

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2804

PART TWO

(See attached papers as a reference to the below statements).

1. Over \$2,300 was spent on travel and per diem to send people to and from Dillingham where a new Center is thinking of being built. The Center is not yet established, however, and it is questionable as to whether state monies should be spent on a project that has no assurance of ever coming about. (One of the person's receiving the travel money is not even a Network or state employee!)
2. A) \$800 - was allocated from the Juneau Women's Resource Center to help pay for Bella Abzug's speaking engagement in Juneau. This money should have been for servicing victim's and perpetrators of Domestic Violence and Sexual Assault. This is a clear-cut mishandling of state monies!
3. \$6,000 - is allocated from the Bering Sea Women's Center's budget to help pay for women to travel to and from a Regional Women's conference. It seems that private contributions should have been used, at least in part, to pay for this non-necessity.
4. \$900 - was allocated from the Juneau Men's Center to pay for a group counseling facilitator. This seems to be an awful lot of money for something that could have been done by one of their 3 staff counselors.
5. \$1,181 - was very recently allocated to send a person from the Council's staff to Anchorage and Bethel to show center personnel how to fill out a data collection form. This trip was completely unnecessary in that Network people from these cities are in Juneau right now and they could have been shown how to fill out the form while they were here.

HF0308820900

HOUSE FINANCE COMMITTEE

MARCH 8, 1982

9:00 A.M.

TAPE HFC 82-15, SIDE 1 #213

PRESENT

MEMBERS OF THE COMMITTEE IN ATTENDANCE: REPRESENTATIVES ADAMS, MONTGOMERY, HURLBERT, FULLER, CUDDY AND HAUGEN.

HB 868

CHAIRMAN ADAMS CALLED THE MEETING TO ORDER AND BROUGHT HB 868 UP FOR CONSIDERATION:

HB 868 -- "AN ACT LAPSING THE APPROPRIATION TO THE SILVER ANNIVERSARY COMMISSION; AND PROVIDING FOR AN EFFECTIVE DATE."

CHAIRMAN ADAMS EXPLAINED THAT HB 868 WILL LAPSE ANY UNOBLIGATED FUNDS THAT WERE APPROPRIATED TO THE DIVISION OF TOURISM FOR THE SILVER ANNIVERSARY COMMISSION IN FY 82. HE SAID THE SILVER ANNIVERSARY COMMISSION IS MEETING TODAY AND THEY EXPECT ALL FINANCIAL OBLIGATIONS WILL BE CLEARLY IDENTIFIED. AT THAT TIME THE EXACT AMOUNT OF MONEY TO BE LAPSED CAN BE DETERMINED AND THE APPROPRIATE AMENDMENT MAY BE OFFERED EITHER IN RULES COMMITTEE OR ON THE FLOOR.

REPRESENTATIVE MONTGOMERY MOVED AND ASKED UNANIMOUS CONSENT THAT HB 868 BE REPORTED OUT OF COMMITTEE. THERE BEING NO OBJECTION, IT WAS SO ORDERED. HB 868 WAS REPORTED OUT WITH INDIVIDUAL RECOMMENDATIONS (REPRESENTATIVES MONTGOMERY, HURLERT, FULLER, CUDDY AND HAUGEN SIGNING "DO PASS"; REPRESENTATIVE ADAMS SIGNING "NO REC.").

ADJOURNMENT

THE MEETING ADJOURNED AT 9:02 A.M.

TAPE HFC 82-15, SIDE 1 #213 TO #233

3/08/82

HOUSE FINANCE COMMITTEE

March 9, 1982

2:45 p.m.

(Tape HFC 82-15, side 2 #233.)

PRESENT

Members of the Committee in attendance: Representatives Cuddy, Meekins, Adams, Fuller, Carney, Cotten, Montgomery, Chuckwuk, Haugen and Hurlbert. Representative Bettisworth arrived later in the meeting. PRESENT TO TESTIFY: Representatives Martin and Halford; Ted Smith, Director, Division of Forestry, Department of Natural Resources; Fred Muller, Deputy Commissioner, Department of Administration.

BILL ASSIGNMENTS

Chairman Adams called the meeting to order and made the following bill assignments.

SB_84 -- granting of land use authorizations by state agents
-- Adams

HB_126 -- special appropriations for agricultural development
in the Nenana-Totchaket area -- Haugen

HB_333 -- special appropriations for development in the
Nenana-Totchaket area -- Haugen

HB_654 -- relating to Department of Transportation and Public
Facilities and Establishing the Board of Transportation and
Public Facilities at the head of the department --
Bettisworth

HB_709 -- relating to scholarship loans -- Montgomery

HB_749 -- special appropriation to Department of
Transportation and Public Facilities for the Girdwood-Alyeska
pathway -- Haugen

HB_839 -- special appropriations for airport facilities and
improvements -- Adams

HB_199 -- relating to Guide Boards -- Cuddy

HB_438 -- administration of chemical blood tests to persons
arrested for certain offenses involving motor vehicles --
Hurlbert

3/09/92

HB 648 -- transferring certain functions of the Department of Transportation and Public Facilities to the Department of Administration; establishing the Department of Transportation -- Bettisworth

HB 608

Chairman Adams brought HB 608 up for consideration.

HB 608 -- "An Act establishing uniform administrative procedures for grants to and contracts with nonprofit organizations; and providing for an effective date."

Chairman Adams gave a brief overview of the bill.

Representative Meekins indicated this bill is technical in nature. He commented on the controversy relating to the legislature appropriating funds to nonprofit organizations. He said there are times when the legislature needs the ability to transfer to nonprofits. He said the problem is they have no standards set for those nonprofits, and many of them don't have accounting trails for the legislative auditors to follow to determine if the money has been spent according to state law. He explained this bill addresses this; it standardizes the types of accounting procedures the nonprofits would have to have before they can receive state money.

Representative Meekins commented there have been inconsistencies in the amount of administrative fee some of the nonprofits have charged -- the amount has ranged from 10% to 60%. He advised the bill sets payment of negotiated indirect cost rates at the federal cost rate if applicable or at a rate negotiated by the state.

Representative Meekins said he thinks this is a necessary piece of legislation.

Representative Cotten commented they are working off the State Affairs CS. He asked if there was still a question as to whether or not the legislature could appropriate to nonprofits. Representative Meekins said the bill doesn't address that problem. He said the Administration maintains the legislature can appropriate to nonprofits only if they go through a state agency first. He said this legislation doesn't change that. He said he thinks the bill will reduce the argument that the legislature is appropriating to nonprofits "willy-nilly".

(Representative Bettisworth arrived at this time.)

There was further discussion on the bill.

Representative Montgomery questioned the indirect cost to state agencies. Representative Meekins said he thinks the state gets

3/09/92

about 21% in administrative fees. He said the bill sets this at the federal rate for nonprofits -- which is approximately 20%.

Representative Cotten asked if the bill passes and the fiscal note is funded, if two new auditors would be added to the Department of Administration, and they would develop the regulations and establish the provisions. He also commented that the Department of Health and Social Services has recommended that this be extended to political subdivisions of the state, and he asked if this was discussed by either the State Affairs Committee or the Subcommittee. Chairman Adams indicated it had not been discussed.

Representative Meekins advised he has a proposed amendment to the State Affairs CS. He MOVED AND ASKED UNANIMOUS CONSENT on page 1, line 25 after "Administration" to add the following:

" , after consultation with representative nonprofit organizations in the state, "

There being NO OBJECTION, it was so ordered.

Regarding the indirect cost rates, Representative Carney asked why they couldn't specify what the maximum amount allowed would be. He also asked why on page 1 the findings indicate the nonprofits should have sound administrative structures, instead of stating they shall have. Representative Meekins commented the indirect cost rate isn't appropriated, it is negotiated by the state with the nonprofit. In regard to his second question, Representative Meekins said the part Representative Carney is questioning is in the findings section, the substantive law states they shall.

Representative Bettisworth asked if he was proposing they hire two new auditors. Representative Meekins said that is the Department of Administration's request. Representative Bettisworth said he could not support the bill with the fiscal note on it. Representative Meekins suggested that the Department could probably find the funds within their budget.

Representative Bettisworth said he has a problem passing new legislation that promulgates new regulations when the legislature doesn't have any authority to come back and monitor those regulations. Until the legislature has some control, Representative Bettisworth said he is not in favor of allowing any more regulations.

There was further discussion.

Representative Meekins MOVED AND ASKED UNANIMOUS CONSENT that a Finance CS be reported out incorporating the amendment and the state affairs CS. Representative Cotten OBJECTED. He referred to the language in the Findings section, and asked if they would

3/09/92

be requiring nonprofits to have an appropriate accounting system. Representative Meekins said findings are not mandatory.

Representative Cotten pointed out if they require a governing board, etc., and then say administrative costs should be allowed as indirect cost rates, they are saying there is going to be an indirect cost rate. Representative Meekins commented there is a trade-off. He said it limits some of the appropriations that might have been made, but it also guarantees a certain level of allowable cost recovery.

Representative Carney said he would recommend deleting everything after "structures" in the findings section on page 1. He said he would be hesitant to put his signature on a document that says these things should be done. He said saying they should have "sound accounting structures" should be enough.

Representative Carney MOVED TO AMEND the motion to strike the language in section one after "structures" on line 15 through line 21. Chairman Adams pointed out that the nonprofits have agreed to that particular wording. Representative Carney said he was sure not all of the nonprofits had agreed.

There was further discussion.

(Tape change, HFC 82-16, side 1.)

Chairman Adams requested that Representative Meekins withdraw his motion in order that Representative Carney might make a motion. Representative Meekins WITHDREW his motion.

Representative Carney MOVED to delete lines 15 through 21 after "structures" on page 1 of the State Affairs CS for HB 608.

Representative Meekins asked if he would support the bill assuming this motion passes. Representative Carney said he would. Representative Meekins said he didn't agree with the concerns expressed concerning the language; however, he didn't think it was that significant to the bill, so he would support the motion.

Representative Bettisworth asked if "sound administrative structures" would be interpreted to be an accounting system or a system that was capable of being audited. Representative Meekins said he would interpret it that way.

There being NO OBJECTION to Representative Carney's motion, it was adopted.

Representative Meekins MOVED AND ASKED UNANIMOUS CONSENT that a Finance CS be prepared incorporating the two amendments made at today's meeting and the State Affairs CS. There being NO

3/09/92

000
000

OBJECTION, it was so ordered. CSHB 608 (Finance) was reported out with a "do pass" recommendation.

HB 699

The next bill to be considered was HB 699.

HB 699 -- "An Act making a special appropriation to the University of Alaska for the purchase, renovation, and maintenance of the Careage House for use as student housing; and providing for an effective date."

(Representatives Meekins and Fuller left at this time.)

Chairman Adams gave a brief overview of the bill and the proposed HESS CS (NEW TITLE: "An Act making a special appropriation to the University of Alaska for site preparation and planning for student housing at Anchorage; and providing for an effective date.")

REPRESENTATIVE TERRY MARTIN explained the owners of the Careage House asked a much larger selling price than was expected and the University did a reevaluation of refurbishing and renovation costs and found it would be too expensive. Instead of purchasing the Careage House, the University suggested this appropriation be used as follows: \$1,500,000 for architecture and engineering design; \$200,000 for land clearing and site preparation; and \$500,000 for drainage, sewerage, water lines and road to construction areas.

(Representative Fuller returned at this time.)

Representative Martin explained passage of this legislation would put them ahead so they would be prepared to begin construction as soon as a bond package or appropriation for the facility is approved.

Representative Carney said he understands one of their biggest needs is additional classroom space. Representative Martin said that is a very prominent need. He said there has been a tremendous impact on the school by the central area students who want to go to UAA. He said the appropriation in this bill would allow them to get ahead of the situation by at least a year to let them get the basics done.

Representative Cotten asked where the housing would be located. Representative Martin said there are two sites of land being considered; one is a 10-acre plot next to Providence Drive and Baxter Road and the other is 25-acres closer to Northern Lights Blvd. He said both pieces of property are owned by Alaska Pacific University.

3/09/92

Representative Cotten said he supports moving forward and getting student housing in Anchorage. However, he pointed out that the bill provides \$200,000 for land clearing and site preparation. He asked if they didn't need to purchase the land before preparing it. Representative Martin said there is a bill in the Senate that appropriates that money. He said he is confident that bill will pass.

Representative Cotten said the amount for purchasing the land should also be included in this bill. He asked how much the Senate bill is for. Representative Martin said \$11.5 million.

Representative Chuckwuk asked how much they would be increasing the operating budget after this facility is built. Representative Martin said they have been talking about catering the functions out. He said the state would own the building and land, and the University would work with the catering organizations, so they would not be increasing the state or university payrolls. He said that hopefully the costs would be taken up in the fees charged to students. Representative Chuckwuk said his concern is that the legislature is trying to decrease the operating budget, and he questions how this can be accomplished if they appropriate for new buildings.

Representative Carney said he also supports student housing. He asked how capital budget requests were going to be handled.

Representative Cuddy asked what the total package would cost. Representative Martin said an additional \$15 million would allow for housing for approximately 400 students. There was further discussion on the cost.

(Representative Meekins returned at this time.)

Representative Carney pointed out that Mat-Su is only 40 miles from Anchorage, they could get land there for nothing, there would be plenty of room for classroom and student housing, and students from Anchorage could go to school there.

Representative Cotten MOVED to amend the HESS CS for HB 609 as follows:

Page 1, line 11, delete "\$2,200,000" and insert "\$13,700,000".

Page 1, line 12, after "for" insert "land acquisition,".

Representative Cotten pointed out this would not include the actual building of the housing facility. Representative Carney OBJECTED to the motion.

Representative Meekins OBJECTED to the motion. He said he is in favor of the idea, but he thinks if it is included here, it dooms the bill.

Representative Bettisworth suggested amending the bill on line 12 to delete "planning" and insert "engineering design" in its place.

There was further discussion on the bill. Representative Haugen suggested there be one piece of legislation setting out the price of land, the planning and the design of the facility.

Representative Bettisworth MOVED that further consideration of HB 699 be postponed for two weeks. Representative Meekins OBJECTED. He suggested it would be more appropriate to send it back to the Subcommittee to work out the "kinks".

Chairman Adams returned HB 699 back to the Subcommittee it came from -- Representative Meekins' Subcommittee -- and requested that it be brought back to the Committee next Tuesday.

(Representative Haugen left at this time.)

HB 756

The next bill to be considered was HB 756.

HB 756 -- "An Act relating to the amount of money available for fire suppression; and providing for an effective date."

Chairman Adams gave a brief overview of the bill.

MR. TED SMITH, Director, Division of Forestry, Department of Natural Resources, explained their operating budget provides funds to establish the basic fire fighting department. He said if their initial attack on the forest fire is unsuccessful, it is then necessary to declare a project fire. He said this emergency funding is established to pay the extra costs.

(Representative Haugen returned at this time.)

Representative Meekins asked if he was talking about the "Rainy Day Account" when he was talking about emergency funds. Mr. Smith said that was right. He said the expenses for the current fiscal year exceed the amount available. He said they would not be able to make appropriations to the project fires until the first of July.

Representative Cotten asked if the Governor's budget included funds to replace these funds taken from the "Rainy Day Account". Mr. Smith said it does not. He commented that some funds will be replacable from indirect costs. In essence he said, if this process keeps on as it has the fund will be depleted. There was

3/09/92

brief discussion on the bill that originally set up the "Rainy Day Account". Representative Meekins said raising the reserve to \$10 million would be advisable.

Representative Carney asked how much marketable timber has been saved by fighting fires. Mr. Smith said he didn't know of any way to answer that question. Representative Carney asked how much marketable timber has been destroyed by fire. Mr. Smith said he didn't have that figure readily available. Representative Carney said his point is he doesn't believe they save very much marketable timber. He said he has a problem with fighting fires in areas such as those set for burning by Fish and Game. He said he is not certain they always need to fight fires.

There was brief discussion on the land being transferred to the state from the federal government.

Representative Bettisworth recommended the bill be passed.

REPRESENTATIVE RICK HALFORD presented a proposed amendment to the bill which would add a new section 2 to amend AS 41.15.230, to add the following: "No disbursements may be made for capital expenditures."

In answer to a question from Representative Halford, Mr. Smith indicated they received an attorney general opinion which states they could make capital expenditures from the fire suppression fund. He said they haven't done so.

Representative Cotten asked if there has been any time they have decided NOT to fight a fire. Mr. Smith said yes. He explained.

Chairman Adams asked where they would get the money if they exceeded the \$5 million. Mr. Smith said they could do one of two things: either the venders wouldn't get paid, or sometimes they can get funding from the State's emergency fund.

(Representative Meekins left at this time.)

Representative Carney MOVED that the amendment proposed by Representative Halford be adopted. Representative Cotten OBJECTED to ask what the definition of "capital expenditure" would be. Chairman Adams advised a bill is in Finance which would define capital expenditure, and it has been assigned to Representative Meekins. Representative Halford said he thinks the proposed amendment is pretty straight forward. He said it is not specific beyond capital expenditure.

Representative Cotten asked what Mr. Smith thought of the amendment. Mr. Smith said he thought it was a good amendment. He said it has always been their understanding that the intent of the fund would be to provide for emergency expenditures. He said the Attorney General's opinion was based on the literal

3/09/92

interpretation of the law. He said they do have a need for additional capital expenditures, but he agreed that they should come before the legislature.

The QUESTION was called for on the amendment. There being NO OBJECTION, it was so ordered.

Representative Cuddy MOVED to report out a Finance CS for HB 756 incorporating the amendment. There being NO OBJECTION, it was so ordered. CSHB 756 (Fin) was reported out with a "do pass" recommendation.

HB 54

The next bill to be considered was HB 54.

HB 54 -- "An Act relating to the salaries of commissioners of the Oil and Gas Conservation Commission; and providing for an effective date."

Chairman Adams gave a brief overview of the bill.

(Tape change, HFC 82-16, side 2.)

Representative Cuddy advised the bill was assigned to him, and his Subcommittee passed it out as originally introduced by the Governor. He said they did not accept the Resources CS.

MR. FRED MULLER, Deputy Commissioner, Department of Administration, said the Governor supports the original version of the bill.

Representative Carney moved that HB 54 be reported out of Committee. There being NO OBJECTION, it was so ordered. HB 54 was reported out with a "do pass" recommendation.

DEPARTMENT OF PUBLIC SAFETY -- BUDGET CLOSE-OUT (Completion)

The Department of Public Safety Subcommittee members are Representative Hurlbert, Chairman, Representative Barnes and Representative Malone. The following categories were HELD for additional information from the Finance Committee meeting of Thursday, March 4, 1982:

ADMINISTRATION OF JUSTICE, Community Services

ADMINISTRATION OF JUSTICE, Contract Jails

ADMINISTRATION OF JUSTICE, Village Public Safety Officers

3/09/92

COMMUNITY SERVICES

Representative Cotton REMOVED HIS OBJECTION with regard to the Community Services category.

CONTRACT JAILS

Representative Cotton felt that this was an area that could probably stand a reduction of funds and MOVED that Contract Jails receive a 8 percent reduction. The QUESTION was called for. Seven OPPOSED and two in FAVOR (Cotton, Carney). The motion FAILED.

