

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2829

FREE CONFERENCE COMMITTEE
ON THE BUDGET
(HB 50)
May 29, 1981
1:50 p.m.

[Tape FCC 81-5, Side 2, #422]

PRESENT

Chairman Cotten called the meeting to order at 1:50 p.m. All members of the Committee were present (Representatives Cotten, Montgomery, Rogers; Senators Bennett, Kerttula, Sackett). Also in attendance: Commissioner William Nix, Department of Public Safety; Geoffrey Haynes, Deputy Commissioner, Department of Natural Resources; Ron Lehr, Director, Division of Budget and Management, Office of the Governor; Bob Schroeder and Bob Grogan, Fiscal Analysts, Division of Legislative Finance.

ADMINISTRATION OF JUSTICE BUDGET CATEGORY

Chairman Cotten advised the Committee would continue the JUSTICE BUDGET closeouts.

DEPARTMENT OF PUBLIC SAFETY--Village Public Safety Officer, Contracts, p 153: Senator Kerttula stated he does not like to see police contracts let that are not directly administered by the Department. Commissioner Nix responded the program was established to provide public safety to the rural areas and to promote local control in emergency medical training (EMT), fire safety, etc. The program is about 10 years old, he said, but the problem lies in maintaining these officers. The power or authority is derived from the village communities, not the Department or the State, he explained; however, the VPSOs do go through a fast basic training program sponsored by the Department, which is equal to police training at the police officers academy. "Our roll," he said, "is basically (one of) support and...for technical advice."

Senator Kerttula asked if there is any State liability connected with the program, and Commissioner Nix responded there could be. However, he said, the Department has worked this out with risk management, and the non-profit village corporations supply the insurance, as well as administrative services.

Chairman Cotten asked about the pay schedule. Commissioner Nix stated the pay varies; the VPSOs start off with a fixed amount, trying to fit them in with the non-profits' structure. He described the various pay ranges for the Aleuts, Kodiak, Tanana Chiefs and Tlingit-Haida. He also pointed out the VPSOs are not armed, but they can be if the village council so chooses.

There was discussion of the reasons for on-site and off-site overhead costs ranging from 11-30%. Commissioner Nix indicated some of the over-sight troopers listed on p 155, Direct VPSO Support, were RP'd in. Ron Lehr noted the Administration did not request these positions; however, he indicated the Governor supported the program last year.

Bob Schroeder explained p 151 lists funds authorized in FY 81 for the program, which are shown as three separate components this year. He referred to INTENT language he was requested to draft that would require the Department to come up with operating procedures and standards regarding responsibility for limiting the overhead. He explained the difficulty involved with adopting a percentage.

During discussion, Commissioner Nix indicated the House figure would be sufficient to allow the expansion of VPSOs from 52 to 104, but it would curtail travel flexibility.

Chairman Cotten moved the House figure of \$3,304.2 and the House INTENT, with the exception of the language "but delete all unscheduled travel". Senator Sackett objected, stating this is probably the highest priority of the rural area. Chairman Cotten then withdrew his motion and moved a compromise figure of \$3,457.2, leaving INTENT OPEN for classification. There was no objection.

Village Public Safety Officer, Direct VPSO Support, p 155: There was further discussion of trooper oversight, with Commissioner Nix describing the effective use of training tapes and noting instructional TV is part of the plan being worked out with Sheldon Jackson College.

Chairman Cotten moved the figure \$2,878.5, which represents the House figure plus \$50.0 for travel. Senator Sackett objected, and Chairman Cotten withdrew his motion. Senator Sackett moved the figure \$2,928.5, providing rural Alaska with an additional \$50.0 for oversight aircraft charter. There was no objection.

Village Public Safety Officer, Administration, p 157: Chairman Cotten moved the House figure of \$320.3. Senator Sackett moved to amend the figure to \$344.0, representing the House figure plus the \$23.7 GBA. There was no objection.

Violent Crimes Comp Board, p 159: Senator Bennett moved the Senate figure. Representative Rogers objected and moved to amend the motion to accept the Governor's Personal Services figure of \$78.9--new total \$351.8. There was no objection.

Police Standards Council, p 161: Chairman Cotten moved to adopt the Governor's Personal Services figure of \$135.6--new total \$290.4. There was no objection.

TASK FORCE ON VIOLENT CRIME, p 163-179: Representative Rogers moved the House figures. There was objection on the Senate side. Representative Rogers requested this be HELD OPEN until 3:30 p.m. at which time Representative Meekins, chairman of the House Task Force, would present a report on the findings of the Task Force. There was no objection.

