

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2790

HOUSE FINANCE COMMITTEE

May 2, 1981

10:25 a.m.

(HFC 81-65, side 2 #595.)

PRESENT

All Members of the Committee were in attendance except Representatives Moss, Carney and Buchholdt. Also present was Don Fisher, Fiscal Analyst, Legislative Finance Division.

GENERAL GOVERNMENT BUDGET CATEGORY

Chairman Cotten called the meeting to order. He said the Committee would receive the General Government Subcommittee's budget recommendations from Subcommittee Chairman Malone.

Representative Malone passed out requested Legislative add on's to the General Government category. (See attachment #1.) Representative Malone gave an overview of the General Government budget. He said one big item is the Alaska Permanent Fund Dividend program, which is the equivalent of a formula program.

Representative Malone said the General Government and Transportation Subcommittee's met and agreed to put all the Department of Transportation and Public Facilities programs in the TRANSPORTATION BUDGET CATEGORY. He said all the DOT/PF components have been transferred to the Transportation category, and the Subcommittee recommendations on those components will come from the Transportation Subcommittee. He commented that with the difficulties they have been running into with the state's capital improvement program, it makes sense to have all the transportation programs in one place.

Representative Malone said he understands they will be receiving an amendment in accordance with Executive Order #50 dealing with telecommunications. He advised the General Government budget recommendation DOES NOT include the entire telecommunications component transferred from Education. Mr. Fisher said this is still in the EDUCATION category.

Representative Malone said the Subcommittee spent a considerable amount of time on data processing in state government, and they think this is an issue the legislature needs to focus on, probably through the Budget and Audit Committee. He said the need for data processing has grown rapidly in state government. He said it looks like "we have been stingy in that area", so generally the Subcommittee funded data processing at the governor's level including some budget amendments.

Regarding the Child Support Enforcement Agency, Representative Malone advised they have about \$25 million in delinquent payments, and new delinquencies are occurring at the rate of \$600.0 per month.

Representative Malone said the Governor submitted a substantial budget amendment for D-2, and a small portion of that is included in this budget category. He said the Subcommittee's recommendation is that the D-2 amendment be looked at as a separate budget. He said the Subcommittee felt this should be considered as a project budget.

(Tape change, HFC 81-66, side 1.)

Representative Meekins, Chairman of the NATURAL RESOURCE MANAGEMENT (NRMEC) BUDGET CATEGORY said the D-2 budget amendment has been presented as a project budget. There was brief discussion. Representative Malone said he is not ready to make a recommendation on D-2 at this time.

Representative Malone said most of the other big changes are due to the fact that the Subcommittee did not adopt amendments suggested by the Governor. Representative Malone said a question that should be addressed is what impact a 5% reduction in personal services will have on smaller programs. Representative Meekins asked if they took a 5% reduction across the board. Representative Malone said in some cases. He said in areas where they didn't see any big issues or there weren't any big increases, they treated them on a "formula basis".

OFFICE OF THE GOVERNOR

Executive Operations, Executive Office. Representative Malone said they allowed \$267.0 of the \$835.8 budget amendment. There was discussion on the Budget Amendment.

Executive Operations. Representative Malone advised the Subcommittee broke out the Special Projects Coordinator as a separate item. There was discussion on the overall budget for the Office of the Governor.

Executive Operations, Regulatory Reform Office. Representative Malone advised the Subcommittee applied a 5% reduction. He commented that in almost every component they worked with the Senate General Government Subcommittee, and in almost every area they had agreement. He said this happens to be one area where they disagreed, and as far as he knows, this will not appear in the Senate Subcommittee recommendation. Representative Malone said the reason he is recommending funding is because of the interest expressed in the legislature to participate in regulatory reform. He said he didn't think a reform effort would be possible without the cooperation of both the executive and legislative branches. He said his suggestion is that the House and Senate Research agencies and the Office of the Governor make recommendations for the next session of the legislature.

Executive Operations, Lieutenant Governor. Representative Malone said there is a substantial reduction in this budget. He said the Subcommittee's feeling was that since the elections responsibilities had been transferred to the Office of Elections, the increased level of staffing was no longer necessary.

Executive Operations, DPDP. Representative Malone said the new positions requested were not included in the Subcommittee's recommendation. He said they reduced the funding in this budget for lease sale studies and suggested if they wanted to pick up any of the funding in the Department of Natural Resources, that would be the place to consider it. He said he wanted to make it clear this was probably the major study component of lease sales in this year's budget, and it is not in the Subcommittee's recommendation. He said the reason is that members of the Subcommittee felt that very little, if any, of the information generated with these types of studies affected the operations of the program. He said they felt the analysis should be made within the Department having the responsibility for running the program. Representative Rogers said he would agree as far as state OCS Leasing is concerned, but on Federal OCS Leasing, the impact is not only on Alaska's resources. He said he agreed to transferring it out of DPDP, but he did think work needed to be done in the Office of the Governor. He suggested setting up a new component for OCS Leasing. He commented that in the past work has been done by the University of Alaska OCS program. He said that program was federally funded and those funds are not going to continue. Representative Malone said he realizes the interest the Legislature has in determining the impact of OCS leasing in Alaska. He said the reason for deleting these funds from this budget was because by funding something they are making a judgment of how well a program is going to operate, and there was agreement on the part of the Subcommittee that the impact of information developed in this section of the Governor's budget was negligible. There was further discussion. Representative Rogers said he had no objection to transferring this function out, as long as it is added somewhere else. Representative Malone suggested "FLAGGING" the OCS Leasing area.

Executive Operations, Growth Policy Council. Representative Malone said the Subcommittee's recommendation is zero. Representative Rogers said he disagreed with this. Representative Malone said it was extremely hard for the subcommittee to see what good this Council was doing. There was brief discussion.

Executive Operations, Budget & Management. Representative Malone said they took a 5% reduction. He said there is a considerable increase in contractual services. There was discussion on the econometric method. Representative Rogers said the Department of Commerce and Economic Development and the University of Alaska, ISER each have one, and he didn't think there was a need for three. There was brief discussion. Representative Rogers said one of the issues in the UNIVERSITY BUDGET CATEGORY was computer operations. He said the

subcommittee felt the computers should be interconnected, so the state computer can have access to the University computer. He commented that right now there is no interconnection, and the University has been actively fighting interconnecting the two.

Executive Operations, Internal Audit. Representative Malone said the additional positions are not recommended by the Subcommittee. They also did not accept the Governor's budget amendment.

(Tape change, HFC 81-66, side 2.)

Executive Operations, Council of Economic Advisors. Representative Malone said the Subcommittee agreed to delete this Council based on the theory that it is hard to tell what difference they make, if any. There was brief discussion.

Office of the Governor, Alaska Land Use Council. Representative Malone said the Subcommittee's recommendation is that this be taken up as part of the D-2 project budget. There was brief discussion on the D-2 budget amendment.

Elective Operations, Elections. Representative Malone advised the Subcommittee included funding for temporary positions here. He said they have also applied reductions to the budget because this is an off election year. Representative Rogers suggested they consider funding the Deputy Director and Administrative Assistant beginning in April of next year. He said the new reapportionment plan is coming out, and it is going to create many problems in the next election year. There was discussion. Representative Malone suggested six month funding for the positions (positions #4 and #5 on the short form). Representative Malone said based on Representative Rogers comments, he would recommend six month funding for those two full time positions, with intent that the positions be on board for only six months.

Salary and Benefits Increases. Representative Rogers explained this money would be for the contracts that were concluded after the budget was put together. There was brief discussion.

DEPARTMENT OF ADMINISTRATION.

Alaska Statehood Commission. Representative Malone said the Subcommittee did not allow the Governor's budget amendment. He explained the Budget they accepted was the recommendation of the Commission itself. There was brief discussion on the Commission's activities.

Public Offices Commission. Representative Malone said they did not allow the new position and took a 5% reduction. He explained a mistake was made in their original budget submission, so the Subcommittee's recommendation backs out that amount.

Office of the Commissioner. Representative Malone explained this component is affected by Executive Order #50 relating to

telecommunications. He explained the Budget Amendment, and said they are giving additional support in planning, accounting and administration. He said the Subcommittee didn't feel the new position request for a deputy director was warranted. He said they should reconcile in this budget all the teleconference transfers. He said they don't all appear here at this time. There was brief discussion.

Office of Info. Management. Representative Malone advised this is a new program which relates to attempts on the part of the Commissioner of Administration and other agencies to improve data processing charge backs and keep everything current. Mr. Don Fisher, Fiscal Analyst, Legislative Finance Division, explained the six positions were transferred in from Data Processing. He said they will primarily serve in planning functions to establish future needs of the Department. There was brief discussion on data processing. Representative Malone commented the state is spending a lot of money on data processing and lack of coordination and discussion in the past has given the state less than what it could have received.

Admin. Services, Fiscal/Personnel. Representative Malone advised the Subcommittee is recommending new positions in this area. He explained one is funded from program receipts and one from general funds. He commented there has been a substantial expansion in state spending and number of warrants issued, so they need the additional help.

Admin. Services, Word Processing Centers. Representative Malone advised the reduction is because they didn't allow any new positions, and took a formula reduction. Also the amendment was not approved by the Subcommittee.

Admin. Services, Centrex. Representative Malone said they included legislative intent to have the State consider ownership of all the centrex equipment. He said they accepted the Budget Amendment which is due to a rate increase, and his understanding is there will be another Amendment coming over at about the same amount. There was discussion on the Centrex system. Representative Rogers recommended including intent requesting Administration to submit a plan next year to coordinate all the centrex centers (Anchorage, Fairbanks and Juneau). He said his intent would be that all three areas would be linked up and they could switch internally between Anchorage, Fairbanks and Juneau. He said his recommendation would be that for the next fiscal year the Department of Administration submit a budget for a feasibility study for this. There was brief discussion.

RECESS

Chairman Cotten called for a recess at 12:25 p.m. and recalled the meeting to order at 2:20 p.m.

(Tape HFC 81-67, side 1, #322.)

GENERAL GOVERNMENT BUDGET CATEGORY

The Committee continued to receive the budget recommendations from the General Government Subcommittee for the DEPARTMENT OF ADMINISTRATION.

Admin. Services, Centrex. Representative Rogers recommended including an additional \$6.0 to provide additional lines between the centrex system and Alascom. He said this would take care of the problem of always getting a busy signal when they try to call outside the centrex system.

Telecommunications Systems, Operations. Representative Malone advised the new positions are all due to Executive Order #50.

Telecommunications Services, Planning. Representative Malone advised they requested six new positions, and the Subcommittee is recommending they get by with four planners and not create an additional director for this area. There was brief discussion on earth satellites. Representative Malone said this budget is basically at the continuation level.

Accounting. Representative Malone said the Subcommittee is recommending the Governor's figures for these budget areas. He commented the workload of the central department increases along with the rest of state government.

Accounting, Administration & Support. Representative Malone said the new positions requested here were not accepted. He said they also took a 5% reduction.

Accounting, Financial Systems. Representative Malone said they funded this at the Governor's level. He said this relates to the data processing area.

Risk Management. Representative Malone said the biggest change is they had a request in the form of a Governor's Budget Amendment for \$225 million in pipeline interruption insurance. He said this was very strongly recommended by the Commissioner of Administration. He said they asked for back up on the request and got a copy of a letter from Marshall/McLean that says there is a high probability of pipeline interruption. He said the Subcommittee felt that taking the word of an insurance broker that we should buy a lot of insurance "isn't the smartest thing". He said they asked the Department of Revenue if they had done an assumption on the additional risks to the pipeline, and the Department said they didn't know of any such examination. Chairman Cotten asked what the State would get out of this. Representative Malone said they would pay the state \$38 million a day for a sixty day period after the first thirty days of interruption. He said it is \$225 million worth of insurance, and the premium cost is \$2 million. There was discussion.

RECESS

A recess was called at 2:40 p.m. and Chairman Cotten recalled the meeting to order at 2:55 p.m.

GENERAL GOVERNMENT BUDGET CATEGORY

The Committee continued to receive the Subcommittee's recommendations for the General Government budget category.

DEPARTMENT OF REVENUE

Child Support Enforcement. Representative Malone said the Subcommittee accepted the Governor's figure. He said there has been a great deal of concern about the operation of the program. He commented on the Agency's delinquency rate. Representative Malone said the Subcommittee did spend some time talking with the Director of the Program. He advised there is legislation before the House Judiciary Committee concerning the Child Support Enforcement Agency. Representative Rogers commented to say the answer to enforcement is to add more people is like saying when you have more drunks, hire more police.

(Tape change. HFC 81-67, Side 2.)

Representative Malone said there has been no enforcement of the laws. He commented on a report prepared by the House Research Agency concerning the Agency. There was brief discussion. Representative Malone said they could put more money into the program, but he doesn't think that is going to solve the problem. He commented the responses of the Court have a lot to do with the need for the program in the first place. He said adding additional personnel would be a band-aid approach. He said he didn't have any good recommendations. There was further discussion. Representative Malone said they might take the approach of appropriating additional personnel contingent on adoption of legislation in this area.

DEPARTMENT OF ADMINISTRATION

Personnel & Labor Relations Sv., Personnel. Representative Malone said a budget amendment was submitted for a substantial increase in the program. He said the Subcommittee is recommending the Governor's Budget be approved. He said it appears the Commissioner is making a very significant effort to stream-line the State's personnel system. He said an alternative would be to cut out the personnel system completely and allow the different agencies to do their own hiring. Representative Rogers said he would prefer that approach. There was discussion. Representative Malone said the problem with eliminating funds would be that the functions would have to be picked up in the different agencies. He said they would also have to change some of the laws. He agreed this is what they should do. There was brief discussion.

General Services. There was brief discussion on the charge back. Representative Malone advised they eliminated the additional positions requested in Central Mail & Switchboard, and they eliminated the full time position request and cut back the amount of part time help requested in Central Duplicating.

Data Processing. Representative Malone said they came in with the position they wanted the Commissioner to have the resources necessary to coordinate and provide proper services to the State for Data Processing, so they are recommending the Governor's budget. He explained the Budget Amendment. There was brief discussion on inter-agency receipts.

Data Processing, Computing Services. Representative Malone explained the legislative intent ("the Department of Administration shall submit the FY 83 budget request for computing services showing that the total source of funds will come from the general fund"). He said the charge back system is really not the way to handle this. He said they are developing a cost center for the support of all state government. There was brief discussion.

(Tape change, HFC 81-68, Side 1.)

Representative Rogers commented Representative Buchholdt has legislative intent on an electronic mail system that should be included here. Representative Malone said he thinks the Legislative Budget and Audit Committee should set up some sort of special oversight function; not only to see what they are doing, but to keep the Legislature informed.

Labor Services, Equal Employment Opportunity. Representative Malone said the Subcommittee is recommending continuation level funding. He said they have no enforcement level authority, this is the State's EEO program as it effects state government. There was discussion. Mr. Fisher said basically this organization is responsible for gathering the statistical information for minority hire.

Retirement and Benefits. Representative Malone advised they accepted the Governor's Budget Amendment and added a new position for the Elected Public Officials Retirement System. There was brief discussion.

