting. The request would create an exploration geophysicist position in Fairbanks to provide centralized leadership for the statewide monitoring stations. According to the budget request there are some 200 seismic stations in Alaska operated by approximately ten different federal agencies.

After careful consideration, I would like to go on record as supporting this budget request. This program would be to Alaska's advantage, considering the number of active volcanoes as well as the number of recorded earthquakes in Alaska.

Attachment

10/30/84

PROJECT TITLE: Seismic Monitoring

AGENCY Natural Resources

STATUTORY BASIS: AS 41.08.020
6 AAC 80.050
(functions mandatory; area discretionary)

CATEGORY _____

COVER PROGRAM Management of
Mineral Resources
BRU Resource Inventory/Assessment

PROJECT DESCRIPTION: Earthquakes and related processes are the most serious natural hazards in Alaska, where an average of 24 potentially damaging seismic events occur each year. Currently about 200 seismic stations operated by approximately 10 different federal agencies, universities, and private organizations monitor earthquakes in Alaska, but this major effort lacks centralized leadership and much of Alaska is not being monitored. Under this project the extant earthquake-monitoring and analysis effort in Alaska will be coordinated by an experienced seismologist to ensure that State concerns and interests are looked after, and to prevent duplication of effort. Also, the catalogue of Alaskan earthquake history will be updated and a quarterly summary of future earthquakes will be published.

COMPONENT Geologic Hazards
Identification

SHORT FORM PAGE _____

SOURCE OF REQUEST:
Representative Sally Smith,
Alaska Council of Science and
Technology
PROJECT LOCATION:
Statewide with Seismologist
officed in Fairbanks

OBJECTIVES/POLICIES: It is the policy of DGGs to provide in a timely fashion information useful for planning environmentally sound development, including data on natural resources and geologic hazards. The objectives are (1) to provide leadership in the Alaskan earthquake-monitoring effort, (2) to update the catalogue of past earthquakes in Alaska, and (3) to publish a quarterly summary of earthquakes occurring after 1978.

DEPARTMENT PRIORITY:

_____ OF _____

GOVERNOR'S ACTION:

INTEREST GROUPS AFFECTED: Federal and State agencies, local governments, private citizens, petroleum companies, private consultants, and University of Alaska.

LEAD DIVISION/PROJECT MANAGER:
Division of Geological & Geophys
Surveys; Richard Roger,
Geologist III (479-7147)

LEGISLATION/REGULATIONS REQUIRED: None

4/30/81

SUMMARY OF PROJECT COST:

		GGS								
CODE	EXPENDITURES BY OBJECT	DIVISION	DIVISION	DIVISION	DIVISION	DIVISION	DIVISION	DIVISION	DIVISION	TOTAL
100	PERSONAL SERVICES	51.8								51.8
200	TRAVEL	5.0								5.0
300	CONTRACTUAL SERVICES	23.2								23.2
400	COMMODITIES	5.0								5.0
500	EQUIPMENT									
600	LANDS, BLDGS., ETC.									
700	GRANTS, CLAIMS, ETC.									
800	MISCELLANEOUS									
	TOTAL	85.0								85.0
	1-A TRANS. (non-add)									

FED. RECEIPTS - CODE:

GF MATCH.										
GEN. FUND	85.0									85.0
1-A RCPTS.										
PGM RCPTS.										
OTHER										
OTHER										

CAPITAL

DESCRIPTION OF ASSOCIATED CAPITAL COSTS: None

COSTS TO OTHER AGENCIES None

PROJECT DURATION/LIFE CYCLE COST: Continuing project.

PERSONAL SERVICES DETAIL

POSITION TITLE	LOCATION	DIVISION	SALARY	BENEFITS	NO. OF MONTHS	POSITION
NEW/Exploration Geophysicist	Fbx	GGG	3494	11,171	12 Less Vacancy:	53,099 <u>1,328</u> 51,771

TRAVEL DETAIL

AMOUNT
5.0

DIVISION
GGG

PURPOSE
Per diem and travel around State.

CONTRACTUAL DETAIL AMOUNT
23.2

DIVISION
GGG

PURPOSE
Publish summaries of Alaska earthquakes, processing and analyzing earthquake information, long-distance phone calls, repair scientific equipment.

COMMODITIES DETAIL AMOUNT
5.0

DIVISION
GGG

PURPOSE
Purchase maps, publications, field and office supplies.

EQUIPMENT DETAIL AMOUNT

DIVISION

PURPOSE

RESULTS DELIVERED (Narrative) Coordination of earthquake-monitoring program in Alaska. One DGGs report describing Alaskan earthquakes after 1978.