ALASKA COURT SYSTEM--Courts, Admin & Support, Appellate Courts, p 183: Senator Bennett moved the Governor's figure of \$3,144.8. There was no objection.

Courts, Admin & Support, Trial Courts, p 185: Senator Bennett moved the Governor's figure. Representative Rogers objected. He listed the 10 positions--#3,4,6,10,12,13,14,15,17&19--identified by the Court System as being critical to maintain efficiency and noted the Senate included positions #20-22 and the House added #22. Senator Bennett amended his motion to the Governor's figure and the three Senate positions. Chairman Cotten objected. Representative Rogers moved to amend the motion to include the House/Senate positions listed above, for a total of 13 new positions. Senator Bennett moved an amendment to add positions #15-18. Chairman Cotten objected and requested this be HELD OPEN. There was no objection.

Courts, Admin & Support, p 187: Representative Rogers moved the House figure, approving position #1, but not the planning and design of the court building in Petersburg, which is more appropriately a capital budget item. Senator Bennett objected and moved the Senate figure. Representative Rogers objected. Mr. Schroeder pointed out an error in the House position count, which should reflect 55. There was discussion of the vacancy rate the Court System assessed itself. Mr. Schroeder noted they really don't have the vacancy the other Agencies do.

Senator Kerttula moved the Governor's figure, minus the two positions--total \$3,642.3. Representative Rogers objected. Chairman Cotten moved to amend the motion to also disallow the Petersburg court building, and HOLD OPEN for CIP INTENT only--new total \$3,561.6. There was no objection.

Judicial Qualifications, p 189: Senator Bennett moved the House/Senate figure of \$55.4. There was no objection.

Judicial Council, p 191: Chairman Cotten moved the Senate figure of \$362.0. There was no objection.

STATE BOND COMMITTEE--Justice Facilities Debt Service, p 193: Chairman Cotten requested this be HELD OPEN. There was no objection.

RECESS

(Chairman Cotten called a recess at 3:00 p.m. and reconvened the meeting at 3:25 p.m. All Committee members were present.)

ADMINISTRATION OF JUSTICE BUDGET CATEGORY

DEPARTMENT OF HEALTH & SOCIAL SERVICES--Adult Probation & Community Programs, p 75-85: At this time, Mr. Schroeder presented the new figures, representing a 5% net vacancy factor against Personal Services, for the judicial districts requested at the morning meeting:

1st Judicial District, p 77: Personal Services, \$368.1; Total, \$417.8 - Representative Rogers so moved. There was no objection.

2nd Judicial District, p 79: House/Senate figure of \$144.0 represents accurate figure. There was no objection.

3rd Judicial District, p 81: Personal Services, \$1,109.9; Total, \$1,319.7 - Chairman Cotten so moved. There was no objection.

4th Judicial District, p 83: Personal Services, \$529.7; Total, \$650.8 - Chairman Cotten so moved. There was no objection.

Youth Services, Juvenile Probation 2nd & 4th Districts, p 115: Mr. Schroeder presented the following breakdown for the position in question--Probation Officer II/Barrow:

Personal Services	-	\$19.9
Travel	-	3.0
Contractual	-	15.0
Commodities	-	.4
Equipment	-	1.5

Chairman Cotten requested this remain OPEN. There was no objection.

TASK FORCE ON VIOLENT CRIME, p 163-179: At this time, Representative Meekins presented the budget recommendations of the Task Force (see Attachment), noting the appropriations are listed under Grants & Claims, which is in error, as they should be shown under Miscellaneous. Representative Rogers moved the House figures. Senator Bennett objected and requested this be HELD OPEN. There was no objection.

RECESS

(Chairman Cotten called a recess at 3:50 p.m. and reconvened the meeting at 4:00 p.m. All Committee members were present.)

NATURAL RESOURCES MANAGEMENT BUDGET CATEGORY

Chairman Cotten announced the Committee would address the NATURAL RESOURCES BUDGET.

OFFICE OF THE GOVERNOR--Coastal Zone Management, NOAA, p 3: Senator Bennett moved the House/Senate figure of \$84.3. There was no objection.

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT--Oil & Gas Conservation, p 5: Senator Bennett moved the House/Senate figure of \$2,220.7. There was no objection.

DEPARTMENT OF NATURAL RESOURCES, p 7-89: Bob Grogan explained these pages are blank because of the Department's reorganization.

Management & Administration, Commissioner's Office, p 93: Senator Bennett moved the House/Senate figure of \$1,033.2. There was no objection.