Building & Equipment Services, Leasing & Facilities. Representative Malone said the change in the program is that they put all the rentals in the 300 line item into this program. He said this is basically a continuation level budget. Representative Adams said he objected to the program change. He said they are combining all the different budgets into one area, and he thinks this just adds more bureaucracy to the system. Representative Rogers said that was his first thought, but the other view is that they now have each agency going out and getting their own space. He said the advantage of this approach is they can see how much money each agency is spending. He

referred to a study that was done that indicates there might be substantial savings in going out to bid for lease of new state office buildings in several communities. He said apparently they could save a fair amount of money by combining offices. Regarding ASHA payments, Representative Malone said it didn't matter where they were, because they were set costs. Concerning rentals, Representative Malone said he thinks the agency has the ability to pick what they want for space, but apparently the Department of Administration has to negotiate and make the monthly payments on the lease anyway. He said that seems to him to be a good enough reason to move this to one spot. Representative Adams said he still objected. He said the agencies are right in the community where they know what the facilities are, and having to go through this agency just slows the process down. There was brief discussion. Representative Rogers recommended adding a line in each budget to show how much of the money is for building leases. Representative Malone advised any new space being leased doesn't show up here; any increase shows up in the agency budget.

DEPARTMENT OF LAW

Legal Services, Operations. Representative Malone said there was a split in the Subcommittee recommendation on position #14 -- the Attorney IV in Washington, D. C. He said he was in favor of the position, but the other subcommittee members were not convinced. He advised the Senate Subcommittee is not going to approve this position. Representative Malone advised they received a request from Representative Gardiner that the position be funded (see attached request included with "legislative request add ons"). He said the Attorney General has also requested that the position be funded. Representative Malone explained that in effect they would be paying a portion of the position cost for funding an attorney in the federal NOAA program. There was discussion on the position.

Legal Services, Admin. & Support. Representative Malone said this is basically just reorganization, and the Subcommittee is recommended it be funded.

DEPARTMENT OF REVENUE

Revenue Operations. Representative Malone said the main change in this area is they did not accept the Governor's budget amendments.

Admin. & Support, Office of the Commissioner. Representative Malone said they checked into what the attorney was for. He said the attorney was for the permanent fund, and they felt that didn't have anything to do with petroleum audits, so they deleted the position.

Admin. & Support, Administrative Services. Representative Malone said the Subcommittee's action was to approve the Governor's Budget Amendment for the Permanent Fund based mainly on the

guidelines. He said that is not included in the total, which would bring the figure up to approximately \$150 million. There was discussion on the Permanent Fund.

(Tape change, HFC 81-68, side 2.)

Admin. & Support, Fish & Game Licensing. Representative Malone said they took out a cost that was double budgeted.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Representative Malone reminded the Committee these components were transferred to the TRANSPORTATION BUDGET CATEGORY.

LEGISLATIVE BUDGET AND AUDIT COMMITTEE.

Representative Malone advised for Legislative Audit and Legislative Finance, the Subcommittee accepted by the Legislative Budget and Audit Committee recommendations. As to detail, Representative Malone said they did provide the Subcommittee with the information, but the Subcommittee did not do a detailed review. Chairman Cotten commented that in the past quite a bit has been included in contractual for the House Finance Committee. He said he didn't believe there was any contractual included for next year. As far as employees are concerned, Chairman Cotten said he has allowed for House Finance Committee an additional nine Administrative Assistant's and Senate Finance Committee has five. He said if it works out that the Finance Committee's are going to be able to have staff, it will be included here. There was brief discussion on staffing.

Budget & Audit Committee, Committee Expenses. Representative Malone said the change shown between this year and last is not really accurate. He said the total figure for last year was \$1.6 million. He commented on the Committee's contractual budget.

Legislative Council, Salaries & Allowances. Representative Malone said the increase in salaries and allowances is a result of the adjustment in legislative pay, and picking up travel and moving expenses.

Leadership. Representative Malone explained this is the budget for the Council Chairman and Vice Chairman, and the majority and minority leader. He said they are recommending a continuation level budget.

LAA Executive Administration. Representative Malone explained this is not only the director's office, it also the media center and the Washington D.C. legislative office. He said the figure was approved by the Legislative Council. There was brief discussion on the media center being set up by the Governor.

Representative Malone said all the items under the Council budget were approved by the Legislative Council. He said the

Subcommittee's recommendation is that the legislature be budgeted for 120 days.

Representative Rogers said the Council has reviewed all these budgets, and he agrees they are justified; however, he wondered why the Legislature is getting a 34% increase when other agencies are getting reductions. Representative Malone said the FY 81 authorized figure does not reflect all costs that were actually appropriated and expended through the current fiscal year. He said the actual level of appropriation for the overall Council was \$21,957,000 for FY 81, which is not counting the \$1,900,000 supplemental appropriation moving through the Legislature now. He commented further on the budget.

In the Public Services area, Representative Malone said the Council did have requests from a number of legislators for teleconference and information offices. He said the Council didn't adopt funding for any new teleconference centers or information offices. He said he would like to see a plan of service for the Public Services Division. He said he thinks that would be a more equitable approach. There was brief discussion on information offices.

Representative Malone advised the House and Senate Research Agencies includes a request the Council did not approve, but the Subcommittee recommended: an addition of \$85.0 for each to provide for teleconference services contracts. He briefly explained.

Representative Malone said the main difference in the Legislature's budget is he is recommending a 120-day session budget.

Office of Ombudsman. Representative Malone commented on the Ombudsman's original budget submission, and said the Subcommittee cut the budget and picked up the funding for a Data Entry Clerk that had been CETA funded until April.

ADJOURNMENT

The meeting adjourned at 5:15 p.m.

Tape HFC 81-65, side 2 #595 to end
HFC 81-66, side 1 #001 to end
 side 2 #001 to end
HFC 81-67, side 1 #001 to end
 side 2 #001 to end
HFC 81-68, side 1 #001 to end
 side 2 #001 to #684

WHILE IN SESSION:
FOUCH V
JUNEAU, ALASKA 99811
(907) 465-4925

REPRESENTATIVE
BRIAN ROGERS
Alaska State Legislature

HOME:
BOX K - COLLEGE
FAIRBANKS, ALASKA 99708
(907) 456-2037

6 April 1981

TO: REP. HUGH MALONE, CHAIR
GENERAL GOVERNMENT SUBCOMMITTEE

FROM: REP. BRIAN ROGERS *BR*

RE: BUDGET ADDITIONS - GENERAL GOVERNMENT

The following items are additions to the Development budget category which I believe should be included in the House budget. Full backup is available for each item.

Alaska Statehood Commission: Full Funding at Governors amended	498.6
Department of Administration Personnel: Establishment of Bilingual Job Register (estimate)	20.0

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Attachment #1

5/2/81

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 7, 1981

Royce

The Honorable Terry Gardiner
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Gardiner:

SUBJECT: The IPA Act position occupied by
Mike L. Rubenstein

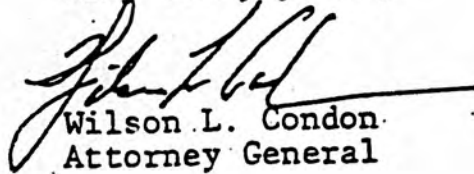
As I am sure you will remember, funds were placed in the Department of Law FY 81 budget at the request of a number of members of the House of Representatives to enable our department to enter into an agreement with the United States Department of Commerce, National Oceanic and Atmospheric Administration pursuant to the intergovernmental personnel act of 1970. Through this agreement, the Department of Law was to be able to establish a position in the National Marine Fisheries Service, 55 percent funded by the State and 45 percent funded by the federal government, which would be filled by an attorney who was to be employed by our department, Michael Rubenstein. The necessary arrangements were made for the establishment of this position and PCN 030129 was established on October 15, 1980, to accomplish this purpose. Mike Rubenstein worked for the department carrying a regular case load for the period September through December 1980. At the end of December, he moved to Washington, D.C. and took up his position with the National Marine Fisheries Service. I believe copies of the enclosed letter and statement set forth Mike's duties in Washington, D.C.

Because of the way this position was added into our budget at the very close of last year's session, we must show it as a new position in our budget presentation this year. However, due to a number of other pressing problems facing the state right now, this position is not the highest of my own internal priorities for continuation in FY 82. When I testified before the joint sub-committee concerning our civil budget, it was my distinct impression that the sub-committee was inclined to delete funding for this position. I communicated those impressions to Mike, and he asked that I prepare this letter and forward these materials to you concerning his situation. He has also indicated to me that he will call you directly about his situation.

The Honorable Terry Gardiner
April 7, 1981
Page Two

If you have any questions in this regard, please give me a call.

Very truly yours,



Wilson L. Condon
Attorney General

WLC/blc

Enclosures

cc: The Honorable Ed Dankworth
The Honorable Oral Freeman
The Honorable Hugh Malone
The Honorable Randy Phillips



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration

3300 Whitehaven Street, N.W.
Washington, D.C. 20235

March 31, 1981

Hon. Wilson L. Condon
Attorney General of Alaska
Department of Law
Pouch K
Juneau, Alaska 99811

RECEIVED
Department of Law
Juneau, Alaska

APR 3 1981
AM PM
7,8,9,10,11,12,1,2,3,4,5,6

Dear Wil:

As we discussed last Wednesday, I have enclosed a brief explanation of my position in NOAA and how it benefits the State of Alaska.

Griff Quinton and Clem Tillion have both repeatedly and publicly expressed the opinion that unless the salmon troll plan amendment goes through intact in its major aspects the future of the industry off Southeast Alaska is in grave jeopardy. This amendment has generated a great deal of a controversy and has become a symbol, both to Alaskans and federal managers of the difficulties between Washington, D.C. and Juneau.

The king crab situation is especially interesting because if the attached Joint Statement of Principles works, for the first time a federal Regional Fishery Management Council under the FCMA (16 U.S.C. 1801 et seq.) will have determined that a State (Alaska) is capable of managing an economically important fishery without active Federal intervention, even when that fishery takes place almost entirely in Federal waters and includes fishermen from other States. (This question is on the "frontier" of the FCMA and may engender litigation in the future in which the State may become a party. I will keep you posted on new developments in this area.)

The Federal statute pursuant to which my position was arranged is 5 U.S.C. §§ 3371-80; the Intergovernmental Personnel Act of 1970. It applies to "work of mutual concern to [the Federal agency] and the State...that [the head of an executive agency] determines will be beneficial to both." Assignments under this Act are for two years, but may be extended.

If further elaboration is needed, please call me. My home phone number is (301) 656-1319. I will wait to receive copies of your letter, as we discussed.



10TH ANNIVERSARY 1970-1980

National Oceanic and Atmospheric Administration

A young agency with a historic
tradition of service to the Nation

595

5/2/81

I appreciate the sincerity of your effort on my behalf and enjoyed our dinner very much. I will look forward to our next meeting, either here or in Alaska. Please send my regards to Susan Burke, and tell her I am sorry I missed her on my last trip to Juneau.

Best regards,

Mike

Michael Rubinstein

Attachments

Michael L. Rubinstein

When the Magnuson Fishery Conservation and Management Act (16 U.S.C. §1801 et seq.) took effect in 1977, the Federal government established exclusive management jurisdiction over a fishery conservation zone (FCZ) embracing all of the waters between three and 200 nautical miles off the coast of Alaska. Within this FCZ no Alaska fishery management measure is permitted unless consistent with Federal law as interpreted by NOAA, an agency of the United States Department of Commerce. Federal jurisdiction over fishing is not confined to the FCZ, however. Even for fishing vessels registered in Alaska and operating entirely inside State waters, if the Secretary of Commerce concludes that Alaska has "taken any action, or omitted to take any action", which will have a substantially adverse impact on a federal fishery management regime, State laws and regulations may be federally superseded.

The net effect of the Magnuson Act on Alaska is that one of this State's most important industries and largest sources of private employment has become so completely intertwined with Federal laws and regulations that, for most purposes, State and Federal fishery management must be undertaken cooperatively, and conflicts adjusted, if there is to be effective management of the resource. Fish do not respect the three mile limit.

Recognizing the reality of the relationship between State and Federal fishery management authorities (and also recognizing that Alaska and the United States may not always agree) the Department of Law has established a special legal position within the General Counsel's Office of NOAA in Washington, D.C. in order to facilitate intergovernmental relations in this important area. The establishment of this position allows the State of Alaska, through the Attorney General's Office, to participate in the legal aspects of management decisions affecting the State as policies are being developed in Washington, D.C. Since all plans for fishery management are reviewed by the General Counsel's Office of NOAA before being transmitted to the Secretary of Commerce for his approval, the presence of a Department of Law representative in this position should materially enhance the prospects for success of proposals important to the State.

The specific work of the Department of Law's liaison attorney in NOAA is at this time occupied mainly with two areas of importance to Alaska's fishing industry and resource:

The first area concerns a proposed amendment to the Fishery Management Plan (FMP) regulating the high seas salmon troll fishery off Southeast Alaska. This proposed amendment would have the effect of imposing a 15% lower quota on the number of king salmon that may be caught off Southeast, shortening the fishing season, and limiting the

gear that may be used by hand trollers in Federal waters. This proposal has serious economic and social implications for Alaskan fishing both in the short term as well as in the long run.

The second area concerns a joint proposal by the North Pacific Fishery Management Council and the Alaska Board of Fisheries which, if it is accepted, and if it survives legal challenge, may result in Alaska's retaining State management authority over the Bering Sea king crab fishery even beyond the three-mile limit. If this innovative joint management goes into effect it will mark the first occasion since the FCMA took effect that a Federal Council expressly declined active management of a large and valuable high seas fishery based on a finding that State management was sufficient to do the job alone. If this proves successful it may have important ramifications for other Alaskan fisheries.

In addition to the above two fishery management plans currently (3/81) under consideration within the General Counsel's Office of NOAA, there are a host of other matters important to the State. These include questions concerning the further development of the State's bottom fish industry, the level of participation by various foreign fishing fleets in the high seas off Alaska, and issues pertaining to the incidental catch of salmon by these foreign fleets engaged in the pollock fishery.

DRAFT

JOINT STATEMENT OF PRINCIPLES
BETWEENNORTH PACIFIC FISHERY MANAGEMENT COUNCIL (NPFMC)
ANCHORAGE, ALASKA

and

ALASKA BOARD OF FISHERIES (BOF)
JUNEAU, ALASKA

ON THE

MANAGEMENT OF DOMESTIC KING CRAB FISHERIES
IN THE BERING SEA AND ALEUTIANS

Recognizing that NPFMC has a legal responsibility for reviewing and recommending to the Secretary of Commerce measures for the conservation and management of the fisheries of the Arctic Ocean, Bering Sea, and Pacific Ocean seaward of Alaska, with particular emphasis on the consistency of those measures with the National Standards of the Magnuson Fishery Conservation and Management Act (Magnuson Act); and

Recognizing that State and Federal governmental agencies are limited in fiscal resources, and that the optimal use of these monies for North Pacific fisheries management, research, and enforcement occurs through a clear definition of agency roles and division of responsibilities, thus avoiding unnecessary duplication; and

Recognizing that the State of Alaska has for more than two decades exercised effective control over domestic king crab fisheries both within and without its territorial waters. The State system centers around BOF for policy and regulations. BOF's regulatory system provides for extensive public input; is sufficiently structured to insure annual revisions; is flexible enough to accommodate resource and resource utilization "emergencies;" and is understood and familiar to the users of North Pacific fisheries resources. Further, there exists a substantial investment by the State in facilities, communications and information systems, vessels and other equipment, coupled with a cadre of experienced personnel capable of carrying out extensive management, research, and enforcement programs to monitor the conduct of the fisheries and the status of the resources.

Therefore, NPFMC and BOF enter into this Joint Statement of Principles on the roles both entities will play in order to achieve the most effective and efficient management of domestic king crab fisheries in the Bering Sea and Aleutians.