VILLAGE PUBLIC SAFETY OFFICERS

Representative Cotton requested information concerning the history of the increases in the number of employees. BOB SCHROEDER explained that as of March 5, 1982 there were 96 village public safety officers and following the completion of the Sitka Troopers Training Class there will be 108 village public safety officers which is the full allotment for FY 83. The state contracts with non-profit corporations which make the nominations to the academy, determine site locations for the safety officers and the Department of Public Safety, through the contract, approves the nominations and provides training through the academy. Mr. Schroeder explained that in FY 81 there were 52 authorized village public safety officer positions which was increased to 108 for FY 82. Last year there were three separate components created. There are 21 positions in the direct village public safety officer support unit and 4 in the administration unit. There is no increase in the number of employees this year.

(Representative Cuddy arrived at this time.)

Representative Cotton explained that this is one of the categories which has experienced in excess of 100 % increase in the last fiscal year he and feels that it can be reduced. Representative Cotton MOVED to reduce Village Public Safety Officers Contracts by 8 percent. Chairman Adams OBJECTED. The QUESTION was called for. Nine OPPOSED and one in FAVOR (Cotton). The motion FAILED.

Representative Cotton MOVED to reduce Direct V.P.S.O. Support by 8 percent. The QUESTION was called for. Nine OPPOSED and one in FAVOR (Cotton).

Representative Montgomery MOVED to accept the Subcommittee's recommendation of \$72992.3 for the Department of Public Safety and that it be incorporated into the Finance CS for HB 666 (expenses of state government). Representative Cotton OBJECTED. The QUESTION was called for. Nine in FAVOR and one OPPOSED (Cotton). The motion PASSED.

3/09/92

DEPARTMENT OF EDUCATION -- BUDGET CLOSE-OUT

(Representative Meekins was not in attendance at this time.)

The Department of Education Subcommittee members are Representative Montgomery, Chairman, Representative Barnes and Representative Moss.

The Subcommittee's recommendation for the Department of Education was presented (see attached cutsheet -- attachment #1). Subcommittee Chairman Montgomery stated that prior to the meeting he was informed of an error contained within the cutsheet. Subcommittee Chairman Montgomery indicated that in the computation for FINANCIAL SUPPORT -OTHER, Debt Retirement-Local the Department double counted on the cigarette tax offset whereby changing the general funds required.

Subcommittee Chairman Montgomery MOVED that Debt Retirement-Local be changed to read \$34100.0 and the total general funds expenditures be changed to read \$497624.6. Chairman Adams OBJECTED for the purpose of discussion.

ALISON ELGEE, Fiscal Analyst, Legislative Finance, explained that the total amount of funding that is included for Debt Retirement for the district is the combination of line 46 and line 24, the Cigarette Tax Distribution. The total amount budgeted, taking into account the amendment just proposed, would be \$41.5 million. This is a reduction from the proposed level which the Governor requested; however, better information was available with regard to FY 81 requirements. The Department does feel that the level will fund the Debt Retirement needs of the district under the statute.

Representative Cotton asked for an explanation of the Cigarette Tax Distribution. Ms. Elgee stated that it is one of the few dedicated funds that the state still has remaining. The money which goes into the fund is only available for expenditure for the Debt Retirement Program for schools. The fund has been allowed to build up over the years and the proposed House budget will draw that fund down to zero. The annual receipts to the fund have been in the past few years approximately \$3.2 million dollars. This level of funding would only be available for FY 83. She explained that because the fund is dedicated and can't be used for any other purpose, the state can draw it down this year and use it to offset general funds that are budgeted under Debt Retirement Local.

There being NO OBJECTION to the motion, it was SO ORDERED.

FOUNDATION PROGRAM COMPONENTS

Student Administration Support, Special Education Adjustments, and Vocational Education Adjustments

3/09/92

Subcommittee Chairman Montgomery stated that the major portion of school districts operational funds which come from the state come from the foundation program. The foundation program is a formula basis. He stated that SB 23 which was passed a year ago provided for funds for FY 82 and FY 83. The school districts have always requested forward funding so they could know in advance for planning purposes. The increase from FY 82 to FY 83 was 10 percent which is available by SB 23 if it is funded.

Subcommittee Chairman Montgomery indicated that for the last three or four years the state has funded the amount of instructional unit at full value. In previous years, it was not uncommon for it to be partially funded. He explained that he would like to think of the subcommittee's proposal on the foundation formula as a 7.5 percent increase over what the school district had this year. In order to reach their goal, they felt a reduction had to be made in the foundation formula program as well. Subcommittee Chairman Montgomery indicated that the instruction unit had a value this year of \$38,560 which with a 10% increase raised the value to in excess of \$40,000.

Representative Cotton asked what percent of the budget is received by the Anchorage school district. Subcommittee Chairman Montgomery indicated that approximately 40-45% is received by the school district. The Anchorage school district would have received approximately 117 million dollars and if they are funded at 97.5 they will receive approximately 3 million less.

Representative Cotton asked if the subcommittee had received an indication that they would reduce their budget in anticipation of lost revenues. Subcommittee Chairman Montgomery stated that he did not speak to the school board; however, the school board has approved the school budget. Representative Cotton asked if the assembly approves the school board budget, in anticipation of the 117 million dollars, will they be required to increase property taxes in order to maintain that budget? Representative Barnes stated that the budget for Anchorage would have been approximately 117.6 million in state funds and the reduction would allow them to have 114.7 million compared to 94.4 million from last year. It was her opinion that there really would be no need to increase taxes.

Representative Cotton expressed a concern that should the assembly approve the budget as submitted by the school board and should they receive less funds from the state than anticipated, the mill rate may need to be increased. Subcommittee Chairman Montgomery responded by saying the borough assembly is well aware of that and they have the final say on approving the total budget. He informed committee members that last week a letter was sent to all superintendents apprising them of the likelihood of a reduction. Consequently if the total state funding is less than the total budgeted by the school district, the assembly has two choices. They must either reduce the budget or they have the option of increasing the mill rate.

3/09/92

Representative Cotton asked when the schools budget has to be approved by the borough assembly? It is Subcommittee Chairman Montgomery's understanding that the budget has to be submitted to the assembly by April 1 and the assembly must approve within 30 days or it will automatically go into effect.

Representative Cuddy asked if a third choice of the assembly might be to reduce the assembly's budget, leaving the school districts budget intact. Subcommittee Chairman Montgomery stated that the municipality could decrease the whole mill rate to increase the amount of funds available to the schools.

Representative Cotton MAINTAINED HIS OBJECTION with regard to the above listed Foundation Program Components.

The next category to be discussed was Correspondence Study-DOE and Correspondence Study-Local. Representative Hurlbert asked what was the difference between the two correspondence study programs. Ms. Elgee explained that the various schools can operate their own district correspondence programs; however, for those schools not in a district program, the state provides correspondence study as an option.

With regard to the Community Schools Adjustment category, Representative Cotton stated that the community schools program was one of the most popular in the Anchorage area and asked the subcommittee if they have evaluated the effects to the schools as a result of reducing funds. He was also concerned with the public's ability to continue to use the school buildings for community schools related activities. Subcommittee Chairman Montgomery stated that maintaining the FY 82 budget was about all the subcommittee could do to meet the subcommittee's recommended figure. Representative Cotton asked Chairman Adams if this category could be HELD to allow the subcommittee to provide additional information concerning the effects a reduction would elicit. Chairman Adams agreed to return to the Community Schools Adjustment category.

(Tape Change HFC 82-17, side 1)

The next category to be discussed was Bilingual Program Adjustment. Representative Cotton asked why there was a 1.3 million reduction from the FY 82 authorized? Ms. Elgee explained that as children went through the bilingual program and improved their English skills, then they would no longer have to be receiving the Bilingual Education program. The program was to have phased itself out. Representative Cotton went on to say that there are some bilingual programs in parts of the state that deal with other than native languages. He thought it was an attempt to allow people in rural communities an opportunity to continue studying and improving their language skills.

3/09/92

FINANCIAL SUPPORT - DISTRICTS

Representative Carney asked what the effects of the reduction in the School Lunch Program would be? Subcommittee Chairman Montgomery explained that they didn't get into that as most schools do not want to become involved in the program because they are costly. He explained that it is a local option for local districts to determine if they want a school lunch program.

FINANCIAL SUPPORT - OTHERS

The Fine Arts Camps was the next category to be discussed. Representative Cotton asked if the subcommittee had considered funding the camps even though the Governor had not requested it? Subcommittee Chairman Montgomery stated that the funding is transferred to the Arts Council in FY 83.

The next category to be discussed was Regional Resource Centers. Representative Cotton asked if the centers are going to be funded somewhere else? Ms. Elgee responded that in FY 82 they were not funded either, with the exception of a special appropriation to assist the Anchorage Regional Resource Center with a debt.

EXECUTIVE ADMINISTRATION

Representative Cotton requested that the Educational Technology and Telecommunications category be HELD.

ADULT AND POSTSECONDARY SUPPORT

The next category to be discussed was the Fire Service Training category. Subcommittee Chairman Montgomery indicated that funding was included to allow for the support of the Fairbanks Training Center. There was a new position requested under Grants Administration which the subcommittee rejected since it was for support of the Fairbanks Training Center. Representative Cotton asked when the center is to be operational. Ms. Elgee responded that it is to be on line in 1983 so is not included in the 82 level. The Governor did have funding requested for FY 83 as a new position under Grants Administration. The subcommittee transferred the funding from Grants Administration to the Fire Service Training category with the funding to be used as a grant in lieu of a new state employee.

VOCATIONAL REHABILITATION

Subcommittee Chairman Montgomery explained that there was a \$200,000 reduction in the area of Independent Living Rehabilitation which was a deletion for a new request for continuation of the Independent Options Now program which is one year old. Ms. Elgee explained that the money which was appropriated to that program in FY 82 was appropriated as a designated grant and the governor had included an increase to the

3/09/92

FY 82 authorized level to continue funding although they did not specify a recipient. Representative Cotton asked if the Independent Options Now members appeared before the committee and if not he feels that the subcommittee should reconsider funding for the program stating that it is of vital importance for handicapped individuals providing them with an opportunity to develop and enjoy independent living skills.

STUDENT FINANCIAL AID

The next category to be discussed was the WICHE-Student Exchange Program in which the Subcommittee allowed for 186 continuing students and 62 new students. The budget request would have allowed for 123 new students.

(Representative Meekins arrived at this time.)

It was Representative Cotton's concern that the Post-Secondary Commission would be left to decide who would be eligible for receipt of the loan funds.

There was a request for 30 new full time positions to administer the Alaska Student Loans. The subcommittee did delete that request and asked for one permanent full-time and four permanent part-time awards clerks. The part-time positions would be for three months duration to work in the peak periods processing student loan applications and awards. Representative Carney stated that his concern was if there would be enough staff to investigate semi-fraudulent applicants to the student loan program. Subcommittee Chairman Montgomery stated that this was a popular program area which the committee supports. The post secondary commission made recommendations in an attempt to help alleviate some of the potential abuses to the program. There was discussion concerning the establishment of deadlines and non-adherence to the deadlines.

MEETING

Chairman Adams discontinued the meeting and informed committee members that they would meet on Wednesday, March 10 at 7:00 a.m. to complete the Department of Education Budget Close-out beginning with Student Loans.

ADJOURNMENT

The meeting adjourned at 5:40 p.m.

Tape HFC 82-15, side 2 #233 to end
HFC 82-16, side 1 #001 to end
 side 2 #001 to end
HFC 82-17, side 1 #001 to #615

3/09/92

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

1548

3/05/82

N N N N N DEPARTMENT OF EDUCATION N N N N N

SHORT FORM PAGE	BUDGET COMPONENT	FY82 ATH	CONT.	REQUEST	GOVERNOR	HOUSE	HOUSE - GOVERNOR COMPARISON
EDUCATION							
FOUNDATION PROGRAM COMPONENTS							
2	STUDENT ADM SUPPORT	257089.5	286893.3	286893.3	286893.3	279461.6	-7431.7 -2.5%
4	SPECIAL EDUCATION ADJUSTMENTS	25748.5	48196.5	48196.5	48196.5	46991.6	-1204.9 -2.5%
6	VOCATIONAL EDUC. ADJUSTMENTS	21321.5	23592.1	23592.1	23592.1	23002.3	-589.8 -2.5%
8	CORRESPONDENCE STUDY-DOE	1788.5	2181.3	2181.3	2185.3	1844.9	-340.4 -15.5%
10	CORRESPONDENCE STUDY-LOCAL	4775.9	5451.0	5451.0	5451.0	4775.9	-675.1 -12.3%
12	COMMUNITY SCHOOLS ADJUSTMENTS	2641.9	3905.0	3905.0	3905.0	2641.9	-1263.1 -32.2%
14	BILINGUAL PROGRAM ADJUSTMENT	9849.4	10994.2	10994.2	10994.2	8500.0	-2494.2 -22.6%
16	SUPPLEMENTAL EQUALIZATION AID	26924.6	28876.7	28876.7	28876.7	26924.6	-1952.1 -6.7%
	*** PROGRAM TOTAL ***	350139.8	410090.1	410090.1	410090.1	394142.8	-15951.3 -3.8%
FINANCIAL SUPPORT-DISTRICTS							
20	PUPIL TRANSPORTATION	20195.3	22100.0	22100.0	22100.0	20300.0	-1800.0 -8.0%
22	STUDENT LUNCH PROGRAM	6000.0	6000.0	6000.0	6000.0	6000.0	
24	CIGARETTE TAX DISTRIBUTION	2500.0	2500.0	2500.0	2500.0	7400.0	4900.0 196.0%
26	FEDERAL PROGRAMS	14756.2	14756.2	14756.2	14756.2	14756.2	
28	TUITION STUDENTS	3481.6	3558.2	3558.2	3558.2	3558.2	
30	BOARDING HOME GRANTS	1000.0	1340.0	1340.0	1340.0	651.0	-689.0 -51.3%
32	STATE CONTRACT PROGRAMS	25355.5	27329.1	27329.1	27329.1	27329.1	
34	LOCAL FORMULA-REAA						
36	KOTZEBUE TECHNICAL CENTER	1000.0	1090.0	1090.0	1090.0	1000.0	-90.0 -8.2%
38	NW ARCTIC REAA POSTSECONDARY P	218.4					
40	DESIGNATED GRANTS						
42	DEAF PROGRAM						
	*** PROGRAM TOTAL ***	74507.0	78673.5	78673.5	78673.5	80994.5	2321.0 3.0%
FINANCIAL SUPPORT - OTHER							
46	DEBT RETIREMENT-LOCAL	40093.9	44103.3	44103.3	44103.3	34100.0	-11003.3 -24.8%
48	FINE ARTS CAMPS	106.0					
50	SOS ASHA PAYMENTS						
52	REGIONAL RESOURCE CENTERS						
54	RSVP	724.0	789.1	789.1	789.1	789.1	
56	CROSS CULTURAL EDUCATION						
58	DESIGNATED GRANTS						
	*** PROGRAM TOTAL ***	40923.9	44892.4	44892.4	44892.4	33889.1	-11003.3 -24.5%
ADMINISTRATIVE PROGRAM SUPPORT							
62	ADMINISTRATIVE SERVICES	836.8	915.0	915.0	922.0	898.9	-23.1 -2.5%
64	FINANCE & MANAGEMENT SERVICES	870.2	894.9	894.9	908.3	838.3	-70.0 -7.6%
66	DEPT. OVERHEAD EXPENSES	411.9	717.0	777.0	777.0	649.5	-127.5 -16.3%
	*** PROGRAM TOTAL ***	2118.9	2526.9	2586.9	2607.3	2386.7	-220.6 -8.5%
K-12 EDUCATION PROG SUPPORT							
70	CAREER & VOCATIONAL EDUCATION	1161.7	1007.0	1107.0	1110.4	924.7	-185.7 -16.6%
72	SPECIAL EDUCATION	517.6	472.6	562.6	565.8	474.4	-91.4 -16.1%
74	FEDERAL PROGRAMS ADMIN	836.9	909.6	1174.6	1178.7	1178.7	
76	EDUCATION PROGRAM DEVELOPMENT	1915.5	2071.3	2131.3	2135.1	1814.0	-321.1 -15.0%
	*** PROGRAM TOTAL ***	4431.7	4460.5	4975.5	4990.0	4391.8	-598.2 -12.0%
EXECUTIVE ADMINISTRATION							

3-9-82

-234-

Attachment #1

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

15:49

3/05/82

*** DEPARTMENT OF EDUCATION ***

SHORT FORM PAGE	BUDGET COMPONENT	FY82 ATH	CONT.	REQUEST	GOVERNOR	HOUSE	HOUSE - GOVERNOR COMPARISON
80	COMMISSIONER	-133.7	781.0	816.0	816.0	748.1	-67.9 -8.2%
82	PLANNING INFO & RESEARCH	1198.9	1201.3	1401.3	1308.3	1151.9	-156.4 -12.0%
84	EDUC TECH & TELECOMM	3146.4	3103.5	3503.5	3403.5	2003.8	-1399.7 -41.0%
86	DESIGNATED GRANTS	150.0					
	*** PROGRAM TOTAL ***	4361.6	5085.8	5720.8	5527.8	3903.8	-1624.0 -29.3%
	BOARDS, COMM, ASSOC.						
90	STATE BOARD OF EDUC.	125.2	130.0	130.0	130.0	118.6	-11.4 -8.7%
92	OTHER COMM & ASSOC-SUPPORT	108.7	118.6	118.6	118.6	116.3	-2.3 -1.8%
94	PROFESSIONAL TEACHING PRACTICE	105.6	114.4	114.4	114.4	95.1	-19.3 -16.8%
	*** PROGRAM TOTAL ***	339.5	363.0	363.0	363.0	330.0	-33.0 -9.0%
	ADULT & POSTSECONDARY SUPPORT						
98	ADULT BASIC EDUCATION	3343.6	3644.5	3709.5	3709.5	3593.6	-115.9 -3.0%
100	FIRE SERVICE TRAINING	148.9	82.4	82.4	82.4	132.4	-50.0 -60.6%
102	ADULT VOCATIONAL EDUCATION	122.7	133.7	133.7	133.7	58.4	-75.3 -56.2%
104	OTHER VOC ED GRANTS	226.8	100.0	100.0	100.0	100.0	
106	GRANTS ADMIN.	804.0	961.4	1084.7	1023.5	893.8	-129.7 -12.6%
108	YOUTH EMPLOYMENT SERVICES	543.5	592.4	592.4	592.4	318.4	-274.0 -46.2%
110	DESIGNATED GRANTS	1000.0					
	*** PROGRAM TOTAL ***	6189.5	5514.4	5702.7	5641.5	5096.6	-544.9 -9.6%
	VOCATIONAL REHABILITATION						
114	COUNSELING & PLACEMENT	2735.5	2940.6	2940.6	2957.9	2837.0	-120.9 -4.0%
116	SERVICES TO CLIENTS	2689.5	2667.7	3060.3	2967.7	2667.7	-300.0 -10.0%
118	ADMINISTRATION	687.1	732.7	732.7	749.5	622.6	-126.9 -16.8%
120	SPECIALIZED FACILITIES	425.5	451.8	451.8	451.8	451.8	
122	STATE SUPPORTED FAC	48.0	48.0	48.0	48.0	48.0	
124	DISABILITY DETERMINATION	1349.2	1502.8	1502.8	1508.3	1508.3	
126	EMPLOYMENT OF THE HANDICAPPED	183.5	196.1	196.1	196.1	183.5	-12.6 -6.3%
128	INDEPENDENT LIVING REHABIL	555.0	555.0	841.0	755.0	555.0	-200.0 -26.5%
130	HB 60/SEC. 23						
132	DESIGNATED GRANTS	87.8					
	*** PROGRAM TOTAL ***	8761.1	9094.7	9772.3	9634.3	8873.9	-760.4 -7.8%
	AK VOC TECH CTR						
136	SEWARD CENTER	3976.6	4493.1	4568.1	4571.1	4275.9	-295.2 -6.5%
	STUDENT FINANCIAL AID						
140	SCHOLARSHIP LOAN PROGRAM	24768.9					
142	WICHE-STUDENT EXCHANGE PROG	1257.8	1595.7	1595.7	1595.7	1257.8	-337.9 -21.1%
144	STUDENT INCENTIVE GRANT PROG	428.0	428.0	428.0	428.0	244.0	-184.0 -43.0%
	*** PROGRAM TOTAL ***	26454.7	2023.7	2023.7	2023.7	1501.8	-521.9 -25.7%
	AK. POSTSECONDARY COMMISSION						
148	AK STUDENT LOAN ADMIN.	1274.5	1476.2	3141.1	2576.2	1443.8	-1132.4 -44.0%
150	WICHE-ADMINISTRATION	64.3	70.1	72.6	70.1	70.1	
152	GENERAL ADMINISTRATION	1034.4	1098.6	1906.4	1635.1	1272.4	-362.7 -22.1%
	*** PROGRAM TOTAL ***	2373.2	2644.9	5120.1	4281.4	2786.3	-1495.1 -34.8%
	ALASKA HISTORICAL COMMISSION						
156	ALASKA HISTORICAL COMMISSION	535.2	580.8	580.8	580.8	412.3	-168.5 -29.0%
160	ALASKA ARTS COUNCIL						
	ADMINISTRATION AND SUPPORT	5488.5	5815.1	5815.1	5815.1	3121.2	-2693.9 -46.2%