4/30/81

RESULTS DELIVERED (Quantified)

DIVISION

GGS

MEASURE

1 report released
12 man-months (seismologist)

002

POSSIBLE ADJUSTMENTS

UPWARD INCREMENT

RESULT

No effect unless upward increments are sufficient to add new personnel.

COST

\$3,000 = earthquake summary
for one year

DOWNWARD INCREMENT

RESULT

Cancellation of publication of annual earthquake history and perhaps project.

COST

\$3,000 = earthquake summary
for one year



NRMBC
OPDR
P 145

THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY

March 18, 1981

John

Representative Russ Meekins, Jr.
Alaska House of Representatives
Pouch V
State Capitol, Room 216
Juneau, Alaska 99811

Dear Representative Meekins:

Your assistance in adding the item of a seismologist (exploration geophysicist) position to the Alaska Division of Geological and Geophysical Survey's budget request was most pleasing. The request is strongly backed by the Survey and by those such as myself who are concerned that the state have at its ready disposal information on the Alaskan earthquake hazard.

This position is recommended by statements given in the enclosed report prepared by our council. Especially because of the many new proposed construction projects coming up such as the Susitna dams and the gas pipeline, it is doubly important that state government have the internal source of information and expertise that this position will provide.

Those concerned with seismology and other Alaskan geophazards at the University of Alaska, back this concept strongly. All are desirous that state government make better use of the information and expertise available. The establishment of this position will be a major step toward that end.

Sincerely,

T. Neil Davis

T. Neil Davis
Chairman

TND:pj

Encs.: "Alaskan Seismology" Rept.; SB164

P.S.: At the moment, the short-term prognosis for seismological information needed by the state is bleak, owing to drastic cutbacks occurring in federal support to geohazards work in Alaska. That some cutback in seismic station operation and data analysis will occur is almost certain, even if we take some additional steps right away to secure temporary funding to carry on the most critical operations. I mention this because you may yet see an emergency request coming through before the end of this legislation session.

Also, please see attached comment on another bill, SB 164.



THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY

March 18, 1981

Representative Sally Smith
Alaska House of Representatives
Pouch V
State Capitol, Room 206
Juneau, Alaska 99811

Dear Sally:

Thank you very much for the action you took in regard to the Alaska Division of Geological and Geophysical Survey's request to establish funding for a seismology (exploration geophysicist) position within the Survey. In the opinion of many of us, it is critically important to get stronger involvement of DGGs in Alaskan seismology since the state badly needs to develop this expertise within state government. By doing so, we can expect better utilization of the information and expertise available within the University of Alaska system and elsewhere, both within and outside the state. In the long run, the state will save money.

I also am grateful to Representative Russ Meekins for his action, it was much appreciated.

I appreciate your suggestion regarding followup.

Sincerely,

T. Neil Davis
Chairman

TND:pj

cc: ✓ Rep. Russ Meekins, Jr.



THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY

ALASKAN SEISMOLOGY:
Research Priorities and Recommendations

A Summary Report
Based Upon the Results of the
ACST WORKSHOP ON ALASKAN SEISMOLOGY
Held September 1979 at Fairbanks, Alaska

February 1980

793

4/30/81

ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY SPECIAL REPORT

ALASKAN SEISMOLOGY: Research Priorities and Recommendations

* * * * *

CONTENTS

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ANALYSIS AND DISCUSSION	3
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ABOUT THE COUNCIL	6

* * * * *

EXECUTIVE SUMMARY:

Geophysical hazards, particularly earthquakes and volcanoes, are a fact of Alaskan life. The effects can be minimized through better knowledge of the physical processes involved in producing these hazards, by learning how to predict their occurrences and developing planning and response policies.

The Working Group on Alaskan Seismology was convened in 1979 by the Alaska Council on Science and Technology. The membership is composed of persons actively involved in collecting data or performing research on Alaskan earthquakes and volcanoes and who have volunteered their time to the workshop effort. Recommendations from the workshop are directed to state and federal governments and to the scientific community.

BACKGROUND AND STATUS OF CURRENT ACTIVITIES IN SEISMOLOGY:

Despite Alaska being the most seismically active state in the nation, little research and collection of data was conducted in the state prior to the 1964 Good Friday earthquake. That earthquake and the development of the petroleum industry caused recognition of the need for extensive seismic investigation to evaluate the hazards of Alaskan earthquakes and to develop zoning and other hazard reduction activities.

Currently, approximately 200 seismic stations are operated in Alaska by approximately ten different federal agencies, universities and private organizations (USGS, NOAA, USAF, U of Alaska, U of Colorado, Columbia U., U of Texas, Alyeska, Exxon, Shell Oil). The existing stations are primarily located in coastal regions, particularly along the Gulf of Alaska. Recognizing a lack of coordination among these groups, the Alaska Council on Science and Technology, in 1979, assisted in organizing a "Working Group on Alaskan Seismology" composed of scientists actively pursuing seismic investigation in the state.