I. Applicable Fisheries

This Joint Statement of Principles applies only to the domestic fishery for king crab (all members of genera Paralithodes and Lithodes) in the Bering Sea, Bristol Bay, Adak, and Dutch Harbor areas, also known as State of Alaska king crab statistical areas Q, T, R, and O. This fishery is hereinafter referred to as "the fishery."

II. NPFMC and BOF shall undertake the following activities:

1. NPFMC and BOF shall develop a framework to govern management of the fishery, prescribing objectives, standards, and measures found to be necessary for the fishery's effective management. These objectives, standards, and measures shall be consistent with the national standards of the Magnuson Act and with the laws of the State of Alaska; and shall not discriminate between residents and non-residents of the State of Alaska.
2. Following provisional adoption by BOF of the framework developed under paragraph 1, NPFMC shall make the provisional framework together with other materials describing and evaluating management of the fishery by the State of Alaska, readily available to all persons interested in the fishery for a period of at least sixty (60) days. During this period, all such persons shall be afforded the opportunity to submit to NPFMC written and oral comments as to whether the State of Alaska has provided and will provide effective conservation and management of the fishery consistent with the policies, purposes, and national standards of the Magnuson Act. NPFMC shall hold public hearings on this issue at places and times that are likely to facilitate attendance by such persons and their representatives.
3. Following a determination by NPFMC, if warranted in light of the comments received, that the fishery does not require conservation and management through the approval and implementation of a fishery management plan under the Magnuson Act; and following final adoption by BOF of the framework developed under paragraph 1, as modified in light of comments received by NPFMC and BOF and consultations between those two bodies, the framework shall be implemented through regulations adopted by BOF in accordance with the laws of the State of Alaska, which shall be consistent with the objectives, standards, and measures prescribed in the framework. Before taking final action on any regulation governing the fishery, BOF shall make readily available in written form to all persons interested in the fishery for a period of at least thirty (30) days, the reports and data received by BOF upon which the proposed regulation is based; shall afford all such persons the opportunity to submit written and oral comments to BOF on the proposed regulation during that period; and shall, upon the request of NPFMC, meet with NPFMC or its representatives to discuss the proposed regulation. Before any BOF regulation governing the fishery goes into effect, BOF shall issue a written statement explaining the basis for the regulation. The preceding provisions of this paragraph shall not apply to emergency regulations.

4. NPFMC and BOF shall meet jointly at least once every calendar year to consider management of the fishery and discuss the need for amendment of the framework or any regulations governing the fishery. NPFMC and BOF or their designated representatives shall also meet jointly to consider management of the fishery at the request of either NPFMC or BOF. All persons and agencies interested in the fishery shall have the opportunity to submit written and oral comments and reports on management of the fishery to NPFMC and BOF at these meetings. In preparation for the mandatory annual joint meeting provided for in the first sentence of this paragraph, representatives of NPFMC and BOF shall hold a public hearing in the State of Washington at which all persons and agencies interested in the fishery shall be afforded the same opportunity to comment on management of the fishery that they would have at the meeting itself.
5. The Alaska Department of Fish and Game (ADF&G) shall have primary responsibility for developing the information upon which regulations governing the fishery are to be based, and for implementing these regulations through monitoring of the fishery and development of in-season management measures. NPFMC and BOF shall encourage ADF&G, in carrying out this responsibility, to consult actively with the National Marine Fisheries Service and the fishery management agencies of other states, in order to prevent duplication of research and management effort and to make optimum use of the resources available for management of the fishery.
6. NPFMC and BOF shall resolve conflicts on the framework and implementing regulations through all appropriate means.



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Chairman
Bush Caucus

Chairman
Regulation Review Committee

Vice Chairman
Labor & Commerce Committee

Vice Chairman
State Affairs Committee

Majority Whip

Member Rules Committee

Member Special Committee
on Subsistence

Member Committee on Committees

April 8, 1981

MEMORANDUM

DISTRICT 22

Brevig Mission
Buckland
Deering
Diomed
Elim
Gambell
Golovin
Kotlik
Koyuk
Nome
Savoonga
Selawik
Shaktolik
Shishmaref
Stebbins
St. Michael
Teller
Unalakleet
Wales
White Mountain

TO: Representative Hugh Malone, Chair
House Finance Subcommittee on General Government

FROM: Representative Jack Fuller *jack*

SUBJECT: FY 82 Operating Budget -- Legislative Information Office for Unalakleet

I would appreciate the subcommittee's consideration of including \$155,605 for a half-time legislative information office/teleconference center in Unalakleet. The budget is based on:

personal services	\$ 46,500
transportation/per diem	5,404
contractual	23,066
commodities	4,600
space	20,400
data communications	31,210
equipment	24,425
	<u>\$155,605</u>

Unalakleet has one of the larger populations in District 22 and has continually expressed interest in having an information office. The subcommittee's consideration of their request would really be appreciated.

cc: Representative Sam Cotten
Representative Al Adams

HOUSE FINANCE COMMITTEE

May 3, 1981

1:10 p.m.

{Tape HFC 81-68, Side 2, #684}

PRESENT

Chairman Cotten called the meeting to order at 1:10 p.m. All members of the Committee were present, except Representatives Buchholdt, Carney and Moss. Representative Meekins arrived later in the meeting. Also in attendance: Jim Ayers, Alaska HeadStart Directors Association; Richard Barrier, Deputy Administrative Director, Alaska Court System; Marla Berg, Administrative Assistant to Representative Adams; Bob Schroeder and Jerry Schilz, Fiscal Analysts, Division of Legislative Finance.

JUSTICE BUDGET CATEGORY

Chairman Cotten advised the Committee would continue consideration of the JUSTICE BUDGET Subcommittee recommendations--Representative Adams, chairman.

DEPARTMENT OF PUBLIC SAFETY, Crime Identification & Apprehension--Detachments & CIB, p 122: Bob Schroeder advised the subcommittee deleted the positions and took a 5% reduction.

Narcotics Unit, p 124: Mr. Schroeder explained the drug buy money is recovered and turned over/reused many times; technically, the account does not lapse. Representative Rogers wondered if an audit has been performed on this and commented Detachments & CIB is a higher priority than in Narcotics. Representative Adams advised this was a House-Senate priority and the subcommittee has requested information regarding the audit.

Laboratory Services, p 126: Mr. Schroeder advised the subcommittee allowed the position and reduced by 5%.

Assistant Director's Office, p 128: Mr. Schroeder explained the subcommittee deleted the Governor's request for a new position and reduced by 5%.

Central Communications, p 130: Mr. Schroeder stated the subcommittee deleted the new position and reduced by 5%.

Community Services, p 132: The subcommittee took a 5% reduction. Representative Rogers noted that, with the two positions, the 5% cut here would make it difficult.

Judicial Services-ASI, p 134: Mr. Schroeder commented no new positions were requested, and it was reduced by 5%.

Contract Jails, p 136: Referring to the GBA, Mr. Schroeder stated the subcommittee allowed additional funds for Seward and Palmer and approved the GBA and the two new positions. During discussion, he described how the contracts work, noting there are some fixed costs.

Building Security, p 138: The subcommittee took a 5% reduction. Representative Rogers requested money be added for a stool or chair and a desk for the security officer in the Capitol Building.

Commissioners Office, p 140: Mr. Schroeder advised the position for Juneau and related costs was deleted and a 5% reduction taken.

Training, p 142: The subcommittee took a 5% reduction.

Administration & Support, p 144: Mr. Schroeder stated the subcommittee disallowed the four new positions requested and reduced by 5%.

Haul Road Operations, p 146: Mr. Schroeder advised this is for troopers--six were requested when, during subcommittee testimony, it was revealed they only need five. Representative Rogers noted there is separate legislation dealing with the Haul Road, and this could be treated if the legislation goes. He suggested a narcotics investigator be placed here based at one of the camps. As a point of interest, Representative Adams brought up the possible purchasing of Sheldon-Jackson College in Sitka as a future statewide trooper and police academy. He noted the State owns all the land adjacent to the facility. Referring to the museum, Representative Rogers stated he feels they ought to take a look at placing some of this in Juneau, but added he personally prefers keeping it in Sitka.

Village Public Safety Officer--Contracts/Direct VPSO Support/Administration, p 152-156: Mr. Schroeder explained the subcommittee broke this program out into three separate components this year. During discussion, Representative Adams indicated the contracts are negotiated statewide through non-profit Native corporations, under the direction of the Department of Public Safety. He referred to previous testimony presented by the Tlingit and Haida Central Council. He advised the VPSO's duties are not just policing, but they are also involved in search and rescue and emergency medical training, etc. He stated 33 VPSO's were graduated from Sitka last year. One of the problems, he explained has been with salary because CETA employees are paid more. He also added he personally feels 30 VPSO's should be trained--increasing the number from 52 to 82--rather than the 50 requested, so that they would receive better quality training.

There was considerable discussion on the requests from each area and the wide range in overhead costs--from 11-40%. Representative Adams indicated he has no problem with red-lining

the overhead costs and recommended it not exceed 15%. He stated he feels the overhead costs represents a management fee they charge to do the accounting.

Representative Rogers stated he feels travel and per diem costs are also inflated and the Committee might want to schedule this at State per diem rates. He added he feels it is a good program. Referring to p 154, he indicated some of this might be able to go into the capital budget. Representative Adams said he is agreeable, if the Committee so desired.

Mr. Schroeder indicated the reason all the expense is listed here is so that the Committee can see the total picture in one place at one time.

There was brief discussion on revenue sharing received when police protection is provided. Representative Haugen asked about a VPSO for Kake, and Representative Adams replied one just graduated. Representative Haugen mentioned a possible "donnybrook" with the police chief in Petersburg.

{Tape HFC 81-69, Side 2, #001}

Violent Crimes Comp Board, p 258: Representative Adams advised the subcommittee met at 8:30 a.m. Saturday and requested they be allowed to meet again Monday morning to finalize their recommendations before presentation to the Finance Committee. There was no objection.

Police Standards Council, p 160: The subcommittee took a 5% reduction--no new positions requested.

ALASKA COURT SYSTEM, Courts, Administration & Support--Appellate Courts, p 164: Mr. Schroeder advised the subcommittee deleted the position and reduced by 5%. Representative Rogers referred to the memorandum from Rick Barrier to Representative Adams dated March 16, 1981 (see Attachment 1 to Minutes of 5-1-81, PM meeting). In this component, Mr. Barrier commented, the only request was this Court Rules Attorney, and presently there is no one to do that; therefore, it is a priority. Again, he added, this is not a maintenance level item, but it would make a significant improvement.

Representative Malone stated he feels that, at a minimum, they ought to be provided those positions they identify as being necessary to keep up with the load. Referring to the expansion of the VPSO program, he added there will be necessary increases in related costs to continue service in the Public Defender's Office because of this program.

There was brief discussion of the new Anchorage court building, with Mr. Barrier indicating the only direct operating costs of the new building would be the maintenance cost, and they are estimating FY 85 for that. Representative Rogers also commented the Court System is running short of space in Fairbanks, and he

hopes to obtain further information by the time Free Conference Committee convenes.

RECESS

(Chairman Cotten called a recess at 2:25 p.m. and reconvened the meeting at 2:45 p.m.)

SOCIAL SERVICES BUDGET CATEGORY

Chairman Cotten, who chaired the subcommittee on the SOCIAL SERVICES BUDGET, advised the subcommittee came in \$380,000 above the Governor's budget. He noted a lot of the programs were funded through HB 60 last year.

Jerry Schilz presented an overview of the special summary sheet on the SOCIAL SERVICES BUDGET (see Attachment 1). He pointed out the positions in this budget are not fully funded because of the vacancy factor. In response to a question from Representative Rogers, he commented adhering to a strict vacancy is difficult because it is being forced. He also noted there are three GBA's--totaling \$190.9--not reflected in the cutsheet because they were not received in time, and he would point out the areas affected as the Committee goes through the budget.

DEPARTMENT OF ADMINISTRATION, Pioneers Homes--Fairbanks, p 8: Mr. Schilz advised the subcommittee did not include the groundsman position.

Anchorage, p 14: Mr. Schilz pointed out a change in position count--nine were deleted--but it does not affect dollars. Representative Rogers commented they probably could do without position #14, groundsman, as this is supposed to open in April 1982.

Ketchikan, p 18: Representative Rogers commented, if the groundsman positions are kept, the name should be changed to "groundskeeper".

Public Assistance Eligibility--Eligibility Determination, p 38: Mr. Schilz advised the subcommittee accepted the GBA funding four new positions, which were inadvertently excluded from the budget request last year, and increased the vacancy rate.

Program Services--Homemaker Services, p 44: Mr. Schilz noted the RP position was funded.

(Representative Meekins arrived at this time.)

Youth Services, p 48: Mr. Schilz explained \$1,097.0 was added with intent. Representative Meekins moved to add "EARLY INTERVENTION" after the word "counseling" in the INTENT language so that the Family Connection program can be included. There was no objection.

Juvenile Custody--SS Foster Care, p 54: Chairman Cotten noted \$10.0 was added for the Alaska Foster Parents Association.

SS Institutional Care, p 58: Chairman Cotten advised this was decreased by \$2,560.1, based on the Department's estimate. He also called attention to the intent language, which was also in last year's budget.

Institutional Care Probation Services, p 60: Chairman Cotten pointed out the subcommittee transferred funds from line items 02 and 04 to 07, disallowing State travel.

Social Services--Southcentral Region, p 64: Chairman Cotten noted the subcommittee deleted the Social Worker II in Wasilla but allowed the Social Worker III in Wasilla.

Northern Region, p 67: Chairman Cotten advised they allowed the Barrow position and disallowed the part-time position in Tok. Representative Rogers noted funds were in the budget for the Crisis Line last year and requested Mr. Schilz check to see that it is included this year. Mr. Schilz advised it was in HB 60 and the budget last year, and the Governor vetoed the budget item.

Southeastern Region, p 68: The subcommittee disallowed the two positions.

Northwestern Region, p 72: Mr. Schilz explained this is where \$8.4 is transferred in from Adult & Aging Services, p 94--via GBA--and has the same effect as an add/delete.

Designated Grants, p 82: Chairman Cotten advised \$44.0 was added for the Wasilla Crisis Line and Information Center with intent.

Administration, p 92: Chairman Cotten pointed out this is a new component.

Adult & Aging Services--Domestic Violence, p 96: Chairman Cotten pointed out this is a new component transferred from the previous BRU, and the subcommittee added funds. He advised it is his intent not to break out where this goes, as recommended by the Association of Women's Resource Centers and Shelters, because some communities don't have both.

Representative Rogers indicated he supports the increase, but personally feels it should be attached to the legislation that is currently in Committee. Representative Meekins suggested the Committee might want to consider placing this under the Department of Public Safety, as preferred by the women's groups and recommended by the Task Force on Violent Crime. Representative Rogers commented he feels the Women's Shelter seems to be Public Safety, but not the Resources Center; and the HE SS Committee agrees with that. Representative Meekins admitted there has been considerable debate on this in HB 91.

Representative Malone suggested that, since HB 91 is moving through the Legislature, the Committee might want to concentrate on the enabling law that would assign the authority to administer through the appropriate Agency. Meanwhile, Chairman Cotten stated, it could be left here for now. Representative Meekins indicated this is a reasonable approach in the opinion of the Police Commissioner, the Attorney General and the women's groups.

Aging Grants, p 104: Mr. Schilz noted \$10.0 was added for the White House Conference on Aging. There was discussion regarding general fund and federal fund match. Mr. Schilz stated there is also some Title V funds involved.