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

15:49

3/03/82

***** DEPARTMENT OF EDUCATION *****

SHORT FORM PAGE	BUDGET COMPONENT	FY82 ATH	CONT.	REQUEST	GOVERNOR	HOUSE	HOUSE - GOVERNOR COMPARISON
	MUSEUMS						
164	ADMINISTRATION AND SUPPORT	1622.6	1022.0	1022.0	1029.2	812.9	-216.3 -21.0%
	STATE LIBRARY						
168	REGULAR OPERATIONS	4742.8	4713.1	4908.1	4808.1	3649.5	-1158.6 -24.0%
170	BLUE BOOK	9.7	45.3	45.3	45.3	40.0	-5.3 -11.6%
	*** PROGRAM TOTAL ***	4752.5	4758.4	4953.4	4853.4	3689.5	-1163.9 -24.0%
	*** CATEGORY TOTAL ***	536976.3	582039.3	586860.4	585578.6	550609.1	-34969.5 -6.0%
	ADMINISTRATION OF JUSTICE						
	VIOLENT CRIME						
174	PUBLIC EDUCATION	375.0					
	***** TOTAL EXPENDITURES	537351.3	582039.3	586860.4	585578.6	550609.1	-34969.5 -6.0%
	***** FUNDING						
	FED. RECEIPT	31777.8	30036.1	30837.6	30862.6	30831.8	-30.8 0.0%
	GENERAL FUND	484322.7	533506.0	537662.1	536351.3	496624.6	-39726.7 -7.3%
	OTHER FUNDS	21250.8	18497.2	18360.7	18364.7	23152.7	4788.0 26.0%
						497624.6	

HOUSE FINANCE COMMITTEE
March 10, 1982
6:58 a.m.

(Tape HFC 82-17, side 1 #615.)

PRESENT

Members of the Committee in attendance: Representatives Cotten, Chuckwuk, Adams, Haugen, Montgomery and Bettisworth. (Representatives Meekins, Carney and Cuddy arrived later in the meeting.) Representatives Fuller and Hurlbert were NOT in attendance. PRESENT TO TESTIFY: Alison Elgee and Garrey Peska, Fiscal Analysts, Legislative Finance Division.

DEPARTMENT OF EDUCATION - BUDGET CLOSE-OUT

Chairman Adams called the meeting to order and advised the Committee would continue with closing-out the Department of Education's budget.

AK. POSTSECONDARY COMMISSION, AK. STUDENT LOAN ADMINISTRATION: Representative Chuckwuk asked what the Subcommittee's recommended figure did to the program. Subcommittee Chairman Montgomery stated this was the only component where they added personnel. He said the program seemed to work satisfactorily last year. Representative Cotten commented the student loan program receives a lot of calls from students who haven't received their loans. He asked if the Subcommittee's recommendation would slow down the response time for these students. Subcommittee Chairman Montgomery said they are adding personnel. MS. ALISON ELGEE, Fiscal Analyst, Legislative Finance Division, said to help alleviate the time problem the Postsecondary Commission has waived the signing off requirement the college has had to make in the past. She said that was a big bottleneck and waiving that requirement should speed up the process.

AK. POSTSECONDARY COMMISSION, GENERAL ADMINISTRATION: Representative Montgomery advised they deleted two positions from this component.

ALASKA HISTORICAL COMMISSION: Subcommittee Chairman Montgomery advised they deleted one position and reduced grants. There was brief discussion on the grants.

(Representative Meekins arrived at this time.)

Representative Cotten requested this component be held OPEN.

3/10/82

ALASKA ARTS COUNCIL: Subcommittee Chairman Montgomery said the Subcommittee made a 50% reduction in grants. He advised they didn't designate the grants.

(Tape change, HFC 82-17, side 2.)

Chairman Adams advised Representative Cuddy requested this be held OPEN until he gets to the meeting.

MUSEUMS, ADMINISTRATION AND SUPPORT: Subcommittee Chairman Montgomery advised they made a 50% reduction in grants.

STATE LIBRARY, REGULAR OPERATIONS: Subcommittee Chairman Montgomery advised they deleted two positions and made a 50% reduction in grants.

Subcommittee Chairman Montgomery said there was a total reduction in the EDUCATION BUDGET of 21 full time employees and they added 4 part time positions. He explained that since there is an uncertainty on who will operate the BIA Schools, they did not address that situation. There was brief discussion on the BIA Schools.

(Representative Carney arrived at this time.)

Chairman Adams advised that on March 19 there will be a meeting in Washington D.C. regarding the BIA Schools in Alaska.

Representative Carney requested that MUSEUMS be held OPEN.

Chairman Adams stated the Committee would return to those components held OPEN.

FOUNDATION PROGRAM COMPONENTS: Representative Cotten said his calculations indicate that if the worst case happens, the schools end up with the same budget, and the Assembly gives them a budget of \$3 million less in state funds, it will cost 1/2 a mill to make up the \$3 million. He suggested that if this budget is put together, the Committee should get an idea of what the school boards will do and try and mitigate the problems as much as possible. Subcommittee Chairman Montgomery said he concurred with Representative Cotten's general thoughts. However, he didn't think the Committee would be hitting them with tax increase; if the borough assembly allows the school boards to increase their budget that much, the assembly and school district would be raising their taxes. Representative Meekins said in comparing previous year figures, it is still a \$44 million increase, or about 12%. He asked if that same increase would carry forward to the district level. Subcommittee Chairman Montgomery said no. Ms. Elgee explained the increase is because of the new formula for special education funding. She said it doubles the amount of money going to districts to pay for their special education programs. There was further discussion.

3/10/82

Representative Cotten said he would remove his objection to the Subcommittee's recommendation; however, he requested that the Committee keep an open mind about this area.

Representative Meekins asked if the increase for special education had to be used for special education programs or could it go to other programs. Subcommittee Chairman Montgomery said it is rolled together in many cases and used in total. He commented that about 40% of the special education budget goes to Anchorage.

(Representative Haugen left at this time.)

Chairman Adams advised since Representative Cotten removed his objection, he will close the FOUNDATION PROGRAM COMPONENTS category, but if Representative Cotten finds further information, he will reopen these categories to allow for that. Representative Cotten said he appreciated that. He said he would also like to do additional work in the COMMUNITY SCHOOLS PROGRAM.

EXECUTIVE ADMINISTRATION, EDUC. TECH. & TELECOMMUNICATIONS:
Representative Cotten suggested this area might overlap with TELECOMMUNICATIONS in the DEPARTMENT OF ADMINISTRATION budget category. He requested this section be included in the deliberations of the Subcommittee that was appointed to review that area. Chairman Adams agreed. He advised that Subcommittee is chaired by Representative Hurlbert.

VOCATIONAL REHABILITATION, INDEPENDENT LIVING REHABILITATION:
Representative Cotten said regardless of where this belongs, he thinks it is an important project. Subcommittee Chairman Montgomery said they did leave them in at the continuation level. Representative Cotten said unless they have some other way to handle the program, he is not comfortable with that.

RECESS:

Chairman Adams called for a recess at 7:18 a.m. and recalled the meeting to order at 7:24 a.m.

INDEPENDENT LIVING REHABILITATION: Chairman Adams advised he will take the funding out of this particular program, and he has instructed the Subcommittee Chairman to place it in his budget. Representative Carney said he agreed with putting it in the DEPARTMENT OF HEALTH AND SOCIAL SERVICES budget, but he wondered if that would create problems since it seems to be pretty closely related to the other programs in this Education budget. Representative Meekins will check and see if there is any problem with moving this.

ALASKA HISTORICAL COMMISSION: Representative Cotten removed his objection to the Subcommittee's recommendation.

3/10/82

MUSEUMS: Representative Carney asked what the status was of the funding for the Transportation Museum in Palmer. Subcommittee Chairman Montgomery said they deleted the funding. Representative Carney said he didn't have a problem with the funding for the museum being cut somewhat. He said their continuation level figure would be \$163.5, and he MOVED that that figure be placed in the budget. There was brief discussion on the Transportation Museum.

(Representative Cuddy arrived at this time.)

Subcommittee Chairman Montgomery said he didn't object to including some funding for the Museum. He suggested reinstating 50% of their continuation level figure -- \$81.8.

Representative Carney MOVED TO AMEND the Motion to include funding in the amount of \$81.8 for the Transportation Museum, and he asked for UNANIMOUS CONSENT. There being no objection, it was so ordered.

ALASKA ARTS COUNCIL: Subcommittee Chairman Montgomery explained they reduced grants by 50% and they did not designate the recipients. Representative Cuddy asked if they identified which grants should be cut and which should be left in. Subcommittee Chairman Montgomery said no. Representative Cuddy MOVED to cut an additional \$1 million from the grants/claims line item in Administration and Support, Alaska Arts Council, and to either reduce the budget by that amount or put additional funding into the formula programs. He said it strikes him as inconsistent to leave that much money in grants/claims.

There was brief discussion on the Council's previous years funding levels. Ms. Algee advised in FY 81 the total for grants was \$1975.1; in 1982 the total was \$4960.0. She said the Subcommittee's recommendation would reduce the FY 83 figure to \$2.5 million and, out of that, \$116.5 has been designated to support the Fine Arts Camps.

Representative Carney said he has no problem with the figure as long as the Arts Council pro-rates the reduction to all the people who are getting funding. He suggested the Committee signify that their approach would be to treat everyone equally. He said if necessary he would like a letter of intent to specify that.

Representative Cuddy said the specific program he is concerned with is the Repertory Theatre. He wondered if the state should be pumping that much money into this kind of program. He said that is the program he would like to see most reduced. Representative Carney suggested specifying that \$1 million come from their budget. Representative Cotten said he would hate to see the funding for the little theatres jeopardized. He said as

3/10/82

long as the funding comes from the Repertory Theatre he wouldn't mind. There was further discussion.

Representative Carney MOVED TO AMEND the motion to state that the \$1 million reduction is to be taken from the Alaska Repertory Theatre in Anchorage. Subcommittee Chairman Montgomery OBJECTED to state that wording will have to be clarified since there has been no allocation to the Alaska Repertory Theatre.

Representative Meekins said he thinks the question of the appropriateness of the state funding the Alaska Repertory Theatre and others in a time of declining budgets is a good point. He said he would like to take a small portion of what they are recommending be cut from the Arts Council budget and put it into another area. He suggested taking at least \$100,000 and distributing it to some of the other line items in the Education budget that had to be reduced.

Chairman Adams said he would like to close this budget and get the proper wording for the amendment proposed by Representative Carney later.

Representative Meekins MOVED TO AMEND the motion to increase Vocational Rehabilitation, Services to Clients by \$150,000. Subcommittee Chairman Montgomery rose to a point of order. He suggested voting on the motion to delete the \$1 million before voting on Representative Meekins motion to reinstate funds. Representative Meekins said adding this funding will make a difference on how he will vote on the main motion. Ms. Elgee explained the only reduction the Subcommittee made to Services to Clients was to on their full funding request to replace federal funds. There was brief discussion. Subcommittee Chairman Montgomery said he would prefer not to reinstate funding to the Education budget his quickly.

The Question was called for on Representative Meekin's Motion to amend to add \$150.0 to Services to Clients. IN FAVOR: 4 (Cotten, Chuckwuk, Meekins and Carney); OPPOSED: 5 (Montgomery, Adams, Bettisworth, Haugen and Cuddy). The MOTION FAILED.

The Question was called for on the motion to reduce the Arts Council Budget by \$1 million with intent language motion. IN FAVOR: 7 (Montgomery, Adams, Bettisworth, Haugen, Cuddy, Carney and Chuckwuk); OPPOSED: 2 (Cotten, Meekins). The MOTION CARRIED.

Subcommittee Chairman Montgomery MOVED AND ASKED UNANIMOUS CONSENT that the Subcommittee's recommendations as amended by the Full Committee for the EDUCATION Budget be accepted, and that they be incorporated into a Finance CS for HB 666. There being NO OBJECTION, it was so ordered.

(Tape HFC 82-17, side 2 #635.)

3/10/82

OFFICE OF THE GOVERNOR -- BUDGET CLOSE-OUT

The Office of the Governor Subcommittee members are Representative Chuckwuk, Chairman, Representative Anderson and Representative Brown.

The Subcommittee's recommendations for the Office of the Governor was presented (see attached cutsheet -- attachment #1).

Chairman Adams stated that usually the Legislature does not touch the Office of the Governor's Budget; however, as Finance Chairman, he felt that all 18 agency budgets should have a decrease and instructed the Subcommittee to reduce the Office of Governor's budget by 1.1 million dollars. He stated that Subcommittee Chairman Chuckwuk did follow the guidelines as set forth by the Chairman.

Subcommittee Chairman Chuckwuk began by stating that the in FY 82 the total authorized funding totaled \$41542.7 and for FY 83 the Governor had reduced his request to \$18923.2. He indicated that originally the subcommittee had left the Governor's budget intact as requested by the Governor.

The following members requested that these categories be held for further discussion:

Representative Cotton requested further information on Administration of Justice, Status of Women Commission, General Government, Contingency Fund, Executive Mansion, and Lieutenant Governor.

Representative Carney requested further information on Administration of Justice, Status of Women Commission.

Representative Meekins requested further information on General Government, National Lands Legislation, Alaska Lands Implementation, and Council on Economic Policy.

Representative Bettisworth requested further information on General Government, DPOP.

ADMINISTRATION OF JUSTICE

The first category to be discussed was Status of Women Commission. Representative Cotton asked why this commission was zeroed out. Chairman Adams stated that he zeroed out the commission since he felt that it is not doing anything for the State of Alaska with no defined programs. He further stated that if there is a problem, women can go to the Human Rights Commission as do other minorities.

Representative Carney stated that the Commission on the Status of Women was established to do certain things and they were due to

3/10/82

phase out this year anyway and he thought it wouldn't hurt to fund them again this year. Chairman Adams asked Representative Carney to name the activities the Commission was to do and asked if they have done them. Representative Carney stated that he could not.

Representative Cotton MAINTAINED HIS OBJECTION. Chairman Adams MOVED to adopt the Subcommittee's recommendation of zero funding for the Status of Women Commission. The QUESTION was called for. Six in FAVOR and three OPPOSED (Carney, Cotton, Meekins). The MOTION CARRIED.

(Tape Change HFC 82-18, Side 1)

The next category to be discussed was Alaska Lands Implementation. GARREY PESKA, Fiscal Analyst, Legislative Finance Division, explained that last year approximately 10 million was placed in the Office of the Governor for Alaska Lands Implementation. In the FY 83 budget, the funds have been transferred to the Departments of Environmental Conservation (\$147,000), Fish and Game (\$2,477,000), Law (\$244,000), Natural Resources (\$2,314,000), Public Safety (\$351,000), and Transportation (\$200,000). Mr. Peska stated that at the Chairman's direction, due to the fact that such a large amount of funds was spread among various state agencies, the Alaska Lands Implementation office was cut in half. The office had six employees and the subcommittee has recommended three positions.

Representative Bettisworth stated that within the budgets which committee members are reviewing, members have found that there are D-2 lands money scattered throughout. The agencies have been requested to remove those funds and a proposal will be made to put those funds in a bill to fund those programs in one item. Therefore, the Legislature will be able to accurately see the amount of funds being spent for lands implementation. Representative Meekins stated that because of the changes in the National administration, the state has the potential to get alot back which was lost in the D-2 bill. Representative Meekins REMOVED HIS OBJECTION.

With regard to the Council on Economic Policy, Representative Meekins asked what the program does. Mr. Peska stated that the subcommittee asked that question in subcommittee hearings and they did not get a very good answer. Mr. Peska explained that it is a combination of the old Council of Economic Policy and Council of Economic Advisors. Representative Meekins REMOVED HIS OBJECTION stating that he still would like to get some information with regard to the Council's activities.

Representative Bettisworth MOVED to delete the funds for this component.

3/10/82

Representative Cotton wondered if the committee was being realistic when they talked of cutting the Governor's staff. Representative Meekins expressed the same concern but felt that additional information is needed with regard to the Council before he feels prepared to vote to delete their funding. Chairman Adams explained that was what the subcommittee had attempted to do but did not receive adequate answers from the Governor's office.

The QUESTION was called for. There being NO OBJECTION it was so ordered.

Representative Cotton REMOVED HIS OBJECTION concerning the Contingency Fund.

The next category to be discussed was Executive Mansion. Representative Cotton asked why the increase in funding? Mr. Peska explained that the largest increase was \$73,000 for remodeling the executive mansion during FY 83. Representative Haugen stated that the mansion is in need of repair and improvement and it should be done. Representative Cotton REMOVED HIS OBJECTION.

With regard to the Lieutenant Governor category, Representative Cotton asked how many employees the Lieutenant Governor has? Mr. Peska stated that there are 13 full time employees. A list of the job descriptions of the employees was provided.

Representative Cotton MOVED that there be a 10.1 percent reduction for a total of \$789.8 in the Lieutenant Governor category. The QUESTION was called for. Six in FAVOR and three OPPOSED (Meekins, Bettisworth, Haugen). The MOTION CARRIED.

The next category to be discussed was DPDP. Representative Bettisworth MOVED that DPDP be zeroed out. The QUESTION was called for.