To date, there is no systematic reduction and archiving of the data being collected by the various organizations. One step in this direction--the compilation of a quarterly bulletin listing all earthquakes located by the several networks operated by the University of Alaska and incorporating data from other networks--was successfully conducted for one and one-half years and then abandoned in early 1979 because of lack of funds.

Despite such weaknesses in the overall program, significant advances are being made in identifying the levels of seismicity and the degree of seismic hazard in the Gulf of Alaska region in consequence of the strong effort being supported by NOAA through the Outer Continental Shelf Environmental Assessment Program (OCSEAP). But, at the same time, there is almost a total lack of effort in such critically important areas as the route of the proposed gas pipeline were it runs along the Alaska Highway between Delta and the Canadian Border. Nor is there yet any detailed seismic monitoring being done in the area of the proposed Susitna dams.

MAJOR ISSUES IN SEISMOLOGICAL RESEARCH:

- o The primary determinant of seismic activity in the southern half of Alaska and the Aleutians is the northeasterly motion of the North Pacific tectonic plate at the rate of about 2-3 inches per year. Rubbing past the fixed coastal region of Southeast Alaska, the plate accumulates strain in the rocks there and generates very large strike-slip earthquakes such as those near Yakutat in 1899 and at Lituya Bay in 1958. The plate subducts beneath southern Alaska and the Aleutians and in the process creates large thrust earthquakes like the 1964 Good Friday earthquake and those along the Aleutians that have struck this region frequently, often causing large tsunamis that have devastated coastal areas of Hawaii. A major issue in Alaskan seismology is to gain a better understanding of this large earthquake system and the hazard it creates for economic development and the people in southern Alaska.
- o Another major issue is to gain a better understanding of the immediate cause and cycling of activity of the many Alaskan volcanoes that also are generated by the subducting North Pacific plate and which contribute a major geophysical hazard, the predictability of which may be partly related to earthquake activity. Current methods of short-term prediction do rely upon seismic monitoring of the volcanoes.
- o There is need to learn the source mechanisms, expected sizes and recurrence rates of earthquakes in the active seismic zone which extends northward from Cook Inlet up along the railbelt and population axis of Alaska to the Fairbanks area.
- o Yet another major need is to learn the cause and the characteristics of the surprisingly active seismic areas in the vicinity of the Seward Peninsula, to identify the active faults that create this activity and the hazard they create for petroleum and other development in this region.

- o There is need to develop better models of the propagation velocities of seismic waves throughout Alaska and the attenuation of these waves as they traverse the various parts of the state.
- o Since local soil conditions are a major influence upon the hazards of earthquakes (as Anchorage discovered in 1964), there is need to perform extensive mapping of near-surface materials and to better learn their response to seismic waves, especially in regions of discontinuous permafrost.
- o There is need to develop an effective distribution and operation of seismic stations throughout Alaska to meet economically the current and future needs of the state and to develop standardized methods of data processing and standardized catalogs of earthquake data.

ANALYSIS AND DISCUSSION:

Seismology is an important area of science for Alaska because of the major influence of tectonic activity upon the structure of the state and the geophysical hazard earthquakes created for Alaska's people and future development. Unfortunately, continuous monitoring over periods of many years is required to evaluate earthquake risk and to gain the fundamental knowledge needed to understand the underlying causes of Alaskan earthquakes.

The major NOAA/OCSEAP program in earthquake hazard evaluation is helping to build the data base around the margins of Alaska as are other significant monitoring programs conducted in southern Alaska by USGS and NOAA. These programs are a foundation upon which Alaska can assemble a cost-effective program to meet its needs in seismic safety, earth science and resource development activities.

The time is ripe for Alaska to establish a state policy in earthquake hazard reduction. That policy might well borrow from current federal efforts to frontally attack earthquake hazards by: *

1. Developing feasible design and construction methods for areas of seismic risk, in order to make new and existing structures earthquake-resistant, giving priority to nuclear power generating plants, dams, hospitals, schools, public utilities, public safety structures, high occupancy buildings, and similar other occupancies.
2. Implementing systems for predicting damaging earthquakes in all areas of moderate or high seismic risk.
3. Developing model safety codes in conjunction with state and local officials, and professional organizations.