DEPARTMENT OF LABOR, Employment Security, p 119: Chairman Cotten advised the subcommittee accepted the Governor's figures on the summary page. Representative Rogers noticed that, with the exception of WIN (DDL), this has not been funded much until now. Mr. Schilz explained there are two problems here; the feds have pulled CETA funds and are pulling out of the Rural Employment Centers. He noted there is a reduction of nine positions over last year. There is a proposal pending from the Governor's Office on loss of federal funds, he added.

Representative Haugen requested Employment Services, p 120, be held OPEN to add a position for travel and per diem in Petersburg, to provide better service to Wrangell and Kake. There was no objection.

Commissioner's Office (Labor), p 142: Representative Rogers stated he feels continuation level is more appropriate and moved the figure \$35.1 for Travel. There was no objection.

Administrative Services--Research Contracts, p 150: Mr. Schilz stated the subcommittee took out funding for the one-time study done last year. Representative Malone indicated he has a copy of that report of the study on uninsured and unemployed figures.

Alaska Plan, p 156: Mr. Schilz advised this was under Office of the Governor last year. Representative Rogers asked if an audit were done, as "this has no teeth".

During discussion, Representative Meekins advised the people that lobbied for it are on the Alaska Plan Board, which is made up of a lot of union people and a lot of minority people. Representative Adams stated it would be his suggestion to cut this from the budget. Representative Meekins indicated he would be opposed to that. Representative Rogers commented this has been tried four times before and suggested it could be put out to bid, which would allow another group to help with minority employment.

[Tape HFC 81-70, Side 2, #001]

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS, Senior Citizens Tax Relief--Homeowners Property Tax Exemption/Renters Equivalency,

Rebate, p 160-162: Representative Malone requested Mr. Schilz check on the federal fund reduction in these two components.

Child Assistance--Head Start Grants, p 172: Chairman Cotten explained part of the problem here is that federal funds had been frozen the past few years, and this has now gone to a formula. He advised the subcommittee cut from the original request formula, but it still doubled the Governor's figure. He indicated a representative was here from HeadStart to address this subject.

Jim Ayers, HeadStart, distributed a handout (see Attachment 2) to the Committee dealing with the request for increased State funding. Representative Meekins noted the total expenditure last year was \$4,855,951 and asked how much is being cut. Mr. Ayers indicated \$474,720 that they know about today. There was discussion on the salary scale and pay raises. Representative Malone requested a couple of representative program salary scale budgets.

Designated Grants, p 174: Chairman Cotten stated this represents a request from his district for the Mountain View Daycare Program and indicated he would try to get this under a broad area as he has asked other subcommittee chairmen to do.

Representative Rogers suggested perhaps using HB 43 or SB 517. Representative Meekins indicated his support of the program but pointed out a few other areas needing special attention for special problems, too.

At this time, Chairman Cotten announced it was his intent to accept amendments to the budget.

Pioneers Homes, p 8-18: Representative Rogers moved the title of "groundsman" be changed to "GROUNDSKEEPER". There was no objection.

Adult & Aging Services--Administration, p 92: Representative Malone brought up the question regarding the loss of federal funds here. Mr. Schilz advised HB 611 did pass. Representative Malone wondered if the level of funding should be increased here. Chairman Cotten requested this be held OPEN until Mr. Schilz finds out if sufficient grant money will be available for the new federal programs. There was no objection.

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS, Senior Citizen Housing Development, p 192: Representative Adams stated it was his hope there would be some consolidation of the programs.

RECESS

(Chairman Cotten called a recess at 4:30 p.m. and reconvened the meeting at 4:40 p.m.)

Representative Malone commented he feels the funding level for Aging Grants, p 104, is fine. During discussion, Representative Rogers again indicated it might be more appropriate to add in the fiscal note for HB 91. Representative Malone agreed with this and that it is more important to provide some enabling language.

Domestic Violence, p 96: Representative Meekins advised the Task Force on Violent Crime unanimously agreed to fully fund the Women's Shelters. Representative Freeman commented it "wouldn't bother" him to vote for this, as it will not do away with Committee priorities. There was further discussion.

ADJOURNMENT

Chairman Cotten announced the SOCIAL SERVICES BUDGET was closed with those few exceptions. He advised the Committee would meet tomorrow morning at 8:30 a.m. to consider the NRMEC BUDGET. The meeting adjourned at 5:00 p.m.

Tape HFC 81-68, Side 2, #684 - End
HFC 81-69, Side 1, #001 - End
Side 2, #001 - End
HFC 81-70, Side 1, #001 - End
Side 2, #001 - End

5/3/81

SOCIAL SERVICES CATEGORY - House

The House Subcommittee's budget recommendation for FY 82 is \$214,634.9 or 17.7% over FY 81. This is a 0.3% increase over the Governor's budget. The general fund change over FY 81 is \$22,220.9 or 19.6% over FY 81. This is an increase of 1.6% over the Governor.

The General Fund change from the Governor is as follows:

Pioneer Homes	\$ (22.5)
Public Assistance Eligibility	(3.2)
Program Services:	
Homemaker Services	30.3
Youth Services	1,097.0
Foster Care	10.0
Institutional Care	(3,372.5)
Social Services	(169.4)
Social Services Administration	44.0
Adult and Aging Services:	
Administration	(154.0)
Domestic Violence	1,669.6
Aging Grants	10.0
Child Assistance	<u>1,253.1</u>
Total General Fund Change:	\$ <u>380.9</u>

New positions approved by the House recommendation are:

	<u>FT</u>	<u>PT</u>	<u>Change from Governor FT</u>
Pioneer Homes	77	7	(9)
Elig. Determination	48	9	-0-
Social Services	2		(6)
Homemaker Services	1		-0-
Adult and Agency	6		(1)
CETA	<u>8</u>		
Totals:	142	16	(16)

Comparison of total position count - FY 82 Governor request to House recommendation:

	<u>FY 82 Governor's Request</u>	<u>House</u>	<u>Net Change</u>
Full Time	1,399	1,383	(16)
Part Time	212	213	1

Total position change FY 81 compared to House:

	<u>FY 81 Authorized</u>	<u>House</u>	<u>Net Change</u>
Full Time	1,259	1,383	124
Part Time	<u>194</u>	213	19

2 May 1981

To: Members of the Finance Committee

From: Jim Ayers representing Alaska HeadStart Directors Association

ref: HeadStart request for State funding increase

This is a succinct report of the Head Start programs in the State and the request for increased funding. This information is divided into two sections:

I. An overview of Head Start in Alaska

II. The fiscal explanation

It is imperative that the Head Start programs receive the higher level of funding. Although the cost analysis of the program was not accomplished in time to be entered or considered in the Governor's budget, the Department of Community and Regional Affairs does recommend the approval for the increase to 3.9 million. (see attachment #2)

If I may assist you with other information, please, let me know.

Thank you

Attachments:

1. Overview and Component description
2. Letter of C&RA recommending higher level
3. Fiscal summary
4. Fiscal information of FY '81
5. Fiscal information of FY '82
6. Cost per Child formula

I. Overview of Head Start

The Head Start program is a Comprehensive Early Childhood project for pre-school children and their families. It provides services to the families in the areas of Education, Health(including physical, immunization coordination, vision and hearing screening and appropriate follow-up), Nutrition, Career development, Parent training, Social services and Special needs (the population of children currently being served in Alaska has a 15 to 20 per cent rate professionally diagnosed handicaps).

Head Start is a proven cost effective program as indicated by the empirical data provided by the Comptroller General of the United States in a report to Congress of 1977. This documentation of success has recently been reiterated by Mr. David Stockman, Reaganomics director, in his report to the President about Social programs. Head Start is one of the "Sacrosanct Seven" programs that the President supports entirely.

However, Alaska Head Start programs are frozen at the 1977 funding level except those funded thru Indian Migrant funds. This freeze, obviously, causes incredible cutbacks in services, staff, and goods as inflation takes its toll. It is also important to note that the inadequate funding that we do receive does not provide for the high logistic costs that we're all familiar with. Alaska Head Start programs are expected to deliver the same quality and quantity of services without reasonable funding.

The dark encroachment of human violence and domestic deterioration is here. It is upon us and those least able to defend themselves seem to be the foremost target. Children have no power base. They neither vote nor contribute directly to the GNP. Therefore, Children are the last to be recognized as a sound investment,

Children that have had the opportunity to participate in Head Start are more successful in math and reading; need less remedial programs; are more apt to succeed in school; score higher on Intelligent Quotient tests; and are less likely to be involved in social delinquency and failure. This is documented in the previously mentioned Comptroller General's report and the 1980 Commissioned study by the President and in Mr. Stockman's recommendations.

Head Start is an exceptionally sound investment. The State of Alaska will receive the following return on every increment of \$28,106. invested in Head Start; next year at the 3.9 level:

- 1 real full time job that is needed
- 5 Children provided comprehensive services
- 5 families provided support and CD training
- 1 person provided with Career Development (Collected)
- \$ spent locally

The Head Start programs have comprehensive delivery plans. They have unquestionable research to support the success. They have MBO strategized workplans to carry out their mission.

HEAD START

Component Brief

Head Start is a comprehensive child development program that has been meeting the needs of young children and their families since 1965. It began as a poverty program and since that time has become a model for early childhood programs.

Comprehensive, in the eyes of Head Start, refers to the fact that all areas of human growth and development must be included in program planning and implementation in order for the TOTAL CHILD to get a "head start" on years to come.

Head Start guidelines are designed to provide for services to children, families and their communities in the areas of:

- 1) Parent and Community Involvement
- 2) Education and Special Needs
- 3) Health and Nutrition
- 4) Social Services
- 5) Training and Career Development

915

* Parent and Community Involvement

Parent and community involvement means direct participation by parents, family and community in planning, implementing and evaluating all phases and components of the Head Start program. Also, parents and families are provided with information and education on their children's development. This stems from the philosophy that parents and family are the primary educators and principal influence in their children's growth.

WITH ADEQUATE FUNDING Alaskan Head Start programs could:

- provide increased parent workshops and training in child development and communication skills, personal growth and community involvement
- establish a State Head Start Parents' Association to engage in planning and decision-making on regional, state and national levels and, to represent Alaska parents on a national level.

* Education and Special Needs

Head Start enhances the growth and development of pre-school children through a variety of activities that reflect the culture and heritage of the children and their communities. These activities encourage children to develop new skills and increase self-confidence.

In order to insure that an education program meets individual needs, each child is evaluated to find his/her developmental level. Children identified by screening to have special needs are referred to appropriate specialists who work on a team with parents and teachers to plan a program of learning activities for home and classroom. At least 10% of the children enrolled in Head Start have special needs.

WITH ADEQUATE FUNDING, Alaskan Head Start programs could:

- upgrade facilities, equipment and supplies to provide a safe, healthy and stimulating environment
- improve the adult/child ratio by employing additional staff
- acquire and develop curriculum materials reflective of indigenous culture and heritage
- increase the number of children served
- insure maximum success and opportunities to special needs children through support for regional coordination groups such as PATCH and the Bering Straits Human Services Council.

-provide additional support staff

-provide additional training opportunities for all program staff

* Health and Nutrition

Head Start children receive comprehensive health services including, but not limited to; medical, dental, mental health and nutrition. Follow-up treatment and delivery of services are provided by coordinating local, state and federal resources. Each program has a health advisory committee, comprised of parents, health professionals and health agency representatives.

WITH ADEQUATE FUNDING, Alaskan Head Start programs could:

- implement a statewide preventative dental program
- take a more active role in promoting sound nutrition and preventative health practices
- insure that all children receive all comprehensive health services and appropriate follow-up such as: growth assessment, nutritional assessment, vision screening, speech screening, hearing screening, language screening, psychological evaluation when appropriate, dental examination, physical examination and immunizations.

* Social Services

Head Start staff work closely with community and state agencies to link services to children and families and to coordinate the follow-through on services the family needs.

Every effort is made to help families of Head Start children identify their own needs and to help them find solutions to their problems.

WITH ADEQUATE FUNDING, Alaskan Head Start programs could:

- increase support staff to allow for more active role in areas affecting the lives of children, such as child abuse and neglect, alcoholism, parenting skills and communication, and to provide for increased staff training in these areas.
- increase support staff to allow more coordination with local, regional, state and federal agencies

* Training and Career Development

Employing local, community and family members as classroom, administrative and specialized support staff is the goal of Head Start. This is achieved through a competency-based career development and training program that provides both formal study and actual supervised work with children.

WITH ADEQUATE FUNDING, Alaskan Head Start programs could:

- Support a statewide competency-based college-accredited early childhood certificate and provide necessary trainers, materials, travel and tuition
- increase the quality and quantity of on-site, regional and statewide training for teachers, cooks and maintenance personnel
- upgrade staff salaries and benefits to achieve local wage comparability so qualified staff can be retained

* Resource Access Project

The Easter Seal Society Alaska Special Services Resource Access Project, provides training, technical assistance and resource materials concerning the special needs of handicapped children. These Services are provided, without charge, to all Alaskan Head Start programs through workshops, conferences, specialized consultant services, coordination efforts with appropriate agencies and, the publication and distribution of materials.

ADEQUATE FUNDING would enable these services to continue by absorbing the increased cost of operation due to inflated cost of living.

* Training and Technical Assistance

The Alaska Federation of Natives Training and Technical Assistance program provides training, technical assistance and resource materials to six of the nine Alaskan Head Start programs, (three are funded directly) in administration and all other components of Head Start. These services are provided, without charge, through workshops, on-site training, specialized consultant services and the publication and distribution of materials.

ADEQUATE FUNDING, would enable these services to continue by absorbing the increased costs of operation due to inflated cost of living.

* Early Childhood Coordination Project

The Early Childhood Coordination Project was funded in State FY'81 to identify existing direct services, support services, human resources and material resources in the field of early childhood and, to determine the number, ages and location of birth through five year old children throughout the State of Alaska.

ADEQUATE FUNDING for FY'82 would establish an Early Childhood Resource and Referral System. This would provide both a storehouse and clearinghouse for pertinent information about early childhood programs and resources on a statewide level. The information would be readily available to both the public and private sector, both programs and parents, and would allow for maximum utilization of existing materials and human resources.

The system would utilize and update the information collected in the Early Childhood Coordination Project. It would expand the base of information and make it available to a greater population.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

March 13, 1981

Representative Sam Cotton, Chairman,
House Finance Committee
House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Representative *Sam* Cotton:

FY 82 OPERATING BUDGET - HEAD START PROGRAM

At a recent hearing conducted by the sub-committee of the House Finance Committee on the Social Services category of the FY 82 Operating Budget, you requested that the Department prepare recommendations on a request made to the Legislature from the Alaska Head Start Director's Association to increase the Governor's Budget request of \$1,227,000 to \$3,900,000. As you will recall, we indicated that in preparing the Governor's budget request, the Department used the FY 81 appropriation of \$1,061,000 (which was a significant increase over FY 80 funding) and simply added an 8% inflationary factor to bring the proposed Governor's funding level up to the \$1,227,000 contained in the Governor's FY 82 Budget request. During preparation of the Departmental submission to the Governor, we had no other input, nor did we solicit input, from the Alaska Head Start Director's Association indicating that additional funding might be needed.

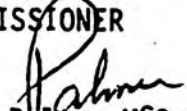
Attached to this letter is a memo dated March 3, 1981, prepared by Lare, Child Care Coordinator to Deputy Director, Pat Poland offering a justification and support for the funding level of \$3,900,000 as requested by the Alaska Head Start Director's Association.