Representative Chuckwuk stated that it is a very large program and staff serves as advisors to keep the Governor informed to assist the Governor in making wise decisions. Representative Chuckwuk OBJECTED to the motion. Representative Haugen explained that this administration will only exist six months after July 1 and what it requested is a full year's funding. He suggested that perhaps the next Governor will not want a Division of Policy Development and Planning. Representative Carney stated that it might be more realistic to cut the funding by 50 percent. Representative Meekins asked for a breakdown of federal funds and general funds for the Division. Mr. Peska stated that there is a total of \$161,00 in federal receipts and general funds is the remainder.

3/10/82

A vote was taken on the MOTION. Five OPPOSED (Adams, Cotton, Chuckwuk, Meekins and Carney) and four in FAVOR. The MOTION FAILED.

Representative Bettisworth MOVED to reduce OPDP by 50 percent. Representative Meekins OBJECTED. The QUESTION was called for. Seven in FAVOR and two OPPOSED (Meekins and Chuckwuk). The MOTION CARRIED.

Representative Montgomery MOVED AND ASKED UNANIMOUS CONSENT to approve the Subcommittee's recommendations for the Office of the Governor and that it be incorporated into the Finance CS for HB 666 (expenses of state government). Representative Cotton OBJECTED. Chairman Adams asked for a voice vote and ruled that the MOTION CARRIED.

MEETINGS

Chairman Adams reminded members that the University of Alaska and Department of Natural Resources Budget Close-out was scheduled for March 11 (Thursday).

ADJOURNMENT

The meeting adjourned at 8:12 a.m.

Tape HFC 82-17, Side 1 #615 to end
 Side 2 #001 to end
HFC 81-28, Side 1 #001 to #216

3/10/82

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

09:48

3/08/82

N N N N N OFFICE OF THE GOVERNOR N N N N N

SHORT
FORM

PAGE

BUDGET COMPONENT

FY81 ACT

FY82 ATH

REQUEST

GOVERNOR

HOUSE

HOUSE - FY82 ATH
COMPARISONNATURAL RESOURCE MANAGEMENT
COASTAL ZONE MANAGEMENT/NOAA
NOAA

2

83.0

84.3

-84.3

-100.0%

ADMINISTRATION OF JUSTICE
COMMISSIONS

6

STATUS OF WOMEN COMMISSION

207.1

283.8

489.7

348.1

-283.8

-100.0%

8

HUMAN RIGHTS COMMISSION

1363.6

1251.3

1632.9

1501.2

1501.2

249.9

20.0%

*** PROGRAM TOTAL ***

1570.7

1535.1

2122.6

1849.3

1501.2

-33.9

-2.1%

DEVELOPMENT

INTERNATIONAL AFFAIRS
FISHERIES COMMISSIONS

10

200.4

GENERAL GOVERNMENT

EXECUTIVE OPERATIONS

14

EXECUTIVE OFFICE

3139.9

3873.1

4680.6

4680.6

4580.6

707.5

18.2%

16

SPECIAL PROJECTS COORDINATOR

276.4

596.7

-596.7

-100.0%

18

REAPPORTIONMENT BOARD

263.0

20

NATIONAL LANDS LEGISLATION

2358.7

22

ECONOMIC ANALYSIS

24

AK LANDS IMPLEMENTATION

4244.9

695.6

695.6

347.7

-3897.2

-91.7%

26

COUNCIL ON ECONOMIC POLICY

324.7

324.7

324.7

324.7

100.0%

28

FED SHORTFALL STATE AGENCIES

4000.0

-4000.0

-100.0%

30

FED SHORTFALL NON-ST AGENCIES

1000.0

-1000.0

-100.0%

32

EXECUTIVE AGENCIES PART I

14190.2

-14190.2

-100.0%

34

ALASKA LANDS SPECIAL PROJECT

5000.0

-5000.0

-100.0%

36

CONTINGENCY FUND

1185.0

750.0

844.0

844.0

500.0

-250.0

-33.2%

38

EXECUTIVE MANSION

154.6

182.6

292.8

292.8

292.8

110.2

60.3%

40

REGULATORY REFORM OFFICE

85.5

108.7

119.4

119.4

119.4

10.7

9.7%

42

LIEUTENANT GOVERNOR

778.3

789.8

870.0

870.0

870.0

80.2

10.1%

44

DPDP

1951.5

2201.9

2147.4

2147.4

2147.4

-54.5

-2.5%

46

GROWTH POLICY COUNCIL

152.7

183.0

-183.0

-100.0%

48

BUDGET & MANAGEMENT

1891.5

2063.9

2341.0

2341.0

2341.0

277.1

13.3%

50

INTERNAL AUDIT

614.5

863.9

1072.5

1048.9

1048.9

185.0

21.3%

52

COUNCIL OF ECONOMIC ADVISORS

175.0

250.0

-250.0

-100.0%

*** PROGRAM TOTAL ***

13026.6

40298.7

13388.0

13364.4

12572.5

-27726.2

-68.7%

54

ELECTIVE OPERATIONS

ELECTIONS

2275.7

1939.7

3934.5

3934.5

3934.5

1994.8

102.7%

*** CATEGORY TOTAL ***

15302.3

42238.4

17322.5

17298.9

16507.0

-25731.4

-60.8%

3-10-82
Attachment #1

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

09:48

3/08/82

***** OFFICE OF THE GOVERNOR *****

SHORT FORM PAGE	BUDGET COMPONENT	FY81 ACT	FY82 ATH	REQUEST	GOVERNOR	HOUSE	HOUSE - FY82 ATH COMPARISON	
*****	TOTAL EXPENDITURES	17156.4	43857.8	19445.1	19148.2	18008.2	-25849.6	-58.8X
*****	FUNDING							
	FED. RECEIPT	232.6	831.1	225.0	225.0	225.0	-606.1	-72.8X
	GENERAL FUND	16805.4	41542.7	19220.1	18923.2	17783.2	-23759.5	-57.1X
	OTHER FUNDS	118.4	1484.0				-1484.0	-100.0X

hf0311821330

HOUSE FINANCE COMMITTEE

March 11, 1982

1:30 p.m.

(Tape HFC 82-10, side 1 #215.)

PRESENT

All Members of the Committee were in attendance except Representative Cuddy. (Representative Haugen arrived later in the meeting.) PRESENT TO PROVIDE TESTIMONY: Representatives Rogers and Martin; Jon Scribner, Assistant Deputy Commissioner, Design and Construction, Department of Transportation and Public Facilities; Jeanie Kline, Associated General Contractors; Charles Campbell, Past Director, Division of Corrections; Wally Roman, Prison Industries Manager; Mike Stark, Department of Law; Bob Cole, State Office of Alcohol and Drug Abuse; Commissioner John Katz, Department of Natural Resources; and Bob Grogan and Alison Elgee, Fiscal Analysts, Legislative Finance Division.

HB 684 and HB 685

Chairman Adams called the meeting to order and advised that HB 684 (compensation of public officers/employees) and HB 685 (supplemental appropriation/salaries and benefits/FY 82) have been taken off today's agenda because the Committee was unable to get accurate information from the Governor's office. He stated further scheduling of the bills will be the decision of the Chair.

BILL ASSIGNMENTS

Chairman Adams made the following bill assignments:

HB 741 -- relating to certificates of fitness -- Carney

HB 835 -- establishing the Alaska Safety Advisory Council --
Carney

HB 876 -- providing a federal budget impact fund -- Meekins

HB 146

The first bill to be considered was HB 146.

HB 146 -- An Act relating to payment procedures on certain public contracts."

Chairman Adams gave a brief overview of the bill. He advised the bill had been assigned to Representative Bettisworth's

3/11/82

subcommittee. Representative Bettisworth presented a proposed finance CS to the bill.

Mr. JON SCRIBNER, Assistant Deputy Commissioner, Design and Construction, Department of Transportation and Public Facilities, testified they believe the bill is unnecessary as it applies to the Department and it is not in the best interest of the state. He read the letter outlining the Department's stand on the bill and making recommendations for changes to the legislation (copy in original bill file).

(Representative Haugen arrived at this time.)

Representative Bettisworth advised the first section Mr. Scribner is concerned with (subsection (a) of AS 36.90.001) has been deleted in the proposed Finance CS. Mr. Scribner continued his testimony, stating the other concerns addressed in the letter still apply.

Representative Bettisworth stated most of Mr. Scribner's testimony has been in relation to the state. He said this bill wasn't necessarily drafted for the state and the Department of Transportation and Public Facilities. He said the items Mr. Scribner has suggested removing don't hurt the state by being left in. He said they are in there to deal with other public entities and he recommended they be left in.

JEANIE KLINE, Alaska Chapter, Associated General Contractors, commended the Department of Transportation and Public Facilities for the way they are handling contract procedures. She said AGC has no problem the Department's payments or bidding procedures. Concerning the section on "retainage", Ms. Kline said they certainly favor it. She said the problems AGC has experienced have been with the smaller municipalities and school districts. She said part of the problem has been almost negligence in being able to get final inspections prior to receipt of final payment. She commented the retainage is actually the contractor's money, so they don't feel there should be a fiscal note attached to this bill.

Representative Cotten asked if they had had trouble with any particular municipality or school district. Ms. Kline said not to her knowledge. She said the problem appears to be statewide. Again, she said, it is not the DOT contracts as such.

Representative Chuckwuk asked how they came up with the 10% figure on page 1, line 23. Ms. Kline said she thought it came from the original statute that referenced retainage.

Representative Bettisworth said he did not feel the fiscal note was necessary. He submitted that the bill would save money.

3/11/82

Representative Bettisworth MOVED to report the Finance CS for SSHB 146 out of committee without a fiscal note. Representative Cotten OBJECTED to state they might want to address some of the recommendations proposed by Mr. Scribner. Representative Bettisworth suggested that if the Chairman wished to move the bill at this time, he would meet with Mr. Scribner and look at the suggested changes, and make recommendations for change to the Rules Committee. There being NO FURTHER OBJECTION, CSSSHB 145 (Finance) was reported out of Committee with a "do pass" recommendation. (Representatives Cotten, Chuckwuk and Adams signed the Committee Report "no recommendation".)

(Tape change, HFC 82-18, side 2.)

HB 194

The next bill to be considered was HB 194.

HB 194 -- "An Act relating to prisoner employment and correctional industries; and providing for an effective date."

Chairman Adams gave a brief overview of the bill. There is a HESS CS for HB 194. The bill was assigned to Representative Carney's subcommittee.

Representative Carney said they reviewed the bill and consider it to be a good piece of legislation. He said it is a real step forward in handling correctional problems in the State. The Subcommittee's recommendation is that the HESS CS be passed from the Finance Committee.

(Representative Haugen left.)

MR. CHARLES CAMPBELL, Past Director, Division of Corrections, testified there is a serious problem with overcrowding in the state's institutions at this time. He said they have had an inmate population of 1100 every day in March. He said that figure is double that of three years ago. Mr. Campbell said he is not as concerned with the lack of bed space as he is about the lack of programs and the quality of life in the institutions. He said his real concern is that a significant number of offenders in the institutions are idle. He said they are not involved in any purposeful work. He said what has saved them is that the legislature has provided funds to put together some programs. He said it makes no sense to expect adults to be confined, not doing purposeful work, and getting the idea that work is not a part of living. He said a dangerous situation can occur when the jails become overcrowded. He said the prison industries program will give inmates skills that can be utilized after they are released. He strongly urged the Committee to favorably consider this bill.

3/11/82

MR. MIKE STARK, Department of Law, advised the Department feels this bill would be an improvement over the present situation regarding prisoner employment. He advised section one of the bill lists four areas of productive employment for prisons. He advised previous law prevented the Division of Corrections from requesting inmates to do any work other than personal housekeeping. He said this bill does a turn-about and the emphasis will be on prisoners being productively employed. He said the bill provides for some gratuity payments so the prisoners will be paid for their time.

Mr. Stark commented on a pending class action lawsuit filed on behalf of prisoners in the State. He said one portion of the suit addresses the forced idleness of the prisoners. He strongly urged the passage of this bill, not only to improve the situation regarding the lawsuit, but to improve the situation for the prisoners.

MR. WALLY ROMAN, Prisoner Industries Manager, advised their position paper (copy in original bill file) includes comparisons with prison industry programs in other states. He commented on the programs in other states, and the good feeling he was aware of when walking into an environment that has such a program. Mr. Roman stated there have been several indications of support on the national level.

Mr. Roman said the Department does have a suggestion for a minor technical amendment to the bill on page 3, line 1 to add "subject to the Fiscal Procedures Act (AS 37.05)."

Representative Meekins said he worked on the Master Plan for Corrections, and he asked if the program in this bill had any relationship to the proposal in the Master Plan. Mr. Campbell said yes, it does. He said they have tried to continue that Master Plan process.

Representative Meekins asked what industries they were considering at this time. Mr. Roman said there are several listed in their position paper. He explained the legislation establishes a Commission that would evaluate each industry they would propose. He said one industry they could bring up almost immediately would be a sign making facility in Palmer. He said right now most of the State's highway signs are being produced in the state of Washington. He said they have also considered a laundry facility at the Lemon Creek institution to take care of the marine transportation system. He said 70% of the system's laundry is being done in Prince Rupert.

Mr. Roman said they are looking at industries that employ inmates in small spaces and provide them with marketable skills. He commented on other possible industries.

3/11/82

Representative Meekins asked if they are taking into consideration industries that are not only viable, but provide a type of skill that could be learned by the inmate. Mr. Campbell said they clearly want to consider the kinds of skills the inmate learns in developing an industry. He said it would not be realistic to assume they will have a high number of prisoners learning skills that will be immediately usable on jobs after they are released. He said one of their better prospects occurred last year when Representative Sutcliffe suggested they learn to repair fish net.

Mr. Campbell said they are talking about employing prisoners who perhaps never before had to get up in the morning, report to a work place, follow instructions, get along with other employees, etc. He said they feel that experience in itself has a tremendous value. He said they will do everything they can to provide usable work and training.

Mr. Stark pointed out these prisoners will be paid at least a reasonable rate, so they will have money to support their family obligations, but they will also have money to have a "stake" when they get out of prison, which will enable them a little time to find a job.

Representative Carney asked if the proposed amendment had to do with the state's fiscal procedures act. Mr. Roman said yes. Representative Carney said he thought it would be a good addition to the bill.

Representative Carney MOVED an amendment on page 3, line 1 to add: "subject to the Fiscal Procedures Act (AS 37.05)," before "use". There being NO OBJECTION, it was so ordered.

Representative Cotten said the bill repeals AS 36.10.060. He said he would assume this means they could have a work gang of prisoners working on construction projects. Mr. Stark said he thinks the concern at the time that was originally passed was the fear of competition from the private sector from prison camps. He said he thinks there is protection in this bill concerning prisoners participating in a competitive area. He commented on a situation they had last year, where the Eagle River inmates were prohibited from building a green house on the facility because of this law. He said he can't find any areas that should raise concern in either the public or private sector by deleting this law.

Representative Cotten asked if public works projects were something they had in mind for prisoner employment. Mr. Stark said they could do work on their own facilities. Representative Cotten said he didn't have a problem with that, but he didn't want to see entire prison populations put together to build roads. Mr. Stark said there is no danger of that. Representative Carney said their subcommittee thought prisoners

3/11/82

could be employed working on campgrounds, doing conservation projects, etc.

Representative Chuckwuk said he has a philosophical difference in that people are put in prison to take away their rights, and this bill would offer them opportunities they wouldn't have outside of prison. Mr. Campbell agreed that is a legitimate philosophical question. He said they are convinced the best interest of the people in the state would be served by providing people confined with a useful, purposeful activity. He said he didn't think it was a good idea to condition prisoners to the notion that work is not an important part of life.

Mr. Stark commented there will be many fewer jobs available than inmates. He said they anticipate there will be competition to become involved, and only those deserving will be able to participate.

Representative Carney asked what it cost to incarcerate a prisoner. Mr. Campbell said about \$65 to \$70 a day. Representative Carney commented that one of the provisions of the legislation is that the prisoner only gets part of the pay, some of it goes towards the cost of keeping him in the facility. So, in a sense, the program helps the prisoner pay his way. There was further discussion.

Representative Meekins commented it would appear to be more of a resort type of confinement when a prisoner lies on his bunk doing nothing, then when he has to get up and go to work. He said he doesn't think this legislation gives them any privileges.

Representative Cotten asked if the fiscal note indicated they would be hiring one new person in FY 83. Mr. Roman said the person would look at industries that would provide funds for a service or a product. He said they are looking at getting into a position where they are selling a product or service and delivering a product.

Mr. Roman commented on the fund and advised they would have to have an appropriation from the Legislature each year. He said if they start out with \$355,000 in seed money, and if there were to add \$1 million for selling products, the legislature would have to appropriate that \$1 million before they could use it.

Representative Carney MOVED to report out the HESS CS for HB 194 as amended with the \$355.5 fiscal note. There being NO OBJECTION, it was so ordered.

HB 114

The next bill to be considered was HB 114.

3/11/82

HB 114 -- "An Act relating to the office of alcoholism and drug abuse in the Department of Health and Social Services, and combining the Review Board on Alcoholism with the Advisory Board on Drug Abuse."

Chairman Adams gave a brief overview of the bill. He advised the bill was assigned to Representative Carney's subcommittee and the fiscal note is zero.

Representative Carney said the subcommittee recommends approval of this legislation. He said there would be a \$45.0 savings in travel by combining the advisory board and commission.

MR. BOB COLE, State Office of Alcohol and Drug Abuse, said most of their programs are already serving drug abusers and alcoholics. He said they are in favor of this legislation.

(Tape change, HFC 82-19, side 1.)

Representative Hurlbert MOVED AND ASKED UNANIMOUS TO AMEND THE BILL, on page 2, line 8, after "members" to insert "two of which are recovered alcoholics or drug abusers". Representative Carney OBJECTED to ask if the intent of Representative Hurlbert's motion was to have 2 of the 4 from each category be recovered alcoholics or drug abusers. Representative Hurlbert said it was, and he AMENDED THE MOTION to state that language also be included on lines 10 and 12. Representatives Meekins and Montgomery OBJECTED.

Representative Hurlbert MADE THE SAME MOTION, but with "one" in place of "two".

Representative Montgomery asked if that language created a problem. Mr. Cole said he didn't think it would be a problem. He said he thinks the importance lies in who is appointed. Representative Fuller said he thinks one of the problems is the quality and dedication of a person serving on a board. He commented that recovered alcoholics are usually very active and involved, and he wondered if they would be able to get people who would be dedicated.

Representative Meekins said he agreed with Representative Hurlbert's intent; however, he thinks the wording of the amendment might be impractical. He suggested language could be inserted on page two, after "eight members shall be persons who have evidenced an interest in the problems of alcoholism or drug abuse and who have knowledge of the social problems associated with alcoholism or drug abuse" to add wording along the lines of "in determining that interest, the governor should use as a criteria the fact that a person is a recovered alcoholic or drug abuser".

3/11/82

Representative Hurlbert said he believes they should have some people serving on the board who have direct knowledge of the situation. He MOVED THAT HIS MOTION BE AMENDED to include language along the line of what was recommended by Representative Meekins. He and Mr. Cole will work on the exact language. There being NO OBJECTION, it was so ordered.