4. Improving understanding of earthquakes, and of capability with respect to earthquake safety, disseminating earthquake warnings, organizing emergency services, and planning for reconstruction and redevelopment following earthquakes.
5. Educating the public, including state and local officials, on the significance of earthquakes and related seismic and geologic events.
6. Encouraging research on:
 - a. Ways to increase the use of existing scientific and engineering knowledge.
 - b. The social, economic, legal, and political consequences of earthquake prediction.
 - c. Ways to improve the availability of earthquake insurance or some functional substitute.

* Items 1 to 6 constitute a direct quote of a statement of purpose of the Earthquake Hazard Reduction Act of 1977, PL 95-124 as given by Stanley Scott, Policies for seismic safety: elements of a state governmental program, Inst. of Governmental Studies, U of California, Berkeley, 1979.

PRIORITIES AND RECOMMENDATIONS:

1. Alaska State Policy For Seismic Risk: As the nation's most seismically active state, Alaska should give high priority to establishing a comprehensive state policy for seismic safety. The policy should involve codes and standards for the design and construction of buildings; means of dealing with critical facilities such as dams, hospitals and schools; planning, development and land-use control; emergency preparedness and post-disaster recovery; and seismic research needs.

Specific Recommendation: Funds in the amount of \$50,000 should be appropriated to the Research Fund of the Alaska Council on Science and Technology with the instruction that these funds be utilized to bring together representatives of state and federal agencies, and others from academic organizations, industry and public interest groups to evaluate Alaska's current stance toward seismic risk and what might be done to improve it, the results to be made available in a report prior to the next session of the Legislature.

2. Establishment of Statewide Seismic System: State and Federal priority should be given to establishing an integrated statewide system to collect, process and archive seismic data and which has the capability to provide a variety of data products to users in a timely manner. This system should be operated and financed jointly by the federal and state governments and should be developed around existing capabilities. Modern telecommunications and computers permit the conduct of data collection and analysis activities at separated locations, and this possibility should be considered.

Specific Recommendation: The Alaska Council on Science and Technology should take leadership in seeking to develop a state-federal partnership agreement to undertake jointly the establishment of a statewide seismic data collection and analysis system that utilizes modern seismic instruments, communications and computer techniques. The Council should seek to convene representatives of the federal Office of Science and Technology, USGS, NOAA, the ACST Working Group on Alaskan Seismology, the Alaska Division of Policy Development and Planning, the Alaska Division of Emergency Services, the Alaska Division of Geological and Geophysical Surveys, the Alaska Department of Transportation and Public Facilities, the University of Alaska and other organizations deemed necessary. As part of its effort, the Council should seek a statement of interest from the State of Alaska regarding its willingness to provide appropriate fiscal participation. An initial commitment by the State of \$125,000 likely would create the statewide system.

3. Tectonic Study Corridors: Several panels of the National Academy of Sciences have recommended that certain corridors cutting across continental boundaries receive the focus of tectonic investigation. For the Alaskan continental margins three transects are recommended. First priority - the Fairweather corridor in the eastern Gulf of Alaska; Second priority - the Kodiak corridor in the western Gulf of Alaska; and Third priority - the Shumagin corridor in the eastern Aleutian island arc.
4. National Seismic Network: In the proposed National Digital Seismographic Network it is recommended that the following Alaskan sites be included: Shemya, Adak, Kodiak, Palmer, College and Sitka/Juneau.
5. Data Preservation: It is recommended that the National Geophysical and Solar-Terrestrial Data Center include Sitka in its project to microfilm all records from certain stations and also that the threshold for copying all available records be lowered to magnitude 5.5 for Alaska.
6. Catalog of Existing Alaskan Data: It is recommended that data for selected past earthquakes be processed to produce a uniform catalog of Alaskan earthquakes and that continuing funding be made available to develop and continue the catalog. The State of Alaska should consider an initial investment of \$75,000, perhaps through the Research Fund of the Alaska Council on Science and Technology.

CONTRIBUTORS:

This special report is based upon the Report of the Workshop on Alaskan Seismology, September 1979, by John Davies, Co-chairman of the Working Group on Alaskan Seismology. Contributing members:

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ABOUT THE COUNCIL:

The Alaska Council on Science and Technology reports annually to the Governor and the Legislature on research activities funded by the state and it recommends research and funding priorities. Though the Council itself does not perform research, it is charged with helping to coordinate research activities and to enhance standards of research. Nonpartisan advisory services to assist planning at both state and local levels are provided by the Council; for this and other purposes the Council convenes committees, task forces and conferences as need arises. Utilizing earmarked funds appropriated to the Council's Alaska Fund for Scientific and Technologic Research, the Council conducts the Northern Technology Grants program to foster Alaskan innovation. From the Fund, the Council can award research grants and contracts for purposes specified when monies are appropriated or otherwise assigned to the Fund.