Neither Commissioner McAnerney, Deputy Commissioner Matsuno, nor I have had an opportunity to see the funding request as submitted by the Alaska Head Start Director's Association; however, Lare, Child Care Coordinator within the Local Government Assistance Division, has worked with the Head Start Directors in drafting formulas and policies which, apparently substantiate the requested funding and we express our faith in her abilities to fairly respond to the funding request on behalf of the Department. Further, we have not discussed any increased funding with the Office of Budget and Management or the Governor's office to determine what level of support, if any, the Governor might be willing to offer in excess of the amount contained in his budget request to you. By copy of this letter, we are transmitting a copy of the attached memo to Keith Specking, Legislative Assistant to the Governor and to Ron Lehr, Director of the Office of Budget and Management.

If we can provide you with additional information or further analysis of the Alaska Head Start Director's Association request for funding in the amount of \$3,900,000 for the FY 82 Head Start Program, please advise.

Sincerely,

LEE McANERNEY
COMMISSIONER


By Palmer McCarter
Director

cc: Keith Specking, Legislative Assistant
Office of the Governor (w/attachment)

Ron Lehr, Director
Office of Budget and Management (w/attachment)

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Pat Poland
Deputy Director

DATE: March 3, 1981

FILE NO:

TELEPHONE NO:

FROM: Lare
Child Care Coordinator

SUBJECT: Justification -- Head Start
FY 82 Budget Request

The Alaska Head Start Directors Association (AHSDA) is requesting a State share appropriation from the Alaska legislature of \$3,900,000. The Governor's FY 82 budget request is \$1,227,000. FY 1981 appropriation was \$1,061,000. Federal dollars for Head Start in Alaska, FY 1981, is \$3,183,082. Head Start services 1200 children and parents in 39 locations from Ketchikan to Nome, in both urban and rural centers and homes. While this is a dramatic requested increase, there are mitigating circumstances which make this request justified.

The circumstances are:

- 1) National budget
- 2) Frozen appropriations
- 3) Formula appropriate to funding

National

The national budget request for Federal FY 1982, under the Carter administration, was \$835 million, an increase of \$100 million over the FY 1981 appropriation for Head Start. While the Reagan administration has indicated the program will not be cut from the budget, there is a question about the level of funding. At this time it is projected to be somewhere near the FY 1981 appropriation. This decision is due before the U.S. Congress sometime this spring, and may be known before the Alaska legislature adjourns. It is also possible that the program will be carried on a continuing resolution until fall. *NO INCREASE*

Another federal program widely used by the Head Start program in Alaska, Comprehensive Education and Training Act (CETA), is programmed to be abolished. This program has funded cooks, teachers aides and custodial workers. Frequently, these positions account for three-fourths of all personnel at the local level. The AHSDA members programmed this potential into their total budget when developing the per-child formula funding.

*Appropriate
Ayers has
#figure*

"Frozen" Appropriations

In 1979, when reviewing the national Head Start program, it was found that some states had been under-funded and some were over-funded. As usual, this national assessment did not take into consideration the higher cost of delivering services in Alaska. Nevertheless, Fairbanks, Chugiak and Rural CAP were told there would be no additional funds until all states were on a parity. Thus, these programs which account for 70 percent of all the federal funds received for Head Start in Alaska have been static during a time when inflation has been the highest in this century.

Formula

When the Alaska legislature first began to assume some of the costs for Head Start in the state there were only four grantees. The three mentioned above (Fairbanks, Chugiak, Rural CAP) and Metlakatla. The legislature appropriated 20 percent of the then basic grant to assist these programs that were confronted with a requirement for raising a match of federal dollars.

The second year of state funding, 7 new grantees were funded by the Indian Migrant program (IMP) and the state increased its allocation to Head Start. The legislature has funded all Head Start programs, slightly in excess of the required local match of 20 percent. However, the smaller programs have continued to gain a slight increase in federal dollars while their larger sister programs have been "frozen".

Noting the changes and potential changes at the federal level, and the inequity of "frozen" vs. slightly increased funding from the federal government, the AHSDA, in an October meeting decided to develop a more equitable approach to state funding.

Working on this proposal, this group developed a formula. This formula is based on the cost of delivering health, nutrition, and education to children and their parents enrolled in the Head Start program as well as training of staff. AHSDA then added a remoteness factor (derived from the Department of Administration's personnel salary scale) and developed the budget that has been submitted.

The budget as requested is not an expansion budget but a maintenance budget. This will permit the programs to not only deliver quality services to children but meet the federal program performance standards. If the programs become significantly out of compliance, the program will no longer be funded by the federal government.

Recommendation

1. The Department support the formula concept for distribution of state Head Start funds.
2. With the justifications outlined above, the Department support the Alaska Head Start Directors Association state budget request for \$3.9 million.

cc: Palmer McCarter, Director

II. FISCAL SUMMARY

FY 1981

<u>STATE FUNDS</u>	<u>FEDERAL FUNDS (HEADSTART)</u>	<u>TOTAL FUNDS</u>
\$1,135,953	3,245,278 (see attachment 4)	4,381,231
	CSA (special one time only)	25,000
	CETA funds	356,584
	USDA funds	93,136
		<u>4,855,951</u>

(in kind not included)

[Cost per child was not established in FY 81]

FY 1982

<u>STATE FUNDS (requested)</u>	<u>FEDERAL FUNDS (expected)</u>	<u>TOTAL</u>
\$3,984,384	3,379,475 (see attachment 5 specifics)	7,363,859 (in kind not included)

Request established by cost analysis of delivery of Comprehensive Headstart Services in Anchorage in 1980 dollars plus an 8% COLA for 2 years - see attachment 6.

The increase requested is due primarily to:

- 1) Elimination of other funds (inappropriately "propping up" Head Start).
- 2) The establishment of a cost per child formula that reflects true costs.
- 3) The unconscionable low salary levels.
- 4) The federal freeze that has not been dealt with except by program reductions (e.g. salary freezes, leave without pay, staff terminations, etc.).
- 5) Inflationary costs of goods and transportation.

FY 81 FISCAL INFORMATION

<u>Program</u>	<u>State FY81 Funds</u>	<u>Federal FY81 Funds</u>	<u>Other (Now Cut)</u>
Association of Village Council Presidents	\$63,422.00	\$259,351.00	CETA \$40,576.00 USDA 10,404.00
Central Council of Tlingit and Haida Indian Tribes of AK	83,397.00	333,588.00	CETA 39,824.00 USDA 8,928.00
Chugiak Children's Services (frozen)	28,666.00	77,319.00	CETA 7,410.00 USDA 5,500.00
Cook Inlet Native Assoc.	31,290.00	125,270.00	CETA 3,200.00 USDA 5,456.00
Fairbanks Head Start Association (frozen)	87,181.00	221,992.00	CETA 115,962.00
Kawerak	33,765.00	152,077.00	CETA 81,512.00 USDA 1,540.00
Unalakatla Indian Community	24,000.00	97,174.00	CETA 7,200.00 USDA 4,250.00
Rural CAP (frozen)	606,496.00	1,528,193.00	CETA 60,900.00 USDA 39,290.00 CSA 25,000.00
Tanana Chiefs Conference	45,632.00	187,199.00	USDA 17,768.00 * 474,720.00
Resource Access Project	32,250.00	128,900.00	N/A
Alaska Federation of Natives	24,854.00	134,210.00	N/A
Early Childhood Coord. Project	<u>75,000.00</u>		
TOTAL	1,135,953.00	3,245,278.00	* 474,720.00 = 4,855,951.00

Head Start has been forced to "prop itself up" with other funds inappropriately.

attachment #4

HEAD STATE FY 82 FISCAL INFORMATION / BASED ON PER CHILD COST FORMULA (see attachment #6)

PROGRAM	COST PER CHILD (regionalized)	No. of Children	TOTAL OPERATIONAL COSTS	FEDERAL \$ ANTICIPATED	STATE(REQUESTED)	IN KIND
AVCP	6,715.	79	530,485	285,901	220,584	24,000
T & H	5,383. 5,001	68 36	546,080	375,953	130,127	40,000
Chugiak	5,001	34	170,034	77,320	60,591	32,123
C.I.N.A.	5,001	39	195,039	141,181	37,751	16,107
Fairbanks	5,796	80	463,680	216,000	232,680	15,000
Kawerak	6,966	43+	299,538+	174,972	104,566+	20,000
Metlakatla	5383	31	166,873	108,529	35,195	23,149
RurAL CAP	6715 6966 5001 5383 5796	351 133 130 92 26	4,579,505	1,528,198	2,861,307	190,000
T.C.C.	6,966	57	397,062	207,028	164,911	25,123
Resource Access Project Handicapped Support			185,623	150,793	34,830	0
A.F.N. (training Support)			140,442	113,600	26,842	0
Early Childhood Project (Information and Referral)			<u>75,000</u>	<u>0</u>	<u>75,000</u>	<u>0</u>
TOTAL		1199	7,749,361. (w. in d)	3,379,475.	3,984,384.	38,502

HEAD START COST PER CHILD FORMULA FOR COMPREHENSIVE EARLY CHILDHOOD SERVICES

THIS FORMULA WAS DEvised BY CALCULATING ACTUAL COSTS OF DELIVERY OF THE PROGRAM IN ANCHORAGE (INDEX BASE) IN 1980 DOLLARS. THE PROVISION FOR A 8% COLA HAS BEEN ENTERED FOR FY81 AND FY82 AS SHOWN.

THE COSTS ARE THEN REGIONALIZED BASED UPON PERCENTAGES PROVIDED BY THE DEPARTMENT OF ADMINSTRATION (SALARY SCHEDULE CONSIDERATIONS).

<u>PROGRAM</u>	<u>FY80 COST PER CHILD REGIONALIZED PERCENTAGE COST ADJUSTMENT</u>	<u>NO. OF CHILDREN</u>	<u>REGIONALIZED FY80 COST/CHILD USING 4,288 ANCHORAGE AS BASE</u>	<u>8% COLA/FY81</u>	<u>8% COLA FY82</u>	<u>FY82 COST PER CHILD</u>	<u>OPERATING COSTS CHILDREN x COST RESPECTIVELY</u>
AVCP	134.25%	79	5,757	461	497	6,715	530,485
T&H	100.00%	36	4,288	343	370	5001	180,036
	107.64%	68	4,615	369	399	5383	366,044
Chugiak	100.00%	34	4,288	343	370	5001	170,034
CINA	100.00%	39	4,288	343	370	5001	195,039
Fairbanks	115.87%	80	4,969	397	430	5,796	463,680
Kawerak	139.28%	43	5,972	478	516	6,966	299,538
Metlakatla	107.64%	31	4,615	369	399	5,383	166,873
RurAL							
CAP	134.25%	351	5,757	461	497	6,715	2,356,965
	139.28%	133	5,972	478	516	6,966	926,478
	100.00%	130	4,288	343	370	5,001	650,130
	107.64%	92	4,615	369	399	5,383	495,236
	115.87%	26	4,969	397	430	5,796	150,696
T.C.C.	139.28%	57	5,972	478	516	6,966	397,062
							7,348,296
							185,623
RAP							
(Handicapp)							
AFN(training)							140,442
Early Child Protect (I and R)							75,000
							749,361

5-3-81

Attachment 2

HOUSE FINANCE COMMITTEE

May 4, 1981

1:45 p.m.

{Technical Difficulties with Recording Equipment--Meeting not Recorded}

PRESENT

Chairman Cotten called the meeting to order at 1:45 p.m. All members of the Committee were present. Representatives Buchholdt, Carney, Freeman and Malone arrived later in the meeting. Also in attendance: Speaker Jim Duncan and Representative Jack Fuller; Charles Leo, U.S. Department of Housing and Urban Development, Anchorage; Marlin Knight, Regional Housing Authority, Bethel area, and Association of Alaska Housing Authorities; Tim Kikta, North Pacific Rim Housing Authority; Melvin Charlie, Executive Director, Interior Regional Housing Authority; Dove N. Kull and Emma Borbridge, Juneau, members of the White House Conference on Aging; Commissioner Ernst Mueller and Tim Burn, Department of Environmental Conservation.

HB 502 AND HB 503

Chairman Cotten advised the first order of business is consideration of HB 502 and HB 503:

HB 502 - "An Act relating to supplemental housing development grants; and providing for an effective date."

HB 503 - "An Act making a special appropriation to the Department of Community Regional Affairs; and providing for an effective date."

Speaker Duncan, sponsor of the companion bills, began his presentation by stating this involves the State general fund with a federal fund (\$124 million) match for the construction of housing across the State.

(Representative Buchholdt arrived at this time.)

Speaker Duncan distributed a handout (see Attachment 1) describing the State and federal shared costs of construction and explained. He also referred to some suggested amendments to HB 502 and some intent language for HB 503 (see Attachment 2) and explained briefly.

(Representative Carney arrived at this time.)

In conclusion, Speaker Duncan stated he whole-heartedly supports the program, which reaches all parts of the State, if it will allow houses to be funded on a 90% (federal) to 10% (state) basis.

At this time, Committee members questioned Charles Leo, HUD representative from Anchorage, about the program.

"What would happen if the State didn't make these appropriations, and what is to stop the contractors from raising their prices when they know this money is in," asked Chairman Cotten. Responding to the first part of the question, Mr. Leo explained they would have to attempt to delete parts of the housing program--decreasing the level of construction or just not building them. In answer to the latter, he advised HUD also develops its own set of guidelines. He indicated they have already received some bids.

Referring to his amendment (see Attachment 3), Chairman Cotten asked for comment. Mr. Leo indicated the Housing Authority suggested this be clarified a little more. He explained the development of the property has to pay for itself--whether they want to make a contribution to the utility and payment be made that way.

There was discussion on how repayment would be made should the State appropriate these funds. Mr. Leo advised this is done through the federal government's annual contribution to the State for this program. In closing, he remarked the support of the Legislature would be appreciated, in light of the federal government's austerity program.

(Representative Freeman arrived at this time; and Chairman Cotten left the meeting. Vice Chairman Freeman conducted the meeting.)

At this time, Marlin Knight began his testimony by describing several of the housing projects in the Bethel area. Two of the projects requested, he stated, were for extensive water and sewer and access roads and extension lines in Mountain Village. Early last year, he continued, they were required to submit under community block grants. He stated two contractors bid on a 154-unit package at \$95,000 per unit, and he described how they were able to secure about \$1.3 million in federal funds. He stated it is hoped the additional funding in HB 502 will allow them to proceed with this project.

Tim Kikta, North Pacific Rim Housing Authority, testified at this time. The situation the contractor would raise, he stated, is cost on the project that he feels can be allayed because the bill is specifically pointed to on-site facilities, as they are built by U.S. Public Health Service (USPHS). Those utilities not built by USPHS can be put into a separate package, he said.

Mr. Kikta urged the Committee's support on behalf of the bills. Also in response to an issue regarding whether or not the Housing Authorities serve only Natives, he added, in areas where applicable, they will be serving both Natives and non-Natives.

Representative Meekins asked for comment on the amendment suggested by the Attorney General (Attachment 2). In response, Mr. Kikta advised they collect from the housing recipients based only on their income. Representative Meekins indicated agreement with the amendments proposed by Speaker Duncan. He noted the other witnesses also agreed with these amendments.

AMENDMENTS - HB 502

Representative Rogers moved to accept Amendments #1, #2 and #3 proposed by Speaker Duncan, the amendment suggested by the Attorney General and the amendment proposed by Chairman Cotten. There being no objection, the amendments were adopted.

CS FOR HB 502 (FINANCE) REPORTED OUT

Representative Rogers moved to report out a Finance Committee Substitute for HB 502, as amended. There being no objection, it was so ordered. CS for HB 502 (Finance) was reported out of Committee with a "do pass" recommendation.