Representative Meekins MOVED AND ASKED UNANIMOUS CONSENT that a Finance CS for HB 114 incorporating the amendment and the HESS CS be reported out. There being NO OBJECTION, it was so ordered. CSHB 114 (Finance) was reported out with a "do pass" recommendation.

RECESS

Chairman Adams called for a recess at 2:50 p.m. and recalled the meeting to order at 3:00 p.m.

(Tape HFC 82-19, side 1 #193.)

DEPARTMENT OF NATURAL RESOURCES -- BUDGET CLOSE-OUT

(Representatives Haugen and Cuddy were not present.)

The Department of Natural Resources Subcommittee members are Representative Bettisworth, Co-Chairman, Representative Haugen, Co-Chairman, and Representative Zharoff.

The Subcommittee's budget recommendation for the Department of Natural Resources was presented (see attached cutsheet -- attachment #1).

Committee members indicated that they would like the following categories held for further information.

Representative Cotton requested additional information on Management of Forest/Land/Water Resources, Land Selection/Title Defense, Parks and Recreation, Youth Conservation Corps, and Agricultural Management, State Fairs.

Co-Chairman Bettisworth informed Committee members that Co-Chairman Haugen was ill and therefore unable to attend the budget close-out hearing. Co-Chairman Bettisworth had asked Commissioner Katz to attend the meeting and address questions which the Committee might have concerning the proposed budget. Co-Chairman Bettisworth explained that it was not an easy task to find areas to cut; however, the subcommittee has presented a budget which is a few dollars within what Chairman Adams requested. He stated that the Department was very cooperative in providing the subcommittee with information concerning existing programs and anticipated needs.

3/11/82

COMMISSIONER KATZ stated that it is their view that this is not an ideal budget but realizing that the committee is not working with a set of ideal budget projections; the Department feels that they were treated very fairly by the subcommittee. He stated that the basic set of priorities which the subcommittee is recommending is a set which the Department feels very comfortable with. They protect the essential operations of the Department. He explained that given the funding ceiling, they were not able to lay the basis for some of the Department's future activities. Given the constraints placed upon the Subcommittee, the Department feels that they have a budget which they can live with. Commissioner Katz did explain that this does not mean that there will not be some programatic dislocations, particularly as they relate to activities which have a future orientation, and regretablely the Department will be forced to lay off some employees who have served the Department well.

MANAGEMENT OF FOREST/LAND/WATER RESOURCES

The first category to be discussed was Land Selection/Title Defense. Representative Cotton asked what this component includes. Commissioner Katz responded that the funding was for the implementation of the Alaska Statehood Act which authorizes the kind of activity which resulted in the states selection of 10 million acres of additional selections. The amount of money which the Subcommittee is recommending is what the Department felt was necessary given the current phase of the state's selection work which includes analyzing and prioritizing the selections already made. Representative Cotton asked if this is going to in any way slow down the land being transferred from the federal government to the state government? Commissioner Katz said that it would not since that is really a function of federal budgets and federal policy. The Department has now selected very close to the state's entitlement under the Statehood Act as amended by the D-2 bill and this will not impair the Department's effort to give a set of priorities to the Bureau of Land Management, a yearly requirement.

Representative Bettisworth stated that it has been a policy of the subcommittee to ask the Departments to pull out of their budgets ANILCA and D-2 funds. The Land Selection/Title Defense category contained the majority of these types of funds. He explained that it is the intent of the committee to present to the Legislature a special bill funding the ANILCA and D-2 lands programs.

Commissioner Katz explained that there are four components which the Department administers relating to D-2 which include: (1) The identification of public easements across native lands; (2) the protection of the public user rights in submerged lands areas; (3) native allotment evaluation and (4) the Bristol Bay Cooperative Plan. In each of the categories, the Department feels that basically they are protecting important state

3/11/82

interests including access interests with respect to easements, the user interests with respect to navigability, the allotment issue and the Bristol Bay Cooperative Plan which provides the only leverage against the federal government in the state's efforts to avoid immediate oil and gas leasing in the Bristol Bay area.

PARKS AND RECREATION

The next category to be discussed was the Youth Conservation Corp. Representative Bettisworth explained that this year according to information which the subcommittee received the YCC will be lapsing funds in the amount of \$177,000 and the subcommittee would PROPOSE that an additional \$177,000 be added to this budget to fund the program at almost continuation level. Representative Cotton SO MOVED and asked for UNANIMOUS CONSENT. There being no objection, it was SO ORDERED.

Representative Chuckwuk asked Commissioner Katz if he supports the budget. Commissioner Katz responded that he must maintain his allegiance to the Governor's proposed budget; however, he feels that under the funding constraints imposed on the committee they were treated fairly. Representative Chuckwuk stated that there are two or three other options other than this committee or the subcommittee to come up with a different figure and that he is somewhat disturbed by having the Department foregone to a conclusion on the suggestions of one committee. Commissioner Katz responded that the budget which they originally submitted was the best budget that they could come up with at the time. He further stated that it was his hope that he brings fiscal conservatism to his job and that the committee will not find him "crying" to other committees or the other house about the work which the Subcommittee has done. He stated that there still are three or four areas of concern to the Department which were considered during subcommittee hearings. The Department will feel compelled to raise those concerns again.

AGRICULTURAL MANAGEMENT

The next category to be discussed was State Fairs. Representative Cotton MOVED AND ASKED UNANIMOUS CONSENT that the State Fairs category be increased to the Governor's request level. Chairman Adams OBJECTED.

Co-Chairman Bettisworth responded that that if there are any funds available there are several groups which would like to be reinstated. In an attempt to meet the budget funding allotment the Department felt that this was one of the areas which could be cut. He stated that the subcommittee members were also opposed to cutting funding for the fairs however went with the decision of the Department. Representative Carney stated that he supports the motion as he feels that the fairs give the public an opportunity to participate in agricultural related areas. Co-

3/11/82

Chairman Bettisworth referred the committee members to the chart listing the breakdown of grants to state fairs (see attached -- attachment #2) and stated that item number 2, Bethel, has not been able to receive the previous award of \$15,000 last year due to irregularities in the reporting process and probably will not receive the funds. There has also been a strong question as to whether the Fur Rendezvous in Anchorage qualifies as a state fair. He stated that if they are going to support state fairs it should not be a "catch all" for other projects. Representative Carney stated that he agrees with the comments made by Co-chairman Bettisworth. He explained that he has a personal interest in agricultural related areas, specifically fairs, and feels that it needs to be a policy decision of the committee if they are going to fund all festivities or since it is under agriculture limit it to fairs that deal with agricultural displays, etcetera. Representative Fuller stated that he feels strongly that it should be purely a state fair and objects to monies being spent if it isn't a state fair in the true sense.

The QUESTION was called for. Two in FAVOR (Cotton, Carney) and seven OPPOSED. The MOTION FAILED.

Representative Carney MOVED to fund the Kodiak fair, Palmer fair, and Tanana Valley fair which are agricultural related. The QUESTION was called for. Four in FAVOR (Meekins, Cotton, Carney, Chuckwuk) and five OPPOSED (Adams, Montgomery, Bettisworth, Fuller, Hurlbert). The MOTION FAILED.

RECESS

Chairman Adams called a recess at 3:20 p.m. The meeting reconvened at 3:26 p.m.

DEPARTMENT OF NATURAL RESOURCES -- BUDGET CLOSE-OUT

Co-Chairman Bettisworth MOVED AND ASKED UNANIMOUS CONSENT that the Subcommittee's recommendations for the Department of Natural Resources be accepted. There being NO OBJECTION it was so ordered.

(Tape 82-19, side 1, #549)

UNIVERSITY OF ALASKA -- BUDGET CLOSE-OUT

(Representatives Haugen and Cuddy were not present.)

The University of Alaska Subcommittee members are Representative Meekins, Chairman, Representatives Martin, Rogers, Fanning and Montgomery.

The Subcommittee's budget recommendations for the University of Alaska was presented (see attached -- attachment #3,4,5,6).

3/11/82

Chairman Meekins began by introducing the Board of Regents members who were in attendance. He stated that the process the subcommittee used was to ask the University administration to submit a budget which would meet the \$134 million total. Chairman Meekins stated that the University did a very good job of meeting that request and the total budget is \$134 million to the dollar. The budget does meet the accreditation needs of the University of Juneau which was the highest priority of the Regents. The budget allows for a 4 percent enrollment increase. The estimated enrollment increase is estimated to be 10-11 percent. If there were to be a tuition increase, the subcommittee has language which would ask that the tuition increase be totally used for increased instruction.

Chairman Meekins stated that there is a transfer included in the budget. Last year \$981,000 was appropriated to the Department of Administration for telecommunications. It was R.S.A.'d to the University. This transfer has been a part of their budget but has not shown up. This year it has been cut from the Department of Administration and included in the University budget. The subcommittee did not raise the ceiling or adjust last year so essentially the University has had to absorb that one million dollars.

Chairman Meekins explained that the cutsheet for the University (attachment #3) provides a column showing Legislative Recommendations. One of the committee's recommendations to the full finance committee is to have the number of appropriations reduced from last years level of 13 to 5 appropriations and the allocations down from 60 to 19. This would provide the University with greater flexibility. In order for the committee members to be able to track from year to year, the subcommittee distributed it as they normally would do in the Legislative recommendation column. The house column is the actual recommendation for acceptance which is collapsing those numbers into fewer numbers of allocations and appropriations.

REPRESENTATIVE ROGERS stated that his only disagreement with the budget is with the bottom line. He thought that the committee had been rather generous in that respect compared to some other budgets. He is very supportive of the budget and feels that it is clearly a step towards deregulation of the University and giving responsibility to the setting of academic priorities to the University administration and Board of Regents.

REPRESENTATIVE MARTIN also approved of the budget but his only concern was the hope that the Legislature would continue the trend to try to increase productivity for the amount of dollars spent.

Representative Montgomery MOVED to approve the Subcommittee's recommendations for the University of Alaska and that it be incorporated into the Finance CS for HB 66 (expenses of state

3/11/82

government). He asked UNANIMOUS CONSENT. There being NO OBJECTION it was so ordered.

Chairman Adams asked Subcommittee Chairman Meekins to look at X-CED, the CES Native Leadership Program, University Within Walls and salary differences between the administration and any differences in salary between men and women working at the University. He asked that Representative Meekins report back to him within two weeks.

ADJOURNMENT

The meeting adjourned at 3:45 p.m.

Tape HFC 82-18, side 1 #215 to end
82-18, side 2 #001 to end
HFC 82-19, side 1 #001 to #678

3/11/82

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

* * * * * DEPARTMENT OF NATURAL RESOURCES * * * * *

SHORT
FORM
PAGE

BUDGET COMPONENT

FY82 ATH

CONT.

REQUEST

GOVERNOR

HOUSE

NATURAL RESOURCE MANAGEMENT

MANAGEMENT & ADMINISTRATION

2	COMMISSIONERS OFFICE	-435.5	1150.8	1150.8	1150.8	1081.8
4	ADMINISTRATIVE SERVICES	1655.1	1883.9	2062.7	2073.9	1840.9
6	INFORMATION/RECORDS MGMT	3752.6	4764.0	5253.6	5286.3	4861.2
8	STATE RECORDER	1306.2	1563.2	1563.2	1566.1	1563.2
10	RESEARCH/SPECIAL PROJECTS	2775.7	2454.5	2454.5	2475.1	2005.9
12	DESIGNATED GRANTS	524.8				
	*** PROGRAM TOTAL ***	9578.9	11816.4	12484.8	12552.2	11353.0
	GAS PIPELINE SURVEILLANCE					
16	GAS PIPELINE REVIEW	9218.8	9230.8	13043.5	13050.7	13050.7
18	PIPELINE SURVEILLANCE-SPEC. PR	236.6	261.9	261.9	261.9	261.9
	*** PROGRAM TOTAL ***	9455.4	9492.7	13305.4	13312.6	13312.6
	MGMT OF FOREST/LAND/WATER RES					
22	LAND SELECTION/TITLE DEFENSE	2020.1	2146.3	2146.3	2147.2	379.1
24	LAND DISPOSALS/FEE TITLE	18050.7	3719.8	3719.8	3725.4	3420.5
26	LIMITED LAND DISPOSALS	2226.9	2553.3	2553.3	2559.8	2457.0
28	WATER INVENTORY/ASSESSMENT	444.1	330.8	330.8	330.8	71.0
30	WATER USE MANAGEMENT	1535.3	1589.0	1689.0	1689.0	1397.8
32	TIMBER INVENTORY/SALES	1727.4	1809.9	1809.9	1725.2	1566.1
34	FOREST RESEARCH	142.3	165.5	165.5	165.5	137.2
36	FIRE PROTECTION/SUPPRESSION	3198.1	3376.7	4529.6	4532.6	3376.7
38	FOREST LAND & WATER ADMIN.	1540.6	1872.1	2035.5	2072.9	1923.2
	*** PROGRAM TOTAL ***	30885.5	17563.4	18979.7	18948.4	14728.6
	MGMT OF MINERAL RESOURCES					
42	LEASE SALES	1811.4	1842.5	1842.5	1857.8	1715.1
44	LEASE SALE ADMIN	1259.0	1206.9	1371.3	1374.7	1299.0
46	GEOLOGIC. HAZARD IDENT.	418.2	415.9	415.9	417.0	
48	GEOL. INVESTIGATIONS/MAPPING	1330.5				
50	MINERAL DEVELOPMENT	914.5	963.7	1062.0	1066.0	1051.9
52	MINERAL RESOURCES ADMIN.	652.5	1066.2	1066.2	1082.0	1002.2
	*** PROGRAM TOTAL ***	6386.1	5495.2	5757.9	5797.5	5068.2
	PARKS & RECREATION					
56	YOUTH CONSERVATION CORPS	346.7	343.8	343.8	345.3	
58	HISTORIC RESOURCE MGMT.	424.8	417.2	417.2	420.1	151.6
60	PARK DESIGN/DEVELOPMENT	1491.5	438.1	438.1	443.2	314.3
62	PARK MAINTENANCE & OPER	3189.5	3607.9	3984.4	4007.4	3782.9
64	PARKS ADMINISTRATION	451.7	468.5	550.1	560.8	440.4
	*** PROGRAM TOTAL ***	5904.2	5275.5	5733.6	5776.8	4689.2
	CIP POSITIONS & ASSOC COSTS					
66	PROJECT DIRECT CHG POSITIONS					
68	CIP OVERHEAD POSITIONS & COSTS					
	*** PROGRAM TOTAL ***					

*** CATEGORY TOTAL ***

62210.1

49643.2

56261.4

56387.5

49151.6

PAGE 22

3-11-82

001

Attachment #1

STATE OF ALASKA -- OPERATING BUDGET SUMMARY
 *** DEPARTMENT OF NATURAL RESOURCES ***

14:10

3/09/82

SHORT FORM PAGE	BUDGET COMPONENT	FY82 ATH	CONT.	REQUEST	GOVERNOR	HOUSE	HOUSE - GOVERNOR COMPARISON
NATURAL RESOURCE MANAGEMENT							
	MANAGEMENT & ADMINISTRATION						
2	COMMISSIONERS OFFICE	-435.5	1150.8	1150.8	1150.8	1081.8	-69.0 -6.0%
4	ADMINISTRATIVE SERVICES	1655.1	1883.9	2062.7	2073.9	1840.9	-233.0 -11.1%
6	INFORMATION/RECORDS MGMT	3752.6	4764.0	5253.6	5286.3	4861.2	-425.1 -8.0%
8	STATE RECORDER	1306.2	1563.2	1563.2	1566.1	1563.2	-2.9 -0.1%
10	RESEARCH/SPECIAL PROJECTS	2775.7	2454.5	2454.5	2475.1	2005.9	-469.2 -19.0%
12	DESIGNATED GRANTS	524.8					
	*** PROGRAM TOTAL ***	9578.9	11816.4	12484.8	12552.2	11353.0	-1199.2 -9.5%
	GAS PIPELINE SURVEILLANCE						
16	GAS PIPELINE REVIEW	9218.8	9230.8	13043.5	13050.7	13050.7	
18	PIPELINE SURVEILLANCE-SPEC. PR	236.6	261.9	261.9	261.9	261.9	
	*** PROGRAM TOTAL ***	9455.4	9492.7	13305.4	13312.6	13312.6	
	MGMT OF FOREST/LAND/WATER RES						
22	LAND SELECTION/TITLE DEFENSE	2020.1	2146.3	2146.3	2147.2	379.1	-1768.1 -82.2%
24	LAND DISPOSALS/FEE TITLE	18050.7	3719.8	3719.8	3725.4	3420.5	-304.9 -8.1%
26	LIMITED LAND DISPOSALS	2226.9	2553.3	2553.3	2559.8	2457.0	-102.8 -4.0%
28	WATER INVENTORY/ASSESSMENT	444.1	330.8	330.8	330.8	71.0	-259.8 -78.5%
30	WATER USE MANAGEMENT	1535.3	1589.0	1689.0	1689.0	1397.8	-291.2 -17.1%
32	TIMBER INVENTORY/SALES	1727.4	1809.9	1809.9	1725.2	1566.1	-159.1 -9.1%
34	FOREST RESEARCH	142.3	165.5	165.5	165.5	137.2	-28.3 -17.0%
36	FIRE PROTECTION/SUPPRESSION	3198.1	3376.7	4529.6	4532.6	3376.7	-1155.9 -25.5%
38	FOREST LAND & WATER ADMIN.	1540.6	1872.1	2035.5	2072.9	1923.2	-149.7 -7.1%
	*** PROGRAM TOTAL ***	30885.5	17563.4	18979.7	18948.4	14728.6	-4219.8 -22.2%
	MGMT OF MINERAL RESOURCES						
42	LEASE SALES	1811.4	1842.5	1842.5	1857.8	1715.1	-142.7 -7.6%
44	LEASE SALE ADMIN	1259.0	1206.9	1371.3	1374.7	1299.0	-75.7 -5.5%
46	GEOLOGIC. HAZARD IDENT.	418.2	415.9	415.9	417.0		-417.0 -100.0%
48	GEOLOG. INVESTIGATIONS/MAPPING	1330.5					
50	MINERAL DEVELOPMENT	914.5	963.7	1062.0	1066.0	1051.9	-14.1 -1.2%
52	MINERAL RESOURCES ADMIN.	652.5	1066.2	1066.2	1082.0	1002.2	-79.8 -7.3%
	*** PROGRAM TOTAL ***	6386.1	5495.2	5757.9	5797.5	5068.2	-729.3 -12.5%
	PARKS & RECREATION						
56	YOUTH CONSERVATION CORPS	346.7	343.8	343.8	345.3		-345.3 -100.0%
58	HISTORIC RESOURCE MGMT.	424.8	417.2	417.2	420.1	151.6	-268.5 -63.8%
60	PARK DESIGN/DEVELOPMENT	1491.5	438.1	438.1	443.2	314.3	-128.9 -29.0%
62	PARK MAINTENANCE & OPER	3189.5	3607.9	3984.4	4007.4	3782.9	-224.5 -5.5%
64	PARKS ADMINISTRATION	451.7	468.5	550.1	560.8	440.4	-120.4 -21.5%
	*** PROGRAM TOTAL ***	5904.2	5275.5	5733.6	5776.8	4689.2	-1087.6 -18.7%
	CIP POSITIONS & ASSOC COSTS						
66	PROJECT DIRECT CHG POSITIONS						
68	CIP OVERHEAD POSITIONS & COSTS						
	*** PROGRAM TOTAL ***						
	*** CATEGORY TOTAL ***	62210.1	49643.2	56261.4	56387.5	49151.6	-7235.9 -12.7%

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

* * * * * DEPARTMENT OF NATURAL RESOURCES * * * * *

SHORT FORM PAGE	BUDGET COMPONENT	FY82 ATH	CONT.	REQUEST	GOVERNOR	HOUS
	DEVELOPMENT					
	AGRICULTURAL MANAGEMENT					
72	AGRICULTURAL DEVELOPMENT	342.7	513.0	542.8	513.0	419
74	AG. FINANCING & PROMOTION	359.9	387.1	572.3	575.6	575
76	AG RESEARCH/EXTENSION SVCS	743.1	710.8	710.8	713.5	710
78	STATE FAIRS	333.1	333.1	333.1	333.1	
80	DIRECTORS OFFICE	488.5	209.5	209.5	212.9	196
82	DESIGNATED GRANTS	52.7				
	*** PROGRAM TOTAL ***	2320.0	2153.5	2368.5	2348.1	1902
	ENERGY MANAGEMENT					
86	COAL DEVELOPMENT	258.9	267.5	336.1	270.8	136
88	GEO THERMAL DEVELOPMENT	210.0	218.2	218.2	218.2	31
	*** PROGRAM TOTAL ***	468.9	485.7	554.3	489.0	167
	*** CATEGORY TOTAL ***	2788.9	2639.2	2922.8	2837.1	2069
	***** TOTAL EXPENDITURES	64999.0	52282.4	59184.2	59224.6	51221
	***** FUNDING					
	FED. RECEIPT	890.6	635.0	635.0	635.0	568
	GENERAL FUND	54238.5	41306.7	44210.6	44240.5	36303
	OTHER FUNDS	9869.9	10340.7	14338.6	14349.1	14349

3-11-82

Attachment #1

STATE OF ALASKA -- OPERATING BUDGET SUMMARY
 * * * * * DEPARTMENT OF NATURAL RESOURCES * * * * *

14:11

3/09/82

SHORT
FORM
PAGE

BUDGET COMPONENT

FY82 ATH

CONT.