AMENDMENT - HB 503

Representative Meekins moved to adopt Amendment #1 proposed by Speaker Duncan for HB 503, changing the appropriation from \$20,000,000 to \$12,500,000. Representative Adams stated it would be his intent to move the figure \$12,351,400, which is the exact amount needed. He stated his intent is to delete Amendment #2, as presented by the Speaker, and explained his reasons.

During discussion, the Committee heard from Melvin Charlie, on the proposed budget to establish a central office in Anchorage for the Association of Alaska Housing Authorities (AAHA). Mr. Charlie advised AAHA consists of 13 Regional Housing Authorities throughout the State. AAHA has become tremendously involved--via Department of Community and Regional Affairs, Alaska Housing Finance Corporation, non-conforming housing, housing for the elderly, etc.--in the State housing programs, he said, and therefore, feels it has the expertise. He explained they are trying to set up a central "think tank" office to coordinate all housing activities. The \$234,000 budget was for informational purposes but could be offered as an amendment, he said, and noted they do have that proposal in.

Representative Meekins WITHDREW his motion.

HB 503 (FINANCE) REPORTED OUT

Representative Rogers moved to report out a Finance Committee Substitute for HB 503, changing the figure to \$12,351,400. There being no objection, it was so ordered. CS for HB 503 (Finance) was reported out of Committee with a "do pass" recommendation.

HB 334

Vice Chairman Freeman advised the next bill to come before the Committee was HB 334:

HB 334 - "An Act making special appropriations for village safe water facilities, solid waste facilities, and water and sewer systems; and providing for an effective date."

Dove Kull began her presentation by stating she is a social worker for most of the villages listed in HB 334 and is also a member of the White House Conference on Aging, which met last month. One of the 14 resolutions discussed at that Conference, she said, pertained to the concept in this bill. She mentioned she and Emma Borbridge co-chaired the section on health and read an excerpt from the resolution dealing with senior centers. This is important, she said, because most of the elderly living in the villages over 60 have lived all their lives in Alaska, and they feel this should be done so that they can qualify for senior centers. She stated she would appreciate the support of the Committee on this bill.

RECESS

(Vice Chairman Freeman called a recess at 2:25 p.m. and reconvened the meeting at 3:35 p.m. Representative Malone arrived at this time. All Committee members were present, except Representative Cotten.)

Referring to the proposed CS for HB 334 (see Attachment 4), Representative Fuller, from District 22, testified this bill is one of the priorities of the Bush Caucus this year. He advised they plan to work closely with the Department of Environmental Conservation (DEC) and the Regional Health Authorities (RHA) this year with plans to present a package to the Legislature next year. He called attention to HB 98, introduced by Representative Zharoff, and noted this has been incorporated into the proposed CS for HB 334, as has HB 265 and HB 269 by Representative Chuckwuk.

Representative Meekins referred to the Village Safe Water Act (VSWA), AS 47.06, and asked if they worked with those people named. Representative Fuller indicated yes and that, in fact, they are here today to testify on the bill.

Noting the original request was for \$21 million, Representative Montgomery inquired where the \$5 million reduction in the proposed CS was taken, and Representative Adams advised it involves practically each section of the bill.

At this time, Commissioner Ernst Mueller, DEC, presented testimony and introduced Tim Burn from his office. He indicated they have been working with the Bush Caucus on this program, but added he can't really speak for the Governor.

Commenting she feels this is very important, Representative Buchholdt asked how the program will work. Mr. Burn explained this varies throughout the State and described several ways this can be handled. Commissioner Mueller indicated some are actual projects of the bill, while others are feasibility studies.

Representative Fuller explained the basic priority was safe drinking water, and they used the knowledge from the village as to where the specific need was. He advised the waste problem was addressed, but could not be standardized; therefore, studies will have to be done. This is an on-going process, he continued, and it will be years before it is solved. He explained the prime needs were considered this year, and a more comprehensive package will be submitted next year.

There was further discussion on the VSWA, passed in 1972, with Representative Meekins describing some of the problems encountered and the fact that nothing much had been done until 1978. Regarding the bonding issue, Commissioner Mueller advised that particular process was set up in 1976, and they are using the recommendations of the Regional Health Authorities. Representative Meekins commented that, working with DEC pursuant to the criteria and the Regional Health Authorities, he is hopeful something can be accomplished and indicated his support.

Representative Carney described instances in his district where this program could be used but wondered if they shouldn't try to avoid "piggybacking" a bill. Vice Chairman Freeman indicated he too would try to take care of the needs in this area of his district in the capital budget.

Representative Malone read from the statutes regarding the VSWA where DEC has the responsibility for a grant and loan program for the municipality relating to the public water supply. He wondered to what extent DEC is considering revision to these grants programs whereby the communities would be certain of receiving same. If the programs on the book were utilized, he stated, he feels the State could pick up 90-95% of the cost of the program. During discussion, Commissioner Mueller explained the VSWA was to provide service, as opposed to a construction program. He also noted there is a bill, sponsored by Representative Duncan, that would increase the grants from 50% to 75% and a similar bill introduced in the Senate. He added DEC has been in support of these programs because of the disappearance of federal funding, and a lot of critical needs are not being met because of costs. There was further discussion.

CS FOR HB 334 (FINANCE) REPORTED OUT

Representative Adams moved to report out a Finance Committee Substitute for HB 334, as proposed. Representative Rogers moved to amend Sections 7 and 8 of the proposed CS by adding the words "year round" after the word "system" in both sections.

(Representative Rogers left the meeting.)

During discussion, Representative Meekins commented that, no matter what bill it is, some people always say, "My district isn't in it, so why should I vote for for it?" Just because it will not benefit one district does not mean it is not a worthwhile program, he said, and again indicated his support of the bill.

Representative Carney again mentioned the only problem he has is that some of the problems are not being addressed on a statewide basis. Representative Malone noted one of the reasons for the bill is that this has been on the books, but nothing has been done with it.

(Representative Cotten arrived at this time.)

Continuing, Representative Malone commented the increase of the municipal grant from 50-75% is a good idea and means Representatives Carney and Freeman wouldn't be faced with the problem they are now. Representative Meekins indicated he understands the concern expressed by Representative Carney and supports his concept, and added there is a way to handle this. There was further debate.

Representative Adams argued these are the basic needs of rural Alaska--yesterday's needs--and it is still a matter of catch-up. Answering a question from Representative Carney, he indicated this does not satisfy all the needs, but only addresses the first priority. Representative Carney wondered about the possibility of including another \$10 million.

There being no objection, it was so ordered. CS for HB 334 (Finance) was reported out of Committee with a "do pass" recommendation.

HB 489

Chairman Cotten announced the Committee would consider HB 489:

HB 489 - "An Act establishing a joint committee of the Legislature to meet with executive branch officials to review and report on the effect of proposed federal budget reductions on programs that benefit the people of the state; and providing for an effective date."

Chairman Cotten briefly explained the purpose of the bill is to create a committee to work with the Executive Branch and the Rural Development Council to assess federal budget cuts on various State programs. He pointed out his amendment, page 3, line 19-26, of the proposed Finance CS for HB 489, whereby the joint committee would recommend to the Legislature next year specific revisions concerning those programs affected by lower federal appropriations. Originally, he stated, the contingency fund was included, but that has now been shelved; and the major change is that now the committee will be established, rather than just meeting with the Governor during the interim.

Representative Adams asked if it was the chairman's intent to move HB 490 ("An Act establishing a special federal budget reduction contingency fund in the Office of the Governor; and providing for an effective date."), and Chairman Cotten indicated no.

CS FOR HB 489 (FINANCE) REPORTED OUT

Representative Meekins moved to accept the proposed Finance CS for HB 489. There being no objection, it was so ordered.

Representative Buchholdt wondered if public hearings would be held so the Agencies and public organizations could provide input or if this would only include the recommendations of the committee. Chairman Cotten indicated they are very anxious to include and seek out input from the various Agencies that receive federal funds.

Representative Freeman moved to report out Finance Committee Substitute for HB 489. There being no objection, it was so ordered. CS for HB 489 (Finance) was reported out of Committee with a "do pass" recommendation.

RECESS

(Chairman Cotten called a recess at 3:40 p.m.)

{Technical Difficulties with Recording Equipment--Meeting not Recorded}

Since...

HB 502

ALEUTIAN REGIONAL HOUSING AUTHORITY

18 Units - Akutan
18 Units - Atka
36 Units

A construction budget has not been prepared as yet for these projects. However, units in Nikolski and Unalaska averaged averaged \$98,000 last year, and estimates for this year are for \$100,000 per unit, total development cost.

State Share	\$ 280,000
Federal Share	<u>3,319,100</u>
Total	\$ 3,600,000

AVCP HOUSING AUTHORITY

25 Units - Toksook Bay
24 Units - Akiak
74 Units - Mountain Village
51 Units - Pilot Station
31 Units - Aniak
32 Units - Kipnuk
237 Units

AVCP has prepared cost estimates for the amount needed to construct these projects at an average of 15,500 per unit above the \$92,200 total development cost allowed by HUD. AVCP had requested \$3,672,400 in state funding to supplement \$27,932,000 in secured federal funding. However, AVCP has recently received \$1,008,000 in additional federal assistance for on-site water and sewer development, road construction to project sites and extension of electrical service to new homes, and that amount has been subtracted from AVCP's request.

State Share	2,664,400
Federal Share	<u>28,940,000</u>
Total	31,604,400

BERING STRAITS REGIONAL HOUSING AUTHORITY

15 Units - Golovin
16 Units - White Mountain
16 Units - Bartlett Replacements
47 Units

No construction cost estimates are available yet for these housing units. However, the housing authority director has estimated a total development cost of approximately \$110,000 per unit to assure that construction is adequate for the region.

State Share	\$ 836,800
Federal Share	<u>4,333,400</u>
Total	\$5,170,200

BRISTOL BAY REGIONAL HOUSING AUTHORITY

14 Units - Port Heiden
15 Units - Aleknagik
15 Units - Levelock
20 Units - Dillingham
15 Units - Clark's Point
79 Units

The housing authority director and HUD officials have estimated a total development cost per unit of \$102,000 for Port Heiden, Aleknagik, Levelock and Dillingham. The houses at Clark's Point are already under construction, but will require an additional \$2,000 per unit to meet construction costs.

State Share	\$ 657,200
Federal Share	<u>7,283,800</u>
Total	\$7,941,000

COOK INLET HOUSING AUTHORITY

60 Units - Anchorage)
24 Units - Kenai) Senior Citizens Housing
10 Units - Ninilchik)
94 Units

Cook Inlet Housing Authority received \$3,134,800 from HUD for the Kenai and Ninilchik facilities, however, federal regulations allowed only \$2,448,000 to be spent on the projects. The housing authority director has estimated that 1.4 million dollars will be needed to assure quality construction of these facilities, while an additional \$3,500,000 is needed for the Anchorage facility. Under the grant program, the CIHA would be eligible for \$1,733,360. The remainder of the funds will be sought from the Senior Citizens Housing fund in the Department of Community and Regional Affairs.

State Share	\$1,733,360
Federal Share	<u>6,768,000</u>
Total	\$8,501,360

COPPER RIVER BASIN REGIONAL HOUSING AUTHORITY

10 Units - Mentasta
30 Units - Copper Center
40 Units

The housing authority director has indicated that while \$92,200 per unit has been sufficient to cover costs, \$100,000 per unit would negate the need to cut corners in construction in an effort to stay within the HUD budget.

State Share	\$ 312,000
Federal Share	<u>3,688,000</u>
Total	\$4,000,000

INTERIOR REGIONAL HOUSING AUTHORITY

50 Units - Fairbanks
50 Units - Minto
20 Units - Holy Cross
16 Units - Kaltag
15 Units - Chalkyitsik
14 Units - Grayling
165 Units

The director of the Interior Regional Housing Authority intends to put these units out to bid and construct them during the 1981 building season. Figures available from the IRHA indicate a need for \$3,812,592 for Kaltag, Grayling, Holy Cross and Minto, an amount \$1,968,592 above the state share based on 20% of \$92,200 per unit. Assuming the 65 units are constructed in Chalkyitsik and Fairbanks, and that the additional amount needed per unit equals the maximum grant amount, an additional \$1,198,600 would be needed.

State Share	\$ 3,042,600
Federal Share	<u>15,043,400</u>
Total	\$18,096,000

KODIAK ISLAND HOUSING AUTHORITY

45 Units - Port Lions & Ouzinkie

Kodiak Island Housing Authority has gone to bid on two projects totaling 45 units in Port Lions and Ouzinkie. The lowest bid received was \$700,000 over the \$4,149,000 allowed by HUD for the project, from among six bids received.

State Share	\$ 700,000
Federal Share	<u>4,149,000</u>
Total	\$4,849,000

NORTH PACIFIC RIM HOUSING AUTHORITY

18 Units - Tititlek
20 Units - English Bay
31 Units - Port Graham
69 Units

The housing authority estimates that it will require almost \$8,600 per house in additional funds to meet expenses for the total development costs of housing proposed for this year. Much of this is due to the fact that the NPRHA is building 51 units under an older HUD total development cost figure of \$78,400 per unit.

State Share	\$ 592,966
Federal Share	<u>5,605,026</u>
Total	\$6,197,992

ASRC (ARCTIC SLOPE) HOUSING AUTHORITY

The North Slope Borough is financing residential construction through the sale of bonds. Average new home cost in the Borough is now in the neighborhood of \$240,000 per unit including materials, labor, site preparation and all other development costs.

TLINGIT-HAIDA REGIONAL HOUSING AUTHORITY

T & H does not have any housing units scheduled for construction during the 1981 construction season.

METLAKATLA HOUSING AUTHORITY

24 Units - Metlakatla

The housing authority director has indicated that Public Health Service funds for water and sewer construction will not be available for the 24 unit project this year, but will be available in 1982. She estimates that a year's delay could add as much as \$500,000 to the total development costs of the units.

State Share	\$ 442,560
Federal Share	<u>2,212,800</u>
Total	\$2,655,360

NANA REGIONAL HOUSING AUTHORITY

44 Units - Kotzebue
36 Units - Selawik
25 Units - Ambler
22 Units - Buckland
22 Units - Noorvik
18 Units - Shungnak
26 Units - Kiana
11 Units - Kivalina
10 Units - Kobuk
4 Units - Deering
218 Units

The housing authority director anticipates that all of these units will go under construction this year, with the possible exception of Ambler. Shungnak and Kobuk, where construction may have to be postponed until 1982. In the past, NANA Regional Housing Authority has remained within HUD limits and while the same is anticipated this year, the director feels that additional funds may be necessary to meet costs. \$5,000 per unit is thought to be sufficient to cover any additional costs.

State Share	\$ 1,090,000
Federal Share	<u>20,099,600</u>
Total	\$21,189,600

HOUSING AUTHORITYSTATE EXPENDITUREFEDERAL EXPENDITURE

Aleutian	\$ 280,000	\$ 3,319,200
AVCP	2,664,400	28,940,000
Bering Straits	836,800	4,333,400
Bristol Bay	637,200	7,283,800
Cook Inlet	1,733,360	6,768,000
Copper River	312,000	3,688,000
Interior	3,042,000	18,043,000
Kodiak Island	700,000	4,149,000
Metlakatla	442,560	2,212,800
NANA	1,090,000	20,099,600
North Pacific Rim	593,000	5,605,000
T O T A L S	<u>\$12,351,320</u>	<u>\$104,441,800 *</u>

State & Federal Funds: \$116,792,120

State Funds as % of Total 10.6%

Fed. Funds as \$ of Total 89.4%

- * This figure is conservative, as not all Public Health Service expenditures for off-site sewer and water facilities construction are known at this time. Addition of these expenditures would increase the federal portion of total development costs, creating a relative decrease in state involvement.