REQUEST

GOVERNOR

HOUSE

HOUSE - GOVERNOR
COMPARISON

DEVELOPMENT

AGRICULTURAL MANAGEMENT

72	AGRICULTURAL DEVELOPMENT	342.7	513.0	542.8	513.0	419.0	-94.0	-18.2%
74	AG. FINANCING & PROMOTION	359.9	387.1	572.3	575.6	575.6		
76	AG RESEARCH/EXTENSION SVCS	743.1	710.8	710.8	713.5	710.8	-2.7	-0.3%
78	STATE FAIRS	333.1	333.1	333.1	333.1		-333.1	-100.0%
80	DIRECTORS OFFICE	488.5	209.5	209.5	212.9	196.9	-16.0	-7.5%
82	DESIGNATED GRANTS	52.7						
	*** PROGRAM TOTAL ***	2320.0	2153.5	2368.5	2348.1	1902.3	-445.8	-19.0%
	ENERGY MANAGEMENT							
86	COAL DEVELOPMENT	258.9	267.5	336.1	270.8	136.1	-134.7	-49.6%
88	GEO THERMAL DEVELOPMENT	210.0	218.2	218.2	218.2	31.0	-187.2	-85.7%
	*** PROGRAM TOTAL ***	468.9	485.7	554.3	489.0	167.1	-321.9	-65.7%
	*** CATEGORY TOTAL ***	2788.9	2639.2	2922.8	2837.1	2069.4	-767.7	-27.0%
	***** TOTAL EXPENDITURES	64999.0	52282.4	59184.2	59224.6	51221.0	-8003.6	-13.5%
	***** FUNDING							
	FED. RECEIPT	890.6	635.0	635.0	635.0	568.8	-66.2	-10.3%
	GENERAL FUND	54238.5	41306.7	44210.6	44240.5	36303.1	-7937.4	-17.8%
	OTHER FUNDS	9869.9	10340.7	14338.6	14349.1	14349.1		

Breakdown of Grants to
State Fairs

1. Anchorage 4-H	\$ 9,820.00
2. Bethel	15,000.00
3. Fur Rendezvous	73,650.00
4. Gulcanna	9,820.00
5. Juneau 4-H	491.00
6. Kodiak	34,370.00
7. Ninilchik	18,953.00
8. Palmer	71,274.00
9. S.E. Alaska State Fair	31,915.00
10. Tanana Valley	73,650.00
11. Willow Winter Carnival	<u>2,376.00</u>
	\$333,100.00

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

08:01

3/11/82

***** UNIVERSITY OF ALASKA *****

SHORT FORM PAGE	BUDGET COMPONENT	FY82 ATH	REQUEST	GOVERNOR	HOUSE	LEG REC	HOUSE - GOVERNOR COMPARISON
UNIVERSITY OF ALASKA							
STATEWIDE ADMINISTRATION							
2	STATEWIDE ADMINISTRATION				17880.2	17880.2	100.0%
4	STATEWIDE INSTITUTION SUPPORT	828.1	7235.9	6963.9		6910.3	-6963.9
6	DATA PROCESSING SERVICE	5159.0	5547.2	5306.3		5278.9	-5306.3
8	RISK MANAGEMENT	1072.7	1134.2	1134.2		1034.2	-1134.2
10	SPECIAL STATEWIDE PROGRAMS		3958.4	2568.1		2569.3	-2568.1
12	DESIGNATED GRANTS	200.0					
14	FISHERIES INDUSTRIAL TECH CENT	175.0					
16	REGENTS STAFF AND SUPPORT						
18	RECRUITMENT - RELOCATION						
20	FACULTY SABBATICAL LEAVE PROG.						
22	UNDISTRIBUTED SALARY ADJUST.		9846.9	9846.9		2087.5	-9846.9
	*** PROGRAM TOTAL ***	7434.8	27722.6	25819.4	17880.2	17880.2	-7939.2
	UA - FAIRBANKS						-30.6%
26	ORGANIZED RESEARCH				45931.6	45931.6	100.0%
28	GENERAL UNIVERSITY RESEARCH	47107.1	45914.6	45580.8		45533.9	-45580.8
30	SPECIAL STATE PROJECTS	689.2	620.7	620.7		397.7	-620.7
	*** PROGRAM TOTAL ***	47796.3	46535.3	46201.5	45931.6	45931.6	-269.9
	UA - FAIRBANKS						-0.5%
34	UA - FAIRBANKS				60885.8	60885.8	100.0%
36	INSTRUCTION	18317.0	22481.2	20935.8		20687.4	-20935.8
38	PUBLIC SERVICE-KUAC	1575.3	1587.6	1587.6		1543.4	-1587.6
40	ACADEMIC SUPPORT	6674.0	7279.1	7192.6		6653.7	-7192.6
42	STUDENT SERVICES	2912.9	3684.1	3478.1		3456.7	-3478.1
44	ADMIN. AND PLANT	20420.2	21607.7	21142.0		21140.0	-21142.0
46	AUXILIARY SERVICES	5879.7	6412.9	6412.9		6412.9	-6412.9
48	INTERCOLLEGIATE ATHLETICS	1009.5	1043.6	1043.6		991.7	-1043.6
50	DEPARTMENT OF JOURNALISM	260.0					
	*** PROGRAM TOTAL ***	57048.6	64096.2	61792.6	60885.8	60885.8	-906.8
	UA - ANCHORAGE						-1.5%
54	UA - ANCHORAGE				28136.3	28136.3	100.0%
56	INSTRUCTION	8759.5	10518.7	9561.0		9483.1	-9561.0
58	RES & PROF CENTERS	1097.6	1200.6	1118.0		1113.0	-1118.0
60	ACADEMIC SUPPORT	3585.3	3892.1	3634.4		3399.7	-3634.4
62	STUDENT SERVICES	1393.8	1443.7	1363.9		1363.1	-1363.9
64	ADMIN. AND PLANT	7607.1	9478.8	9094.7		9075.0	-9094.7
66	AUXILIARY SERVICES	1504.2	1783.5	1783.5		1783.5	-1783.5
68	INTERCOLL ATHLETICS	1672.6	1914.9	1765.8		1780.9	-1765.8
	*** PROGRAM TOTAL ***	25620.1	30232.3	28321.3	28136.3	27998.3	-185.0
	UA - JUNEAU						-0.6%
72	UA - JUNEAU				10342.0	10342.0	100.0%
74	INSTRUCTION	5122.3	6720.8	5838.4		5653.9	-5838.4
76	ACADEMIC SUPPORT	1016.5	1196.4	1171.4		1050.1	-1171.4
78	STUDENT SERVICES	287.7	587.5	429.2		393.1	-429.2
80	ADMIN. AND PLANT	2300.2	3076.0	2908.7		2863.9	-2908.7

3-11-82
Attachment #3

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

08:01

3/11/82

***** UNIVERSITY OF ALASKA *****

SHORT FORM PAGE	BUDGET COMPONENT	FY82 ATH	REQUEST	GOVERNOR	HOUSE	LEG. REC	HOUSE - GOVERNOR COMPARISON	
82	AUXILIARY SERVICES	232.6	381.0	381.0		381.0	-381.0	-100.0%
84	INTERCOLLEGIATE ATHLETICS	214.1	233.4	233.4			-233.4	-100.0%
	*** PROGRAM TOTAL ***	9173.4	12195.1	10962.1	10342.0	10342.0	-620.1	-5.6%
	CC, COOP EXT & RURAL ED							
88	STATEWIDE STAFF & SUPPORT				5680.6		5680.6	100.0%
90	STATEWIDE STAFF & SUPPORT	1910.1	1773.7	1692.0		1617.4	-1692.0	-100.0%
92	COMMUNITY COLL. CONTRACT	429.6	317.5	317.5		317.5	-317.5	-100.0%
94	INSTRUCTION	158.8	530.5	530.5		384.7	-530.5	-100.0%
96	ACADEMIC SUPPORT	815.8	3524.7	3416.0		3361.0	-3416.0	-100.0%
98	FISHERY TECHNOLOGY CENTER		145.6					
100	STUDENT LOANS, SCHOLARSHIPS							
102	AUXILIARY SERVICES							
	*** PROGRAM TOTAL ***	3314.3	6292.0	5956.0	5680.6	5680.6	-275.4	-4.5%
	CC, COOP EXT & RURAL ED							
106	ANCHORAGE CC				19923.8		19923.8	100.0%
108	INSTRUCTION	11622.7	12671.7	12016.6		11861.3	-12016.6	-100.0%
110	CHUGIAK-EAGLE RIVER	275.0	279.5	279.5		250.3	-279.5	-100.0%
112	OTHER	7598.5	7464.6	7302.3		7132.2	-7302.3	-100.0%
	*** PROGRAM TOTAL ***	19496.2	20415.8	19598.4	19923.8	19243.8	325.4	1.6%
	CC, COOP EXT & RURAL ED							
116	CHUKCHI COMMUNITY COLLEGE			750.0	750.0	750.0		
	CC, COOP EXT & RURAL ED							
120	KENAI PENINSULA CC				3887.0		3887.0	100.0%
122	INSTRUCTION	2422.7	2711.0	2633.2		2583.5	-2633.2	-100.0%
124	OTHER	1124.2	1282.1	1230.3		1303.5	-1230.3	-100.0%
	*** PROGRAM TOTAL ***	3546.9	3993.1	3863.5	3887.0	3887.0	23.5	0.5%
	CC, COOP EXT & RURAL ED							
128	KETCHIKAN CC				1453.3		1453.3	100.0%
130	INSTRUCTION	924.7	1083.0	956.7		869.4	-956.7	-100.0%
132	OTHER	584.0	662.3	610.9		583.9	-610.9	-100.0%
	*** PROGRAM TOTAL ***	1508.7	1745.3	1567.6	1453.3	1453.3	-114.3	-7.2%
	CC, COOP EXT & RURAL ED							
136	KODIAK CC				2078.8		2078.8	100.0%
138	INSTRUCTION	1298.7	1462.7	1322.9		1160.6	-1322.9	-100.0%
140	OTHER	720.5	827.4	793.3		912.0	-793.3	-100.0%
	*** PROGRAM TOTAL ***	2019.2	2290.1	2116.2	2078.8	2072.6	-37.4	-1.7%
	CC, COOP EXT & RURAL ED							
144	KUSKOKWIM CC				4188.3		4188.3	100.0%
146	INSTRUCTION	2604.4	2549.3	2549.3		2603.4	-2549.3	-100.0%
148	KUSKOKWIM YUPIK LANGUAGE CTR	149.1	147.2	147.2		151.8	-147.2	-100.0%
150	OTHER	1529.8	1482.3	1482.3		1433.1	-1482.3	-100.0%
	*** PROGRAM TOTAL ***	4283.3	4178.8	4178.8	4188.3	4188.3	9.5	0.1%
	CC, COOP EXT & RURAL ED							
154	MATANUSKA-SUSITNA CC				1754.8		1754.8	100.0%
156	INSTRUCTION	1164.7	1311.4	1202.5		1037.0	-1202.5	-100.0%
158	OTHER	640.7	773.7	686.9		712.8	-686.9	-100.0%
	*** PROGRAM TOTAL ***	1805.4	2085.1	1889.4	1754.8	1749.8	-134.6	-7.0%

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

08:01

3/11/82

***** UNIVERSITY OF ALASKA *****

SHORT FORM PAGE	BUDGET COMPONENT	FY82 ATH	REQUEST	GOVERNOR	HOUSE	LEG. REC	HOUSE - GOVERNOR COMPARISON	
162	CC, COOP EXT & RURAL ED							
164	NORTHWEST CC				2093.3		2093.3	100.0%
166	INSTRUCTION	1418.1	1550.8	1440.2		1442.6	-1440.2	-100.0%
	OTHER	694.2	790.7	730.6		650.7	-730.6	-100.0%
	*** PROGRAM TOTAL ***	2112.3	2341.5	2170.8	2093.3	2093.3	-77.5	-3.5%
170	CC, COOP EXT & RURAL ED							
172	PRINCE WILLIAM SOUND CC				1791.2		1791.2	100.0%
174	INSTRUCTION	1202.8	1272.5	1122.3		1115.0	-1122.3	-100.0%
	OTHER	440.0	794.8	695.8		676.2	-695.8	-100.0%
	*** PROGRAM TOTAL ***	1642.8	2067.3	1818.1	1791.2	1791.2	-26.9	-1.5%
178	CC, COOP EXT & RURAL ED							
180	SIITKA CC				1108.0		1108.0	100.0%
182	INSTRUCTION	645.1	770.1	658.6		619.1	-658.6	-100.0%
	OTHER	464.9	543.2	517.1		488.9	-517.1	-100.0%
	*** PROGRAM TOTAL ***	1110.0	1313.3	1175.7	1108.0	1108.0	-67.7	-5.7%
186	CC, COOP EXT & RURAL ED							
188	TANANA VALLEY CC				4944.2		4944.2	100.0%
190	INSTRUCTION	3249.1	3606.9	3279.1		3150.2	-3279.1	-100.0%
	OTHER	1552.6	2119.5	1795.1		1789.0	-1795.1	-100.0%
	*** PROGRAM TOTAL ***	4801.7	5726.4	5074.2	4944.2	4939.2	-130.0	-2.5%
194	CC, COOP EXT & RURAL ED							
196	RURAL EDUCATION				4488.5		4488.5	100.0%
198	INSTRUCTION	2129.8	2549.5	2168.5		2121.6	-2168.5	-100.0%
200	RESEARCH & PROFESSIONAL CENTRS	1327.4	1402.0	1402.0		1292.2	-1402.0	-100.0%
	OTHER	976.8	1169.7	1022.4		1018.9	-1022.4	-100.0%
	*** PROGRAM TOTAL ***	4434.0	5121.2	4592.9	4488.5	4432.7	-104.4	-2.2%
204	CC, COOP EXT & RURAL ED							
	COOPERATIVE EXTEN. SERVICE	4974.9	5686.1	5363.1	4999.5	4995.5	-363.6	-6.7%
208	CIP POSITIONS & ASSOC COST							
210	PROJECT DIRECT CHG POSITIONS							
	CIP OVERHEAD POSITIONS & COSTS							
	*** PROGRAM TOTAL ***							
	*** CATEGORY TOTAL ***	202122.9	244037.5	233211.6	222317.2	221423.2	-10894.4	-4.6%
	***** TOTAL EXPENDITURES	202122.9	244037.5	233211.6	222317.2	221423.2	-10894.4	-4.6%
	***** FUNDING							
	FED. RECEIPT	33067.0	33268.9	35813.2	36062.2	35813.2	249.0	0.6%
	GENERAL FUND	124759.1	157691.5	145788.4	134000.0	134000.0	-11788.4	-8.0%
	OTHER FUNDS	44296.8	53077.1	51610.0	52255.0	51610.0	645.0	1.1%

Attachment #3

Sec. _____. University of Alaska student fees in excess of appropriations made in Sec. _____ of this Act are appropriated to the University of Alaska conditioned upon the expenditure of the receipts at the campus which generates the additional fees.

Sec. _____. Notwithstanding the provisions of AS 37.07.080(e), each appropriation to the University of Alaska is subject to reallocation by the university administration under procedures established by the Board of Regents and the division of budget and management. Transfers may not be made between appropriations except as provided in an Act making transfers between appropriations.

Notwithstanding the provisions of AS 37.25.010, federal receipts budgeted in the organized research appropriation shall continue for the life of the specific grant or contract. The unexpended balance of funds appropriated from other sources shall lapse December 31, 1983. The University shall establish a reporting system to provide state fiscal year reports on these appropriations.

UNIVERSITY OF ALASKA

Distribution of \$134,000.0 General Fund:

FY 82 Authorized Budget		\$124,759.1
Less one-time appropriations		(428.9)
Sewage overrun - UAF	\$228.9	
Ak. Native Human Resource		
Develop. - one-time grant	200.0	
		\$124,330.2
Maintenance of Salary Schedules & Inflationary		7,869.9
Increases		
Less Equipment Reduction		(3,434.3)
		\$128,765.8
Telecommunications transfer from Department		
of Administration		981.0
		\$129,746.8
Plus: Chukchi Community College		750.0
	SUBTOTAL	\$130,496.8

Leaves approximately 3.5 million for distribution:

Plus: New Facilities Support	696.5
------------------------------	-------

Breakdown

UAF-Seward Marine Education Center	\$ 80.8
UAJ-Marine & Technology core	
building operations	271.2
Kenai CC-Support Cost Phase V	116.6
Kodiak CC-Adult learning center	127.9
Mat-Su CC-new facility	52.6
Pr. William Sound-new facility	47.4

\$131,193.3

Plus: Restore Base Adjustments	950.0
--------------------------------	-------

Breakdown
Statewide

Data Processing Phase Bank	\$ 50.0
UAF	
Teacher Training Rural Alaska	50.0
Alaska Native Studies	100.0
Journalism Faculty & Support Costs	75.0
Campus Recreation Program	40.0
Student Recruitment-Catalog	30.0
Subtotal	\$295.0

(continued)

<u>CCREE</u>	
Petroleum-Technology Program	\$150.0
ACC-part-time instruction	50.0
ACC-women's center	50.0
Mat-Su-Agriculture Instruction	75.0
Rural Education-Bilingual & Ak.	
Native Language materials	150.0
CES-Rural Agricultural Program	130.0
Subtotal	<u>\$605.0</u>

\$132,143.3

Add: Increments to meet accreditation needs
& enrollment pressures

1,856.7

\$134,000.0

Breakdown of Increments

Statewide

Communications Network Maintenance Support	\$	52.0
--	----	------

UA/Fairbanks Increments

155.0

College of Arts & Sciences	
-- Asst. Prof. of Art	\$ 47.8

School of Management	
--Asst. Prof. of Accounting	39.6

Petroleum Engineering faculty and support costs	<u>67.6</u>
--	-------------

UA/Anchorage Increments

\$ 700.0

Research & Instructional Development including support costs for library books, telephone services, etc.	\$196.5
---	---------

Engineering Program Development including support costs for library, financial aid counselor, clerical support & financial aid for students	<u>503.5</u>
---	--------------

UA/Juneau Increments

\$ 750.0

Institutional Support & Development for accreditation	\$146.0
--	---------

Accreditation needs in student services	157.7
--	-------

Accreditation needs in Division of business--3 faculty positions	162.5
---	-------

(continued)

Accreditation needs for Division of Education--secondary education	48.9	
Accreditation needs for Division of Natural Sciences--2 faculty positions & support costs	121.8	
Accreditation needs for faculty and staff development	<u>113.1</u>	
<u>CCREE Increments</u>		\$ 199.7
ACC--developmental studies program	\$ 41.7	
ACC--aviation maintenance program - technician	33.1	
Ketchikan CC--Student Services Director -- meet accreditation needs	30.0	
Telecommunications--media services	75.0	
Kodiak CC--learning center	10.0	
Mat-Su--Library Support costs	<u>9.9</u>	

HOUSE FINANCE COMMITTEE

March 16, 1982

1:30 p.m.

(Tape HFC 82-19, Side 2, #001)

PRESENT

Members of the Committee in attendance: Representatives Adams, Cotton, Meekins, Fuller, Montgomery, Hurlbert, Bettisworth, Carney, Haugen, and Chuckwuk. (Representative Cuddy arrived later in the meeting.)

ALSO PRESENT: Representatives Grussendorf and Martin; Arthur Snowden, Administrative Director, Alaska Court System; Danith Arnoldt, Deputy Director, Division of Elections and Bob Schroeder, Fiscal Analyst, Legislative Finance.

Chairman Adams called the meeting to order and informed committee members that budget close-out for the Department of Fish and Game has been rescheduled for Wednesday, March 17 at 1:00 p.m.. The following bills will be considered on Thursday, March 18: HB 438, HCR 56, HB 650, HB 684 and HB 685. Chairman Adams stated that the budget for the Legislature is not completed therefore will not be considered on Thursday, March 18. It will be considered next week.

BILL ASSIGNMENTS

Chairman Adams made the following bill assignments:

HB 649 - Re: Regions of DOTPF - BETTISWORTH

HB 2 - Re: Use and Disposal/State Land - BETTISWORTH

HB 37 - Repealing all state taxes except oil and gas corp.
income tax - CUDDY

HB 618 - State aid to municipalities/capital projects - CUDDY

HB 492 - Re: Student Loans; establishing a state loan program
for part-time postsecondary education students; amending
the scholarship loan program - MONTGOMERY

HB 704 - Continuing existence/ Real Estate Commission - CUDDY

HB 624

HB 624 --"An Act relating to judicial retention elections;
and providing for an effective date."

Chairman Adams provided a brief overview of the bill which amends the statutes relating to approval or rejection of judges. He stated that one of the major changes is expanding who may vote in a judges' retention election. He indicated that the Division of Elections' fiscal note indicates additional costs of \$66,000 to cover increased postage, printing and advertising costs as a result of the increased number of judicial election districts. Both the Department of Law and Alaska Court System indicate no additional costs.

REPRESENTATIVE GRUSSENDORF, sponsor of the bill, stated that this legislation arose out of a problem that was very obvious in Southeast Alaska and later seen as a statewide problem. He explained that what has been happening is that some judges who are up for retention elections are actually being elected by people which that judge does not serve. There is no way by which the population which that judge serves has exclusive retaining decisions over that judge. He explained that in some cases the elections are very close and there are feelings that perhaps decision of retaining that judge actually occurred outside that area in which the judge normally serves. Consequently, the legislation is an attempt to help the Judicial Council by creating districts where the judge resides and then allows latitude by the Judicial Council to determine a judge's routine and frequency at which a judge may go out of that district. If the Judicial Council determines that a judge quite frequently and routinely on a schedule goes into another district then that judge's name should be on the ballot for that district to decide as well.

Representative Grussendorf explained that constitutionally speaking they have found no problems with the bill. He stated that the Judicial Committee had about three work sessions and there were no committee substitutes. He explained that the Division of Elections submitted a fiscal note but he has an understanding that there is belief that the fiscal note of \$66,000 really would not be necessary.

Chairman Adams asked if the Division of Elections fiscal note of February 3, 1982 should be included? Representative Grussendorf stated that he was not sure what the costs of the election might be but questions the amount of \$66,000. He stated that at the same time it might be wise to include some money.

Representative Cotton asked if the judicial election districts are the same as the old House election districts as they existed in 1959? Representative Grussendorf stated that was correct and that in looking at the proposed legislation they found that the old election districts which were established by the constitution does conform to the district judges and how they are throughout the state. Representative Cotton asked if Anchorage was all one district back then? Representative Grussendorf said that it appears there is a split between district 9 and 10.

Representative Cotton asked how that would work in Anchorage? There was discussion concerning the ability of a judge to "float" serving various areas and the responsibilities of the Judicial Council in determining the areas which a judge would serve.

ARTHUR SNOWDEN, Administrative Director with the Alaska Court System, stated that while the intent is good there are some administrative problems with carrying it out. As an example he stated that if the judge has to win in the election district; in Anchorage where there are several districts, if he doesn't get confirmed in one district then he can't hear cases from outside Mountain View. Therefore you would have to see where the person is living who filed the case. Should that person move to another district while the case is going on Mr. Snowden stated that he would not know what would happen in this type of a situation. Another problem is where a judge may go for an extended duty as a one time thing and will not be returning to the area for a long duration. He stated that another problem which he has is a philosophical one. The state has set up the judicial districts to avoid politicizing the judiciary trying to keep broad districts rather than narrow ones with concentrated populations. He felt that this would start restricting those districts and start possibly politicizing some problems within the judiciary.

DANITH ARNOLDT, Deputy Director, Division of Elections stated that the fiscal note which they prepared is for 24 judicial districts. There are currently 4 judicial districts. She stated that the Division of Elections would be printing a ballot for each of the additional 20 districts. Another administrative problem which was noted included the absentee voting stations throughout the state which is new under Title 15 revisions. Additionally, there are 27 new reapportionment districts, which do not correlate with the 24 judicial districts. Ballots would be available to the absentee voting officials for distribution. Ms. Arnoldt stated that the Division feels that there may be a problem in educating the absentee voting officials as to which ballots each individual will be receiving.

Ms. Arnoldt stated that the \$66,000 which has been included in the fiscal note for this bill provides for additional printing of election pamphlets, sample ballots for each district, and additional postage copying and advertising costs.

Representative Meekins asked if the Division of Elections has an official position with regard to the bill? Ms. Arnoldt stated that the Division would administer the elections as called upon to do so. Representative Meekins asked MR. SNOWDEN if the Alaska Court System had an official position with regard to the bill? Mr. Snowden stated that they oppose the legislation.

Representative Hurlbert MOVED to report HB 624 out of committee with the Division of Election fiscal note dated February 3, 1982. Representative Meekins OBJECTED. Representative Meekins stated

that he agrees with the principal involved but is nervous with some inherent problems which may be hard to work out. Consequently, he stated that he is hesitant to move it out of committee, and feels that the committee should be hesitant to move it out as well. Representative Fuller asked how it came out of the Judiciary Committee. Chairman Adams read the judiciary committee recommendation which was "do pass" with Representatives Barnes, Anderson, Freeman, Meekins and O'Connell signing "do pass".

Representative Chuckwuk asked if the judges are subject to the same laws as elected public officials. The answer was yes. Representative Chuckwuk stated that if elected officials uphold an unpopular law or idea, the public has the option of recall. He stated that since the judge's position is to maintain a good sense of justice, whether popular or unpopular, he would be expected to perform in a rational manner due to public pressure. The option would be recall and replacement of the judge by someone who would go along with the will of the public. Representative Chuckwuk stated that for this reason, he is OPPOSED to the bill.

The QUESTION was called. Seven in FAVOR and two OPPOSED (Chuckwuk, Meekins). (Representative Cuddy and Cotton were not present at this time.) HB 624 and the fiscal note dated 2/3/82 by the Division of Elections was REPORTED OUT of committee with individual recommendations.

(Representatives Cuddy and Cotton returned at this time.)

HB 699

HB 699 - "An Act making a special appropriation to the University of Alaska for the purchase, renovation, and maintenance of the Careage House for use as student housing; and providing for an effective date."

Chairman Adams stated that HB 699 had been reassigned to Representative Meekin's subcommittee after questions came up in full committee on funds to purchase land for the project. Chairman Adams indicated that a proposed Finance CS appropriates \$10,900,000 for land acquisition and another \$2,200,000 for site preparation, architectural and engineering design and planning for the housing project.

Representative Meekins stated that there is a policy consideration which the Finance Committee has to address. He stated that the original bill appropriated \$2.2 million for site preparation, architectural engineering design when the land was not obtained for the construction. The Committee Substitute provides an appropriation for the land and appropriation for the site preparation.

Representative Meekins pointed out that in a newly signed agreement between the University and the Department of Natural Resources, in regards to the administration of University land and the problem that the state really has not filled it's trust obligation concerning administration of University land, the state has committed itself to paying the University either in land or in dollars for compensation of trust obligations. Representative Meekins stated that it is his belief that the funding involved in HB 699 could be shown as part of that cost.

REPRESENTATIVE MARTIN referred to a study done in 1972 prepared by the Alaska State Housing Authority which is primarily aimed at the student housing needs at the University of Alaska, Anchorage and ACC. Representative Fuller asked where Representative Martin proposes to get the \$13 million dollars? Representative Martin stated that the Senate is strongly obligated to helping so out of C.I.P.'s they can get the funds needed for immediate purposes and later could apply the funding to meet the state's trust obligations.

Representative Bettisworth stated that the University of Alaska, Fairbanks, the original University of Alaska, was a land grant college and they have lots of land. The lands which have been administered by the state were for the purpose of maintaining a state university. He stated that on the university campus there is now 2,000 acres available to build university facilities. Representative Bettisworth stated that in the University budget close-out last week, the committee was applauded for putting the responsibility of the University back in the hands of the Board of Regents where many believe that it belongs. He went on to say that one week later, the committee is suggesting, contrary to the requests of the Regents in their budget, that land be purchased and get into a residential campus. He stated that there has been a long standing agreement between Anchorage and Fairbanks that Fairbanks would be the residential campus. He stated that if \$10 million was available for expenditure for the University, the request is for classroom space--not land purchase.

Representative Martin responded that both the Community College and UAA are pushing for the housing addition. Representative Bettisworth asked if he had a letter from the Regents making the request or amending their capital requests that were submitted to the Legislature? Representative Martin stated that there are no specific letters or amendment. He indicated that last week while the members of the Regent were in Juneau, they discussed the project. Representative Martin stated that the Board of Regents did make a statement with regard to the establishment of student housing, but did not know where you would find it.

Representative Chuckwuk stated that following the construction of student housing, there would be a need for additional appropriations for operating costs and this is contrary to the position of the committee. Representative Martin stated that

this had been discussed with the University and they will cater out the services for housing. Also the students would be responsible for housing upkeep.

Representative Meekins MOVED to report CSHB 699 out of committee. Representative Bettisworth OBJECTED. The QUESTION was called for. Six OPPOSED and five in FAVOR. The motion FAILED. HB 699 REMAINS IN HOUSE FINANCE.

HB 681

HB 681 - "An Act raising the limit on loans from the Alternative Technology and Energy Revolving Loan Fund."

Chairman Adams stated that HB 681, sponsored by Representative Hurlbert, raises the limit on loans from the Alternative Technology and Energy Revolving Loan Fund from \$10,000 to \$30,000. The fund promotes the development and implementation of northern technology. The Resources Committee approved a committee substitute which changes the interest rate on all loans to 5% for the first \$15,000 and 15% for the portion that exceeds \$15,000. He explained that there are several fiscal notes. The fiscal note prepared by the Division of Loans and Veterans' Affairs, dated March 9, 1982, indicates no fiscal impact based on the assumption that the division will not be required to keep separate records for each interest rate and portion of the loan covered by that rate. The Division asked that the Committee only consider the March 9 fiscal note. Chairman Adams indicated that the bill was assigned to Representative Meekins' subcommittee and asked if the subcommittee had any recommendations.

Representative Meekins stated that the appropriations for loans is having to be reduced so if the people making decisions on allocating the revenue increase the amount for loans, it is going to be very difficult to fund the increase which will be required by the bill. Representative Meekins stated that in talking to the sponsor, Representative Hurlbert, he has indicated that he does not wish to seek an additional appropriation this year only change the way the statute reads. Representative Meekins stated that since it is a revolving fund and if you lower the interest rate, you are lowering the amount of money coming back to the fund. This would either lower the number of people who can get future loans or mandate future appropriations to the fund. Representative Meekins stated that last year the direct appropriation was \$4.0 million and another \$10 million appropriation. He stated that normally he would oppose it if there was a request for additional funding, but since there is not, he supported the bill.

Representative Cotton asked if this was for the Energy Conservation Loan fund also. Representative Meekins stated that it was.

(Tape Change, 82-20, Side 1, #001)

Representative Hurlbert explained that the average loan under the fund totals \$3,500, primarily for individuals purchasing wood stoves. He stated that there are a number of individuals who have the ability to utilize wind generation however the limit of \$10,000 does not provide adequate funds for purchase of this type of alternative energy source.

Representative Carney indicated that there was \$2 million set aside for rural communities which has not been used which could be utilized to implement the program at this time.

Representative Montgomery asked if a loan for \$30,000 to purchase a wind generator can be used to serve several homes.

Representative Hurlbert stated that it could serve up to four families depending on the wind speed of the area. Representative Montgomery asked if there would be collateral on the loan.

Representative Hurlbert stated that there would be collateral required.

Representative Haugen asked if an investment is made for a system to serve more than one home, would the funds also provide for a utility setup for distribution and use of the utility?

Representative Hurlbert stated that the funds would only provide for the purchase of the hardware and the individuals involved in utilizing the utility would have to design a utility fee plan. He stated that although several families could be served by a unit, the loan fund is primarily geared for individual families.

Representative Hurlbert MOVED to report CSHB 681 (Resource) out of committee. Representative Haugen stated that he did not really like to OBJECT realizing there is a real need for alternative energy sources; however felt that there may be more problems created than there currently are. He removed his objection.

Representative Meekins OBJECTED FOR THE PURPOSE OF DISCUSSION. He pointed out that there is a comprehensive review of all the loan programs taking place in the loan committee. They are considering a consolidation of loan programs which are now fragmented within different agencies. He stated that there will be an authorization bill to change language in many loan programs and an appropriation bill for HFC and others which need state subsidies. Representative Meekins said that during the Loan Committee meeting on Wednesday, March 17, one of the things to be discussed is whether to use a house bill or try to use a senate bill. He stated that this can be done by a separate bill but also can be incorporated into the Omnibus bill, depending on the sponsors feelings concerning the addition.

Representative Chuckwuk stated that what he is concerned with is the fixed costs. He stated that a wind generator would not be

functioning 30 days out of each month due to the wind factor and with the additional costs for diesel fuel, he questioned whether it would be economically viable in low income communities.

Representative Bettisworth asked that within the rules and regulations for the loans, is there a provision that loans will not be made in areas where it has been determined that wind power is not feasible? Representative Hurlbert stated that not to his knowledge.

The QUESTION was called for on the motion to report CSHB 681 (Resource) out of committee. Seven in FAVOR and four OPPOSED. CSHB 681 (Resource) was reported out of committee with a DO PASS recommendation.

RECESS

Chairman Adams called a recess at 2:35 p.m. The meeting reconvened at 2:43 p.m.

ALASKA COURT SYSTEM -- BUDGET CLOSE-OUT

(Tape 82-20, Side 1, #363)

The Alaska Court System subcommittee members are Representative Hurlbert, Chairman, Representative Barnes and Representative Malone. The Subcommittee's budget recommendations for the Alaska Court System was presented (see cutsheet attached - attachment #1).

Subcommittee Chairman Hurlbert stated that the subcommittee went down to the continuation level throughout the budget. He indicated that Representative Malone, who was not able to attend, concurs with the budget.

ALASKA COURT SYSTEM, Appellate Courts/Trial Courts

Subcommittee Chairman Hurlbert MOVED to approve a total of six new positions in the Appellate Courts and Trial Courts which would include in the Appellate Courts: (1) Secretary (Anchorage). In the Trial Courts (1) In-Court Clerk (Juneau); (1) Court Clerk I (Palmer); (1) Criminal Clerk (Anchorage); (1) Legal Technician (Anchorage); and (1) Court Clerk II (Kenai) for a total cost of \$169,781.

Representative Hurlbert stated that the justification is that this legislature has made a policy commitment to improve and insure a climate of law and order in Alaska. We have proposed FY 83 budget increases for the Departments of Public Safety and Law; clearly the Court System must be equally supported if we hope to achieve the goals indicated by these area proposals. He stated that all the Court Systems responsibilities are mandantory. The system is required to provide an accused criminal with a speedy

trial and the position request for the Trial courts are necessary to carry out this requirement. Also the felonies caseload filed in the Alaska Court System increased by 70 percent and this year the Legislature is proposing new drug laws which when enacted will increase the number of felony cases which will increase court usage.

Representative Montgomery asked is if this is an addition to the cutsheet. Subcommittee Chairman indicated that it is.

The QUESTION was called for. There being NO OBJECTION it was so ordered.

JUDICIAL COUNCIL

Subcommittee Chairman Hurlbert stated that the governor's request for the Judicial Council was \$502.8 and the subcommittee went to continuation level of \$350.5. He stated that the funds which were deleted had to do with a statistical study of fish and game sentencing patterns by the Alaska Judicial Council. Subcommittee Chairman Hurlbert read a letter from the Executive Director of the Board of Fisheries and Game which stated that the study is a useful analysis of a long term problem in resource management and that the study would address the wide disparity among penalties for fish and game violations and the relationship between low sentences and high profit commercial violations. The public and the resource both will benefit as the study leads to a better implementation of state law. The work needs several years continuity to develop meaningful results and the Board of Fisheries and Game encourages the study and encourages the committee's support above continuation level.

Subcommittee Chairman Hurlbert stated that he felt that \$150,000 was too much and MOVED to increase the JUDICIAL COUNCIL category by \$50,000. The QUESTION was called for. Seven in FAVOR and four OPPOSED. The MOTION CARRIED.