Alaska State Legislature



Official Business

Speaker of the House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: House Finance Committee

FROM: Representative Jim Duncan
Speaker of the House

DATE: May 4, 1981

SUBJECT: FINANCE COMMITTEE SUBSTITUTE
FOR HOUSE BILLS 502 and 503

✓ [REDACTED]

"... for the cost of on-site sewer and water facilities, road construction to project sites and extension of electrical distribution systems to individual residences (construction of residential housing which exceed the maximum amount available under federal law or regulation for the residential housing.)

✓ [REDACTED]

A grant may not exceed 20% of the Department of Housing and Urban Development total development cost per unit which is in effect at the time the grant is made. (A grant may not exceed 20% of the total cost of the residential housing.)

✓ [REDACTED]

Grant money may be used only as specified under (a) of this section. (Grant money may be used only for direct construction costs.)

HB 503, Amendment #1:

The general fund appropriation should be \$12,500,000., not \$20,000,000.

House Finance Committee
May 4, 1981
Page Two

HB 503, Amendment #2:

Intent: It is the intent of this legislation to improve the quality of construction of housing built by the Regional Housing Authorities. This includes, but is not limited to, improving thermal and heating efficiency, lowering maintenance costs, adapting construction standards to the region and the site, and lengthening the useful and habitable life of the housing units.

Also attached is a proposed budget of \$234,000., which would allow the Association of Alaska Housing Authorities to establish a central office in Anchorage. This is included for your information, but is not offered as an amendment to either House Bill 502 or 503.

JD:jp
Attachments

PROPOSED BUDGET

Executive Director	\$40,000.00
20% Fringe Benefits	8,000.00

Research Analyst	35,000.00
20% Fringe Benefits	7,000.00

Executive Secretary	20,000.00
20% Fringe Benefits	<u>4,000.00</u>

TOTAL SALARIES	\$114,000.00
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Staff Travel	\$ 25,000.00
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AAHA Travel	30,000.00
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Office Space Rental	20,000.00
---------------------	-----------

Telephone and Telegraph	15,000.00
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Equipment & Supplies	15,000.00
----------------------	-----------

Bonding & Insurance	5,000.00
---------------------	----------

Legal	5,000.00
-------	----------

Advertisements/Phamplets	<u>5,000.00</u>
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TOTAL BUDGET	\$234,000.00
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Duncan

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

May 1, 1981
465-3600 x 32

The Honorable Jim Duncan
House of Representatives
Pouch V, State Capitol
Juneau, AK 99811

Re: H.B. 502, relating to supplemental housing
development grants

Dear Representative Duncan:

This responds to your request for language to ensure that facilities constructed with supplemental leasing grants are made available on a non-discriminatory basis.

In our view, under AS 18.80.240, the regional housing authorities are already under a duty to make housing available on a non-discriminatory basis, unless - and only unless - it was constructed under a federal program for American Indians. Accordingly, it was not essential to add language to your bill. However, to avoid any misunderstanding, clarifying language could be added.

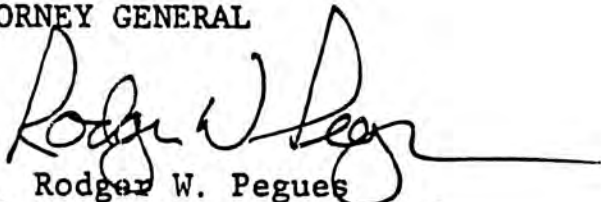
The clarifying language could take any number of forms. We suggest that, on page 1, line 20, after the word "Development", the following be inserted:

✓ 

We appreciate this opportunity to comment on this bill.

Sincerely,

WILSON L. CONDON
ATTORNEY GENERAL

By: 

Rodger W. Pegues
Assistant Attorney General

RWP/jb

Cotter

Am 1

AMENDMENT TO HB 502

P. 1, l. 20

After "Development" delete the period and add the following:

[REDACTED]

PROPOSED CS FOR HOUSE BILL NO. 334

For an Act entitled:

"An Act making special appropriations for village safe water facilities, solid waste facilities, and water and sewer systems; and providing for an effective date."

* Section 1. (a) \$4,935,100 is appropriated from the general fund to the Department of Environmental Conservation as follows:

(1) \$4,085,100 for village safe water and solid waste facilities projects under the Village Safe Water Act (AS 46.07) in the following communities:

(A)	Akiachak	\$ 325,000
(B)	Brevig Mission	954,000
(C)	Chalkyitsik	750,000
(D)	Gambell	600,000
(E)	Noorvik	200,000
(F)	St. George	280,000
(G)	Savoonga	75,000
(H)	Scammon Bay	150,000
(I)	Shungnak	450,000
(J)	Tanacross	83,500
(K)	Wainwright	217,600

(2) 850,000 for village safe water and solid waste feasibility studies under the Village Safe Water Act (AS 46.07) in the following communities:

- (1) Anderson
- (2) Chalkyitsik
- (3) Chignik Bay
- (4) Dot Lake
- (5) Ekwok
- (6) Emmoak
- (7) Fort Yukon
- (8) Galena
- (9) Golovin
- (10) Hughes
- (11) Lower Kalskag
- (12) Manley Hot Springs
- (13) Northway
- (14) Ouzinkie
- (15) St. Mary's
- (16) Skagway

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- (11) Lower Kalskag
- (12) Manley Hot Springs
- (13) Northway
- (14) Ouzinkie
- (15) St. Mary's
- (16) Skagway
- (17) Teller

* Section 2. The sum of \$10,330,800 is appropriated from the general fund to the following municipalities for payment as grants for water and sewer and solid waste facility construction as the local match to be used by the Department of Environmental Conservation as follows:

(1)	Bethel Sewer System	\$ 330,000
(2)	Dillingham Water and Sewer System	265,000
(3)	Kodiak Island Borough Water and Sewer Engineering and Design Project	573,800
(4)	Kodiak Island Borough Monashka Dam Project	1,000,000
(5)	Kotzebue Water and Sewer System	2,400,000

(6)	Nome Water and Sewer Utilitdor	\$4,600,000
(7)	Sitka Sewer Systems	300,000
(8)	Unalaska Water Supply and Distribution System Repair	862,000

* Section 3. The sum of \$161,500 is appropriated from the general fund to the following municipalities for payment as grants for the following communities:

(1)	Kodiak Island Borough for construction of a sanitary landfill at Larsen Bay	\$ 60,000
(2)	City of Koyuk for a Greywater Disposal Project	100,000
(3)	City of Shageluk for purchase of a hot water tank	1,500

* Section 4. The sum of 293,000 is appropriated from the general fund to the Department of Community and Regional Affairs for payment as grants for solid waste disposal site construction in the following communities:

(1)	Dot Lake	\$ 54,000
(2)	Northway	32,000
(3)	St. Mary's	100,000
(4)	Takotna	25,000
(5)	Telida	22,000
(6)	Chignik Lagoon	60,000

* Section 5. The sum of \$181,000 is appropriated from the general fund to the Department of Administration for payment as grants for solid waste disposal site construction in the following communities:

(1)	Eagle	\$ 73,000
(2)	Holy Cross	22,000
(3)	Kaltag	22,000
(4)	Koyukuk	22,000
(5)	Nikolia	20,000
(6)	Shageluk	22,000

* Section 6. The sum of \$250,000 is appropriated from the general fund to the Department of Community and Regional Affairs for payment as a grant to Evansville for a water system (private wells).

(6) Nome Water and Sewer Utilitdor	\$4,600,000
(7) Sitka Sewer Systems	300,000
(8) Unalaska Water Supply and Distribution System Repair	862,000

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(6) Shageluk	22,000

* Section 6. The sum of \$250,000 is appropriated from the general fund to the Department of Community and Regional Affairs for payment as a grant to Evansville for a water system (private wells).

* Section 7. The sum of \$125,000 is appropriated from the general fund to the Department of Environmental Conservation for planning and feasibility studies for rural solid waste projects in communities not connected by the Alaska road system ~~_____~~

* Section 8. The sum of \$300,000 is appropriated from the general fund to the Department of Environmental Conservation for rural solid waste disposal site projects, water delivery equipment, fencing, and waste collection and disposal equipment in communities not connected by the Alaska road system ~~_____~~

FUNDING INFORMATION

General Fund	\$ 16,576.4
Other Funds	-0-
Total	\$ _____

HOUSE FINANCE COMMITTEE

May 4, 1981

3:40 p.m.

(Tape HFC 81-71, side 1 #001)

PRESENT

All Members of the Committee were present except Representative Carney. (Representatives Rogers and Freeman arrived later in the meeting.) Also present: Representative Halford; Bob Grogan, Fiscal Analyst, Legislative Finance Division; and Doug Pope, Aide to Representative Cotten.

NATURAL RESOURCE MANAGEMENT (NRMEC) BUDGET CATEGORY

Chairman Cotten called the meeting to order. He said the Committee has already received an overview from the NRMEC Subcommittee; and the Subcommittee is now ready to make additional recommendations on legislative add-ons and other proposals.

Representative Meekins explained there are three agencies in the NRMEC Category -- the Department of Natural Resources, the Department of Fish and Game, and the Department of Environmental Conservation. He said the Subcommittee asked each agency to provide them with a budget showing a 5% reduction. He said they Subcommittee accepted the 5% reduction budgets from the departments of Natural Resources and Environmental Conservation; but the Department of Fish and Game budget is very controversial, and there was concern from the Committee on the places where cuts were made. In addition, said Representative Meekins, there were many millions of dollars of requests from individual legislators in this budget. He said the Subcommittee went back and prepared a list summarizing the legislative adds and deletes (see attachment #1.) He said the NRMEC budget shows a 5% overall reduction.

(Representatives Freeman and Rogers arrived at this time.)

Representative Meekins said they have substantially reduced the legislative add on's list, and all of the reductions have been with the concurrence of the legislator involved. He said his proposal would be to make one motion to accept all the additions and deletions.

Representative Malone said he had a request that was originally submitted to the GENERAL GOVERNMENT Subcommittee for aquaculture funding for NSERAA. He said that request is not included in this list. He explained the proposal was submitted to the General Government Subcommittee because that is where it was funded last year, but it didn't look like it fit there. He said he thought it belonged under the F.R.E.D. program with the other grants.

Representative Rogers asked what the Subcommittee's recommendation for the gas pipeline is. Representative Meekins said in addition to these numbers for legislative add on's, the Subcommittee had some other recommendations they wanted to make. He said for the gas pipeline they have some language they wanted to include. He said he thinks they also have an agreement on placer mining. He said the short form has an error on page 326. He briefly explained.

Representative Rogers commented on an employee for the Haul Road that will not be hired unless the legislature continues the funding for the position even though the Governor has said he will fund the position through the end of the year through his contingency fund. He said the alternative would be to fund this through HB 536 (funding for the Haul Road). Chairman Cotten said it could be more appropriately dealt with in that bill.

Chairman Cotten commented on a request from the Association of Sport Fishermen regarding the hatchery at the Fort Richardson station. He said it might be better to give them research money. Representative Halford said he thinks they have submitted a capital budget request. He said they still need to know exactly what is available and where to get it. He said even if they don't get the capital request, they still need this information. Chairman Cotten said he certainly wanted to help these people out. He said he would offer this to the list of legislative add ons.

Representative Rogers said in the GENERAL GOVERNMENT BUDGET CATEGORY there was a recommendation to move the funding from OCS to NRMEC. He asked if that recommendation had been addressed. Representative Meekins recommended waiting until they are on the budget where it is currently placed. He said if it is added here, they will have to keep making adjustments in terms of percentages, etc. He said his recommendation is to close this category out and then address the question. Representative Malone pointed out the GENERAL GOVERNMENT SUBCOMMITTEE RECOMMENDATION does not include the funding for OCS. In addition, he said there is a governor's budget amendment for OCS Leasing.

Concerning the request for NSERAA, Chairman Cotten asked for additional information. Representative Malone explained the GENERAL GOVERNMENT Subcommittee felt this was something that should be addressed by the NATURAL RESOURCE MANAGEMENT Subcommittee instead. Representative Halford said \$100.0 is already in the budget for each of the aquaculture associations.

Representative Adams said that on behalf of Representative Vaska, he would like to place an amendment for \$97.0 (currently in HB 389/HB 390). He said he believes it would be more appropriately placed under page 192. He said it is for the Lower Yukon/Kuskokwim Aquaculture Association. Chairman Cotten asked if that was part of the \$1.3 already appropriated to the YKA.

Representative Adams said no, it is not part of that package. There was discussion on aquaculture associations.

In answer to a question from Chairman Cotten, Mr. Bob Grogan, Legislative Finance Division, explained that each of the four associations will split \$100.0, so he assumes they will each get \$25.0. He said there is already \$400.0 in the budget for the associations, so he assumes they will now get \$125.0. He explained the Yukon Kuskokwim Aquaculture Association is not one of the four, and there is an additional appropriation of \$100.0 for them. There was further discussion. Representative Meekins suggested the \$97.0 should be in the EDUCATION BUDGET CATEGORY because it is for training/education. There was further discussion. Chairman Cotten said the funding for the aquaculture associations would be HELD open.

Representative Meekins MOVED TO ACCEPT the add on/delete list plus the \$200.0 requested by Chairman Cotten, for a net of \$4855.4. There was brief discussion. The MOTION WAS ACCEPTED.

Regarding Placer Mining, Representative Meekins said they want to allow them the 16 positions and give them the same amount of money. There was brief discussion. Chairman Cotten said he had no problem with this recommendation.

Representative Meekins explained there should be an additional \$33.9 on the sort form page 324. He said a technical error was made. There was NO OBJECTION to making the correction.

Representative Meekins said they tried to estimate how long a position was going to be vacant and reduce the request by that amount. He said with the 35%/40% increase in the Department of Fish and Game, and with all the other legislative add-ons, he would like to make a motion to reduce by 20% the money appropriated for new positions. He commented it generally takes about three months to bring a new position on board. Chairman Cotten asked how much money they are talking about if they make this reduction. Mr. Grogan said it is close to \$1 million. There was brief discussion. Representative Meekins said this reduction would not apply to seasonal positions. Mr. Grogan explained how they would arrive at the new position total and said they would then assume the average cost of a Fish & Game employee, and back out the amount across the board. He said there would not be any particular position picked out, so if they wanted to, the Department could hire some employees right away. In answer to a question from Chairman Cotten, Mr. Grogan said his understanding of the proposal is that it would not effect positions authorized in past years. He commented those positions should have already been addressed through the vacancy assessment. There was brief discussion. There was NO OBJECTION to Representative Meekins' proposal.

Chairman Cotten said the following areas are being left open: funding for the regional aquaculture associations, and possibly transferring DCS from General Government to NRMEC.

There was brief discussion on government's budget amendments. Chairman Cotten said he would like to hold in abeyance these late arriving budget amendments.

(Tape change, HFC 81-71, side 2.)

Chairman Cotten announced the Committee will be meeting this evening to consider the Governor's budget amendment on D-2. He said the Natural Resource Management budget category was CLOSED with the exception of the items just mentioned. There was no objection.

ADJOURNMENT

The meeting adjourned at 4:30 p.m.