JUDICIAL QUALIFICATIONS

Representative Fuller asked why the subcommittee reduced the funding for the Judicial Qualifications category? BOB SCHROEDER, Fiscal Analyst, Legislative Finance, stated that the Judicial Qualifications Commission which responds to the conduct of judges, has not used but a third of the money appropriated to them. During FY 81, the Judicial Qualifications spent \$20,100 and was appropriated \$55,400 for FY 82 so based on their past expenditure history the subcommittee felt they would go with the FY 82 level. Representative Haugen asked if the money had lapsed. The answer was yes.

Representative Meekins MOVED AND ASKED UNANIMOUS CONSENT to approve the Subcommittee's recommendations for the Alaska Court System budget and that it be incorporated into the Finance CS for

HB 666 (expenses of state government). There being NO OBJECTION
it was so ordered.

ADJOURNMENT

The meeting adjourned at 3:10 p.m.

Tape HFC 82-19, Side 2, #001 to end
Tape HFC 82-20, Side 1, #001 to #487

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

08:18

3/15/82

***** ALASKA COURT SYSTEM *****

SHORT
FORM
PAGE

BUDGET COMPONENT

FY82 ATH

CONT.

REQUEST

GOVERNOR

HOUSE

HOUSE - GOVERNOR
COMPARISONADMINISTRATION OF JUSTICE
ALASKA COURT SYSTEM

2	APPELLATE COURTS	3144.8	3272.0	3360.6	3360.6	3272.0	-88.6	-2.5%
4	TRIAL COURTS	24905.3	25919.8	27126.2	27126.2	25919.8	-1206.4	-4.3%
6	ADMINISTRATION & SUPPORT	3561.6	3608.0	3779.6	3779.6	3608.0	-171.6	-4.5%
	*** PROGRAM TOTAL ***	31611.7	32799.8	34266.4	34266.4	32799.8	-1466.6	-4.2%
10	JUDICIAL QUALIFICATIONS	55.4	60.5	66.7	66.7	55.4	-11.3	-16.8%
14	JUDICIAL COUNCIL	362.0	350.5	502.8	502.8	350.5	-152.3	-30.2%
	*** CATEGORY TOTAL ***	32029.1	33210.8	34835.9	34835.9	33205.7	-1630.2	-4.6%
	***** TOTAL EXPENDITURES	32029.1	33210.8	34835.9	34835.9	33205.7	-1630.2	-4.6%
	***** FUNDING							
	GENERAL FUND	32029.1	33210.8	34835.9	34835.9	33205.7	-1630.2	-4.6%

3-16-82

282

Attachment # 7

3/15/82

STATE OF ALASKA -- AGENCY PROGRAM SUMMARY

PAGE 35

OPERATING BUDGET
ALASKA COURT SYSTEM

CATEGORY-DESCRIPTION	FY81 ACT	FY82 ATH	FY82 SUP	REQUEST	FISCAL YEAR 1983				
					GOV AND	GOVERNOR	HOUSE	SENATE	F.C.C.
ADMINISTRATION OF JUSTICE	26978.5	32029.1		34835.9		34835.9	33205.7		
TOTALS	26978.5	32029.1		34835.9		34835.9	33205.7		
BUDGET PERCENTAGE CHANGE OVER FISCAL YEAR 1982 AUTHORIZED:				8.7		8.7	3.6		

OBJECTS OF EXPENDITURE:

PERS. SERV.	17644.0	21717.2		23098.9		23098.9	22410.6		
TRAVEL	868.4	861.6		1159.6		1159.6	963.6		
CONTRACTUAL	5193.8	6135.3		7069.4		7069.4	6759.8		
COMMODITIES	530.2	439.6		562.2		562.2	479.2		
EQUIPMENT	315.9	406.7		411.1		411.1	162.3		
LANDS/BLDGS	2426.2	2468.7		2534.7		2534.7	2430.2		

FUNDING SOURCES:
GENERAL FUND

GENERAL FUND	26978.5	32029.1		34835.9		34835.9	33205.7		
--------------	---------	---------	--	---------	--	---------	---------	--	--

GENERAL FUND PERCENTAGE CHANGE OVER FISCAL YEAR 1982 AUTHORIZED:				8.7		8.7	3.6		
--	--	--	--	-----	--	-----	-----	--	--

POSITIONS:

FULL-TIME	496.0	522.0		544.0		544.0	523.0		
PART TIME	26.0	27.0		28.0		28.0	25.0		
TEMPORARY	7.2	5.2		8.2		8.2	5.2		
STAFF-MONTHS	6159.0	6459.0		6778.0		6778.0	6472.0		

3-16-82

283

Attachment #1

HOUSE FINANCE COMMITTEE

March 17, 1982

1:05 p.m.

PRESENT

Members of the Committee in attendance: Representatives Adams, Bettisworth, Cotten, Chuckwuk, Haugen and Montgomery. (Representatives Hurlbert, Cuddy, Carney, Fuller and Meekins arrived later in the meeting.) PROVIDING TESTIMONY: Representative Zharoff; Ron Summerville, Director, Division of Game; and Bob Grogan, Fiscal Analyst, Legislative Finance Division.

Chairman Adams called the meeting to order at 1:05 p.m.

DEPARTMENT OF FISH AND GAME BUDGET CLOSE-OUT

Subcommittee Members for the Department of Fish and Game are: Representatives Bettisworth and Haugen, Co-Chairmen; and Representative Zharoff. Subcommittee Co-Chairman Bettisworth presented the Subcommittee's recommendation for the Department of Fish and Game budget. (See cutsheet attached -- attachment #1.)

Chairman Adams asked if they would like to meet as a Subcommittee to take up additional matters. Subcommittee Co-Chairman Bettisworth stated the Subcommittee had sufficient public hearings and work sessions. He didn't think they needed additional Subcommittee meetings. Chairman Adams asked if the cooperation from the Department of Fish and Game was sufficient. Subcommittee Co-Chairman Bettisworth indicated it was.

Subcommittee Co-Chairman Bettisworth indicated the figure started at \$49 million and they are now at \$34 million, which is a \$15 million cut. He advised that \$9 million of that is from the FRED Division. Subcommittee Co-Chairman Bettisworth advised at this time they are requesting the Committee accept the Subcommittee's figure for the FRED Division. He explained the Subcommittee will continue to work on the budget for FRED to make positive changes in the way they operate to better do the job they were established to to -- increase salmon stocks for the commercial fishery. He said the Subcommittee will prepare a full recommendation to be presented to the Committee before the Free Conference Committee meets on the budget. He said they will present their recommendation to the Free Conference and ask them to make the changes to the FRED budget at that time.

Subcommittee Co-Chairman Bettisworth advised an area of concern was the subcommittee's recommendation for the Commercial Fish Division. He explained they started out with a proposed reduction of \$4 million, and due to concerns raised, \$1.9 million

was reinstated. He presented information showing what has been reinstated. (See attachment #2.)

Subcommittee Co-Chairman Haugen advised the Subcommittee held three statewide teleconferences on the Fish and Game budget, and gave additional time to the people in Juneau after the teleconference. He requested that the Committee support the Subcommittee's recommendations.

(Representative Cuddy arrived at this time.)

Representative Zharoff expressed appreciation to Representatives Bettisworth and Haugen for the time and consideration given him in their budget deliberations. He said he didn't necessarily agree with everything that was accomplished in the various meetings and he may have some reservations about the final product, but he does appreciate the cooperation. He said in looking at budget reductions and the renewable resources in the State, it is difficult for him to not place natural resources above everything else. He said the state's natural resources are very important.

(Representative Fuller arrived at this time.)

Representative Zharoff said he has some reservations about the Subcommittee's recommendation for the FRED Division. He said he has questions on the capability of the private nonprofit hatcheries to assume full operations of fish hatcheries that have been started by FRED, and the additional operating costs that may not be reflected in the budget. He said he is also concerned about the overall reductions that FRED might create.

Representative Zharoff said he is also concerned about the ANILKA and d-2 funding being placed in a separate piece of legislation. He said this raises a concern in his mind that the bill might not be funded.

Chairman Adams said his intent would be to close the Department of Fish and Game budget, but allow the Subcommittee to continue its work on the FRED Division, and come back back to the Committee with its follow-up recommendation.

(Representative Carney arrived at this time.)

COMMERCIAL FISH. Subcommittee Co-Chairman Bettisworth briefly explained the recommendation, and he MOVED AND ASKED UNANIMOUS CONSENT that the Subcommittee's recommended figure be accepted. Representative Chuckwak requested an explanation of the reductions in this category. Subcommittee Co-Chairman Bettisworth said they asked the Department to reduce their budget by x-number of dollars. He said they looked at the projects and decided which ones they could do without and which ones could be

reduced. He said what is remaining is the necessary budget to manage the fishery.

Representative Chuckwuk said commercial fishing is one of the most important sources of income to the state of Alaska. He said it is number two to the oil industry. He said his concern is that when the oil is depleted something will have to continue to replace those revenues in the future. He said he thinks it would be in the state's best interest to continue the programs that stimulate the industry and economy in the state should oil ever run out. Representative Chuckwuk said he feels very strongly that this industry is the most important, and this budget should not be cut. Therefore, he MOVED TO AMEND THE MOTION to reinstate the full funding requested by the Governor -- \$19288.6. Subcommittee Co-Chairman Bettisworth OBJECTED. The question was called for. IN FAVOR: 2 (Cotten and Chuckwuk); OPPOSED: 8. THE MOTION FAILED.

The question was called for on the MAIN MOTION. IN FAVOR: 10; OPPOSED: 0. The MOTION CARRIED.

SPORT FISH. Subcommittee Co-Chairman Bettisworth explained most of the Sport Fish budget is generated from fishing licenses and other fees. General Funds in this budget are about \$1 million. He MOVED AND ASKED UNANIMOUS CONSENT that the Subcommittee's figure of \$5428.3 be accepted. Representative Cotten OBJECTED. He said a small amount of funding for ANILCA was included in Sport Fish. He asked if the Subcommittee's intent was that all the funding for ANILCA as requested by the Governor would be included in the bill. Subcommittee Co-Chairman Bettisworth said that was correct. He commented the bill hasn't been drafted yet. Subcommittee Co-Chairman Haugen commented the bill will probably be introduced as a Finance CS. Representative Cotten asked why they are going for a separate bill on these funds. Subcommittee Co-Chairman Bettisworth said the federal government mandated through ANILCA that certain things be done. He said he didn't believe the legislature understands they are paying for practically 100% of the mandates of the federal government with state funds. He said he wants the legislature to be aware of that before they decide to fund out of state dollars for federally mandated requests. Representative Cotten said he agrees with comments made by Representative Zharoff. He said his concern is that something like this has a chance of "falling through the cracks". He REMOVED his objection.

There being NO FURTHER OBJECTION, the Subcommittee's recommendation for Sport Fish was adopted.

F.R.E.D. Subcommittee Co-Chairman Bettisworth explained they still have questions concerning F.R.E.D. He commented that he is a member of the loans subcommittee which is considering \$15 million for fisheries enhancement programs. He said there is a proposal that 4 or 5 of the existing FRED hatcheries be turned

over to private non-profits. He commented those hatcheries are not now paying their own way, so the private non-profits would need some loan funds to work on those hatcheries.

Subcommittee Co-Chairman Bettisworth said they saw legitimate areas for bonified reductions in FRED. He said he thinks the Subcommittee can come up with a better on-going program than they have now.

Representative Chuckwuk asked how the private non-profits would pay back the loans for the hatcheries should they take them over. Subcommittee Co-Chairman Bettisworth said under current statute there are provisions that harvest areas adjacent to hatcheries can be harvested to reduce expenses. Subcommittee Co-Chairman Haugen advised that in the area he fishes -- the Southern Aquaculture group -- they voted an assesement on their gross stock. He said the fishermen take 3% of their gross stock and pay it to the corporation. Representative Chuckwuk said it seems to him they are already taxing the fishing industry -- close to \$40 million last year. He asked where the money went. Subcommittee Co-Chairman Haugen advised the money from all fishing taxes and licenses goes into the general fund. He said the legislature appropriates for all state projects from the general fund. Representative Chuckwuk said it appears to him that those taxes would more than pay for these programs. He commented further.

(Representative Meekins arrived at this time.)

Representative Zharoff commented the FRED Division is a child of bureaucracy, just learning to walk. He said the whole fishery picture can be looked at on a graph showing its peaks and valleys. He said FRED was supposed to eliminate the depth of those valleys. He commented that most of the private non-profit hatcheries are there because of the aquaculture associations. He said should something happen in the future where fisheries under FRED find themselves in operating constraints, the associations may feel reluctant to go on. He said considerations made by the federal government could also be based on activities of the FRED Division. He commented they are looking at productivity of fish returns from FRED that come back four or five years later. He said he is not sure what considerations the federal government has with foreign countries at this time. He asked the Committee to keep an open mind in terms of the FRED Divisions budget.

Representative Cotten asked if there would be a motion to accept the figure as shown on the cutsheet. Chairman Adams said yes. Representative Cotten said he would then have to OBJECT to the figure. He asked what the effect of the \$9 million reduction would be on the operation of the hatcheries. He asked if Crystal Lake is the only one that will be left open. Subcommittee Co-Chairman Haugen commented the main reason Crystal Lake was left intact is because the release is providing a king salmon catch

for everyone in Southeast. He said they are catching the fish on the in-side passage. He commented there hasn't been a single Crystal Lake tag in the North Pacific Ocean.

Subcommittee Co-Chairman Haugen explained they are requesting an opportunity to completely analyze the FRED Division and get a better picture. He reminded the Committee that the director of the FRED Division just resigned and they have a new acting director. There was further discussion. Subcommittee Co-Chairman Bettisworth said he wanted to make it clear that he does not intend to close 20 hatcheries as the FRED Division proposed. He said he isn't going to close any hatcheries. He said they intend to come back with a FRED proposal that will enhance the fishing industry in Alaska.

Representative Cotten said he cannot vote for a budget figure that would shut down hatcheries. He said "if we are leaving it open, then let's do that."

Representative Chuckwuk said he appreciated Subcommittee Co-Chairman Bettisworth's intentions, but that is all they are, and that is subject to change. He said he thinks it would be in the best interest of the State to keep the hatcheries operating so more fish can be produced. He said he would like some assurance that the hatcheries will continue to operate.

Subcommittee Co-Chairman Haugen said he thinks the Subcommittee assured the Committee earlier that it would not be their intent to just put this away after they get approval of the budget. He said they intend to sit down and work this out after the budget is closed out when they will have the time to work on it. He said the main reason they don't have a proposal now is that there has been a change in leadership for the FRED Division, and they have to get acquainted with the new director to see what direction he intends to take.

Representative Cotten said it seemed inconsistent to approve a lower figure before they know what the end result will be. He asked if their intention was to not close any hatcheries. Subcommittee Co-Chairman Haugen said there is one hatchery that has been built and the conditions are such that it is not compatible with the releasing of fish. He said Hidden Falls is another one. He commented he doesn't believe in shutting down capital projects they have \$4- or \$5 million invested in. He said they want to find out from the director how he intends to turn the hatchery around so it can be economical. Subcommittee Co-Chairman Bettisworth said there are four or five hatcheries they have serious questions on as to whether they should be operating. There was further discussion.

Representative Cotten asked which hatcheries they were considering closing.

(Tape change, HFC 82-21, side 2.)

Subcommittee Co-Chairman Haugen said one they are considering is the Kotzebue Hatchery. He commented on problems with that hatchery.

Representative Montgomery MOVED that the Subcommittee's recommendation for the FRED Division be accepted. Representative Cotten OBJECTED to ask additional questions.

Representative Chuckwuk said he does have confidence in the Subcommittee's work. He said he appreciated their comments regarding their intentions, and he will, therefore, go along with the Subcommittee's recommendations.

Representative Cotten asked if the Administration had indicated that they would remove the funding for operating the hatcheries but would maintain full administrative support. Subcommittee Co-Chairman Bettisworth said that was correct. Representative Cotten asked if the cutsheet reflected that recommendation. Subcommittee Co-Chairman Bettisworth said the dollar amount is in there. There was further discussion.

Representative Cotten asked if the Subcommittee would come back to the full committee with a revised recommendation for FRED. Chairman Adams said yes. Representative Cotten said he would ask no more questions at this time.

Representative Cotten maintained his objection. There being NO FURTHER OBJECTION, the Subcommittee's recommendation for the FRED Division was accepted.

VESSELS. Subcommittee Co-Chairman Bettisworth briefly explained the Subcommittee's recommendation. Representative Cotten asked if their figure puts any vessels out of operation. Subcommittee Co-Chairman Haugen said they will retire three vessels. He said the three vessels they will be retiring are not really suitable for the types of work they should be doing. He said he has talked with the Department about the possibility of their coming into next year's budget with a request for funds. He explained there are going to be vessels suitable for test fishing and with ocean going capabilities available within the next year or so at reasonable prices. He commented further.

Chairman Adams asked if there was any objection to accepting the Subcommittee's recommended figure for Vessels. There BEING NO OBJECTION, the figure was accepted.

LIMITED ENTRY. Chairman Adams asked if there was any objection to the Subcommittee's recommended figure. There BEING NO OBJECTION, the figure was adopted.

GAME. Subcommittee Co-Chairman Bettisworth said of the total figure, about \$2 million is general funds. He said they originally made a reduction of \$600,000 having to do with marine mammals. He said they restored enough money that the Division of Game feels they can do an adequate job to get marine mammal management back and manage them properly. He MOVED to accept the Subcommittee's recommended figure of \$9897.8. Representative Cotten OBJECTED. He asked if they added any new employees above the continuation level. MR. BOB GROGAN, Fiscal Analyst, Legislative Finance, said the position count is three permanent positions less than the Governor's request. Representative Cotten asked if that is one new employee over continuation. Mr. Grogan said that was correct. The Question was called for. Representative Cotten maintained his objection. All else in favor. The MOTION CARRIED.

ADMINISTRATION AND SUPPORT. There was brief discussion on the position count. Mr. Grogan said their are 9 permanent full time positions and zero part time; the governor's request was 10.

Representative Chuckwuk commented on newspaper articles that appeared in Anchorage papers last week that created havoc, and he asked if the people making the statements belonged in this budget category. Subcommittee Co-Chairman Bettisworth said he was not familiar with the situation Representative Chuckwuk was talking about. Chairman Adams said there was an article in the paper last week, where members of Fish and Game in Kenai made untrue remarks regarding a lawsuit between the state and federal governments on subsistence. He said he thinks those remarks were corrected. Representative Chuckwuk asked if those personnel came from this budget. Chairman Adams said he thinks they would be in the Sport Fish Division.

Representative Meekins asked if any ANILCA funds were taken out. Mr. Grogan said \$25.4 was taken out of the administrative services component. There was brief discussion.

Chairman Adams asked if there was any objection to accepting the Subcommittee's recommendation. There BEING NO OBJECTION, the recommended figure was accepted.

BOARD OF FISH AND GAME. Subcommittee Co-Chairman Bettisworth explained most of the funds were ANILCA funds. He said there is enough money left in -- \$527.4 -- to maintain the boards of Fish and Game at their previous level plus some additional dollars. Representative Chuckwuk said many ridiculous proposals were made regarding the subsistence issue, and it sounds like they came from either the Fish and Game boards or advisory boards. He asked who was stirring that up. Subcommittee Co-Chairman Haugen said he has never been able to run down the source of that information. Subcommittee Co-Chairman Bettisworth said those proposals were the result of a number of local advisory boards