Tape HFC 81-71, Side 1 #001 to end
side 2 #001 to 070

NRMEC - SUMMARY

<u>PAGE</u>	<u>DEPT.</u>	<u>BRU</u>
93	DNR	Commissioner's Office
159	DNR	Park Maintenance & Operations
167	F&G	Commercial Fish - Salmon
167	F&G	Commercial Fish - Salmon
171	F&G	Commercial Fish - Herring
192-B	F&G	FRED - Operations
192-B	F&G	FRED - Operations
192-B	F&G	FRED - Operations
195	F&G	FRED - Administration
201	F&G	Commissioner's Office
211	F&G	Investigations & Research
251-7	Pub.Saf.	Enforcement etc.
General Reduction - F & G - Across the Board - 5%		

TOTAL

SELECTED LIST

Haines Interdisciplinary Team
Delete Parks Capital O & M
Add Back AYK Salmon Mgmt
AYK Fisheries Salmon Mgmt. Progra
Statewide Herring Research
Add Back Main Bay Hatchery
Lake Fertilization & Chinook Reha
Fish Marking, Recovery & Evaluati
Regional Assoc. Planning - Kodiak
Kuskokwim Aquaculture Assoc.
Stikine River Study Project
Add Back Marine Mammal Research
Enforcement Enhancement

5/4/81

156

Attachment #1

Muckins

RMEC - SUMMARY

PAGE	DEPT.	BRU
93	DNR	Commissioner's Office
159	DNR	Park Maintenance & Operations
167	F&G	Commercial Fish - Salmon
167	F&G	Commercial Fish - Salmon
171	F&G	Commercial Fish - Herring
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192-B	F&G	FRED - Operations
192-B	F&G	FRED - Operations
195	F&G	FRED - Administration
201	F&G	Commissioner's Office
211	F&G	Investigations & Research
251-7	Pub.Saf.	Enforcement etc.
General Reduction - F & G - Across the Board - 5%		

TOTAL

SELECTED LIST

	AMT.
Haines Interdisciplinary Team	212.0
Delete Parks Capital O & M	(300.0)
Add Back AYK Salmon Mgmt	318.8
AYK Fisheries Salmon Mgmt. Program	1339.6
Statewide Herring Research	386.6
Add Back Main Bay Hatchery	152.6
Lake Fertilization & Chinook Rehab. Resh.. SSRAA	299.0
Fish Marking, Recovery & Evaluation	1208.8
Regional Assoc. Planning - Kodiak & Lower Yukon/ Kuskokwim Aquaculture Assoc.	200.0
Stikine River Study Project	600.0
Add Back Marine Mammal Research	206.6
Enforcement Enhancement	1893.3
	(1861.9)

4655.4

Meekins

5-4-81

HOUSE FINANCE COMMITTEE

May 4, 1981

6:35 p.m.

(Tape HFC 81-71, side 2 #070)

PRESENT

All Members of the Committee were in attendance. Also present were: Representative Halford; Bob Grogan, Fiscal Analyst, Legislative Finance Division; Jim Souby, Deputy Director, Division of Policy Development and Planning; Russ Clark, Director, Division of Administration, Department of Fish and Game; Bill Demmert, Deputy Commissioner, Program Management, Department of Fish and Game; Ron Somerville, Director, Division of Game; Dennis Kelso, Chief, Subsistence Section; Richard Lee, Special Assistant to the Commissioner, Department of Fish and Game; and Jeff Haynes, Deputy Commissioner, and Reed Stoops, Director, Division of Research and Development; Department of Natural Resources.

NATURAL RESOURCE MANAGEMENT (NRMEC) BUDGET CATEGORY

Chairman Cotten called the meeting to order and said the Subcommittee Chairman from the Natural Resource Management budget category has recommended that the full Committee hear the testimony concerning the Governor's Budget Amendment on D-2. He said that is the purpose of this meeting.

TAPE #

SUBJECT

HFC 81-71, Side 2
#100 through
HFC 81-72, Side 1
#100

Jim Souby, Deputy Director, Division of Policy Development & Planning explained the Governor's Budget Amendment for FY 82 and their supplemental request for FY 81. (see attachments #1 and #2.) He answered questions from Committee members.

HFC 81-72, Side 1
#100 through
#650

Bill Demmert, Deputy Commissioner, Program Management, Department of Fish & Game explained the request for D-2 as it applies to his Department.

HFC 81-72, side 1
#650 through
HFC 81-72, side 2
#600

Ron Somerville, Director, Division of Game, Dennis Kelso, Chief, Subsistence Section, and Richard Lee, Special Assistant to the Commissioner, Department of Fish and Game, answered questions from Committee members.

HFC 81-72, side 2
#600 through
HFC 81-73, side 1
#150

Jeff Haynes, Deputy Commissioner, Department of Natural Resources explained the request for D-2 relating to the Department of Natural Resources, and answered questions.

Representative Meekins commented the meeting has been a very productive work session. He commented further.

ADJOURNMENT

The meeting adjourned at 9:00 p.m.

HFC 81-71, Side 2 #070 to end
81-72, side 1 #001 to end
 side 2 #001 to end
81-73, side 1 #001 to #200

Attachment #1

RECEIVED

APR - 2 1981

3/23/81
Updated 4/1/81FEDERAL PROJECTS MANDATED UNDER THE ALASKA LANDS BILL
INVOLVING STATE PARTICIPATION
GOVERNOR'S PRIORITY #1POLICY DEVELOPMENT
& PLANNING

PROGRAM COMPONENT 1

Decision-Making Period From Date of Enactment of Act	Program Component (numbered) Element (underlined)	Page Number	Section Number	Federal ¹ Agencies Involved	State Agencies To Be Involved	State Action FY 81	FY 82	M a g n i t u d e ³	Cost FY 81	FY 82	Positions FY 81	FY 82
Immediate	1. ALASKA LANDS USE COUNCIL	2466	1201	DOI; DOA	DPDP Coord.			H P	31.3	110.5	New 2	Cont. 2
	In a cooperative Federal-State effort, a land use council is to be formed in which the State may elect to participate. If so, the heads of various State agencies, along with a State Co-Chairman, will be appointed by the Gov. to serve. The heads of Alaska offices of the NPS, USF&W, NFS, BLM, Heritage Cons. & Recreat. Service, NOAA, & DOT shall represent the Fed. Govt, along with a Fed. Co-Chairman appointed by the President.				~~DPDP Coord.~~ DOT/PP	(to be determined at later date)	Commissioner is member of council. staff support required for participation		Portion of 50.0	Portion of 200.0	0	0
					DEC		Commissioner is member of council. staff support required for participation.			50.7	1	1
					DF&G		Staff support			CIP 80.0		
Immediate	<u>Functions of Council</u> - The council must conduct studies & advise Federal agencies, the State, local government & Natives with regard to land & resource uses. The council is to recommend cooperative planning zones to the state and enter into cooperative management agreements.	2468	1201(1)					H P				

¹Subject to change.²Priority H - High; M - Medium; L - Low³Magnitude of Involvement F - Full-time; P - Periodic; S - Shortterm

001

5/4/81

3/23/81

FEDERAL PROJECTS MANDATED UNDER THE ALASKA LANDS BILL
INVOLVING STATE PARTICIPATION
GOVERNOR'S PRIORITY #1 (continued)

PROGRAM COMPONENT 1 (continued)

Decision-Making Period From Date of Enactment of Act	Program Component (numbered) Element (underlined)	Page Number	Section Number	Federal ¹ Agencies Involved	State Agencies To Be Involved	State Action FY 81	FY 82	Cost FY 81	FY 82	Positions FY 81	FY 82
	<u>Nonacceptance of Council Recommendations</u> - If a State or Federal agency does not accept a council recommendation, the Agency must provide the council with written response within 30 days as to its reasons.	2469	1201(k)	Land Use Council						H	P
	<u>Public Participation</u> - The council must implement a public participation program with represent. of the public and private organizations to assist the council.	2470	1201(m)	Land Use Council						H	P
	<u>Federal Coordination Committee</u> - A Federal Coordination Committee is established and will be composed of the Secre- taries of Agriculture, Energy, the Interior, Transportation, and Ad- ministrators of EPA and NOAA, and the Federal and State Co-Chairmen of the Land Use Council. The Commit. must meet once every 4 months to coor- dinate land & resource administration in Alaska.	2470	1202	DOI; DOA; DOE; DOT; EPA; NOAA; Land Use Council	DPDP Coord. DNR DF&G DEC DOT/PF					H	P

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FEDERAL PROJECTS MANDATED UNDER THE ALASKA LANDS BILL
INVOLVING STATE PARTICIPATION
GOVERNOR'S PRIORITY #1 (continued)

PROGRAM COMPONENT 1 (continued)

Decision-Making Period From Date of Enactment of Act	Program Component (numbered) Element (underlined)	Page Number	Section Number	Federal Agencies Involved	State Agencies To Be Involved	State Action FY 81	FY 82	Cost FY 81	FY 82	Positions FY 81	FY 82
	<u>Cooperative Information and Education Centers - The Secretaries of the Interior and Agriculture are authorized to investi- gate and develop info. and educational centers with the assistance of appro- priate State agencies.</u>	2478	1305	DOI; DOA	DNR Lead DF&G DEC DPDP					M	P
10 years	<u>Report at Termination of Land Use Council - Upon termination of the Council 10 years after date of enactment, the Co-Chairmen must submit a written re- port to Congress regarding the Council's accomplish- ments & recommendations.</u>	2466	1201(1)	Land Use Council	DPDP Coord. DNR DF&G DEC DOT/PF					L	S

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**FEDERAL PROJECTS MANDATED UNDER THE ALASKA LANDS BILL
INVOLVING STATE PARTICIPATION
GOVERNOR'S PRIORITY #2**

3/23/81

PROGRAM COMPONENT 2

Decision-Making Period From Date of Enactment of Act	Program Component (numbered) Element (underlined)	Page Number	Section Number	Federal ¹ Agencies Involved	State Agencies To Be Involved	State Action FY 81	FY 82	Cost FY 81	FY 82	Positions FY 81	FY 82
	2. SUBSISTENCE TITLE VIII										
	This part of the Act recognizes the State's existing responsibility to manage and regulate subsistence hunting and fishing on Federal lands in Alaska. The Act provides guidelines which are dealt with by an existing State law. Under these guidelines, the State must establish local advisory committees and regional advisory councils in each of six subsistence resource regions. Additional resource and use assessment information will be necessary to aid in the promulgations of subsistence regulations.										
	A. Establishment of Regional Advisory Councils & Local Advisory Committees	2424	805	DOI	DF&G Lead ~~BPDP~~	Boards start support costs; assistance in determining boundaries (DF&G)	H F	0	240.0	0	0.3
	B. Operational/Technical Support for Councils and Committees	2424	805(a)	DOI	DF&G Lead ~~BPDP~~	Staff Support (DF&G)	H F	0	Operating 1,683.9 CIP ~~204.0~~ 280.0	0	25.3
	C. Resource & Use Assessments	2424	805(b) 812	DOI	DF&G Lead ~~BPDP~~	Date accumulation/analysis (DF&G)	H F	0	CIP 2,165.0	0	0
	D. Mandated Reports to Secretary of Interior; Review of Secretary's Action	2424 2425 2426	805 806 808 810 813	DOI	DF&G Lead ~~BPDP~~	Department review of/and response to reports mandated in Title VIII (DF&G)	H F	0	Operating 20.0 CIP 40.0	0	0.2

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**FEDERAL PROJECTS MANDATED UNDER THE ALASKA LANDS BILL
INVOLVING STATE PARTICIPATION
GOVERNOR'S PRIORITY #2 (continued)**

PROGRAM COMPONENT 2 (continued)

Decision-Making Period From Date of Enactment of Act	Program Component (numbered) Element (underlined)	Page Number	Section Number	Federal ¹ Agencies Involved	State Agencies To Be Involved	State FY 81	Action FY 82		Cost FY 81	FY 82	Positions FY 81	FY 82
	E. Litigation Sections	2426	807 815		DF&G Lead ~~DPDP~~		Staff support to Dept. of Law	H F	0	<u>Operating</u> 20.0 <u>CIP</u> 10.0	0	-0.1
	F. Subsistence Commission- Operational and Tech- Support	2426	807		DF&G Lead ~~DPDP~~		Technical info. to Governor & the Councils; and meetings	H F	0	<u>CIP</u> 295.0	0	0
12 months	<u>Establishment of Subsistence Resource Regions</u> - Secretary, in consult. with the State, will establish subsistence resource regions and local and regional ad- visory councils 1 year after date of enactment to assist policy formation and management of wildlife resources for subsistence use.	2424	805(a)	DOI	DF&G Lead ~~DPDP~~			H F				
	The Secretary may estab- lish local advisory com- mittees if he finds that State fish and game advisory committees do not adequately provide recommendations for strategy implementation.	2424	805(a)(2)	DOI	DF&G Lead ~~DPDP~~			H F				
	The Secretary must assign staff to assist the re- gional advisory councils in collection and dis- semination of relevant support data.	2424	805(b)	DOI	DF&G Lead ~~DPDP~~			H F				

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FEDERAL PROJECTS MANDATED UNDER THE ALASKA LANDS BILL
INVOLVING STATE PARTICIPATION
GOVERNOR'S PRIORITY #2 (continued)

PROGRAM COMPONENT 2 (continued)

Decision-Making Period From Date of Enactment of Act	Program Component (numbered) Element (underlined)	Page Number	Section Number	Federal ¹ Agencies Involved	State Agencies To Be Involved	State Action FY 81	FY 82	Cost FY 81	FY 82	Positions FY 81	FY 82
12 months	The Secretary will not implement sections providing for Federal establishment of local and regional participation in subsistence management if the State enacts and implements laws within 1 year that are consistent with Federal provisions for specified preference and participation. Regional advisory councils will then report to the State rule-making authority.	2425	805(d)	DOI	DF&G Lead ~~DDDP~~					H	F
	If such local & regional advisory boards are established, the Secretary must reimburse the State up to 50% of the costs of establishing and operating the councils pursuant to Section 805(e)(1).	2425	805(e)(1)	DOI	DF&G Lead ~~DDDP~~					H	F
	<u>Federal Monitoring of Subsistence Preference</u> - The Secretary must monitor State provisions for subsistence preference and must advise the State and Congressional committees annually with regard to implementation of these provisions.	2425	806	DOI						H	F

12/4/81

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**FEDERAL PROJECTS MANDATED UNDER ALASKA LANDS BILL
INVOLVING STATE PARTICIPATION
GOVERNOR'S PRIORITY #2 (continued)**

PROGRAM COMPONENT 2 (continued)

Decision-Making Period From Date of Enactment of Act	Program Component (numbered) Element (underlined)	Page Number	Section Number	Federal ¹ Agencies Involved	State Agencies To Be Involved	State Action FY 81	FY 82	Cost FY 81	FY 82	Positions FY 81	FY 82
12 months	<u>Park Subsistence Resource Commissions</u> - A subsistence resource commission shall be established for each National Park or Monument within which subsistence uses are permitted. The commissions shall be established within 1 year of the date of enactment with the Secretary and Governor appointing 3 members each.	2426	808(a)	DOT	DF&G Lead ~~DNR~~					H	F
18 months	<u>Park Subsistence Resource Commissions</u> - Within 18 months of the date of enactment, each park commission is to develop a program for subsistence hunting within the park. The program is to be developed using information and data produced through studies conducted either jointly or separately by the State and the Department of the Interior.	2426	808(a)	DOI	DF&G Lead DNR ~~DNR~~					H	F
20 months	The Governor has 60 days following submission of a plan by the commission in which to propose changes or recommendations, prior to the Secretary taking any action on the plan.	2426	808(b)	DOI	DF&G Lead DNR ~~DNR~~					H	F

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