Management & Administration, Administrative Services, p 95: Chairman Cotten moved the House/Senate figure of \$1,619.7. There was no objection.

Management & Administration, Designated Grants, p 97: Senator Bennett moved the Senate figure. Chairman Cotten objected and requested this be HELD OPEN. There was no objection.

Management & Administration, Info/Records Mgmt, p 99: Mr. Grogan pointed out an error in the Senate figure--corrected total \$3,255.9. Senator Bennett moved the corrected Senate figure plus the Governor's adjusted figure of \$576.5--new total \$3,832.4. Mr. Grogan indicated that is essentially the Governor's figure. Representative Rogers moved the Governor's figure, and Senator Bennett asked unanimous consent. Chairman Cotten requested this be HELD OPEN. There was no objection.

Management & Administration, p 101-103: Chairman Cotten moved the House/Senate figures for the following, without objection:

State Recorder - \$1,306.2

Research/Special Projects - \$1,971.6

State Pipeline Surveillance, Gas Pipeline Review, p 107: Senator Bennett moved the Senate figure. Representative Rogers objected and moved the House figure as an amendment. Senator Sackett objected, and Senator Kerttula echoed his sentiments. Senator Kerttula moved to zero this out. Representative Rogers objected and requested this be HELD OPEN. There was no objection.

Pipeline Surveillance, Special Project, p 111: Senator Bennett moved the Governor's figure of \$236.6. There was no objection.

Land Management, Land Selection/Title Defense, p 115: Senator Bennett moved the House/Senate figure. Representative Rogers moved to amend this to the Governor's figure. Senator Bennett moved to amend this by adding \$20.0 for Cape Fox land swap--new total \$622.6. There was no objection.

Land Management, Land Disposals/Fee Title, p 117: Senator Bennett moved the Senate figure of \$3,050.7. There was no objection.

Land Management, Limited Land Disposals, p 119: Senator Bennett moved the House/Senate figure plus positions #5-7/Fairbanks--new total \$2,226.9. There was no objection.

Water Management, Water Inventory/Assessment, p 123: Senator Bennett moved the Senate figure of \$444.1. There was no objection.

Water Management, Water Use Management, p 125: Senator Bennett moved the House/Senate figure of \$1,535.3. There was no objection.

Forest Management, Timber Inventory/Sales, p 129: Senator Bennett moved the Senate figure of \$1,727.4. Chairman Cotten objected, then withdrew his objection. The Senate figure was adopted.

Forest Management, Forest Research, p 131: Senator Bennett moved the House/Senate figure of \$142.3. There was no objection.

Forest Management, Fire Protection/Suppression, p 133: There was discussion on the \$1 million for pre-suppression deleted by the House/Senate. Representative Rogers moved the House/Senate figure plus \$140.0 in Personal Service. Senator Sackett objected and requested this be HELD OPEN. There was no objection.

Forest Land & Water Admin, p 135: Senator Bennett moved the Governor's figure of \$1,540.6. There was no objection.

Oil & Gas Management, Lease Sales, p 139: Senator Bennett moved the Governor's figure plus the \$61.2 GBA. Mr. Grogan explained the three-part enhancement lease sale program (\$296.5 total--\$174.5/p 139, \$60.8 & \$61.2 GBA/p 141). Chairman Cotten moved the House figure of \$1,811.4, which includes the \$174.5. There was no objection.

Oil & Gas Management, Lease Sale Admin, p 141: Chairman Cotten moved the House figure plus the GBA--new total \$1,259.0. There was no objection.

Resource Inventory/Assessment, Geological Investigations/Mapping, p 145: Senator Bennett moved the Senate figure. Chairman Cotten objected and requested this be HELD OPEN. There was no objection.

Resource Inventory/Assessment, Geological Hazard Identification, p 147: Senator Bennett moved the House figure. Representative Rogers requested this be HELD OPEN for a seismologist position. There was no objection.

Minerals & Energy Development, Mineral Development, p 149: Senator Bennett moved the House/Senate figure of \$914.5. There was no objection.

Mineral Resources Admin, p 151: Senator Bennett moved the Senate figure of \$652.5. Chairman Cotten objected. During discussion, Geoff Haynes commented the Attorney General's opinion on 6A and 6B land does not identify which are mineral in character nor what this means. Chairman Cotten withdrew his objection. The Senate figure was adopted.

Youth Conservation Corps, p 153: Senator Bennett moved the House/Senate figure of \$231.7. There was no objection.

Historic Resource Management, p 155: Senator Bennett moved the House/Senate figure of \$424.8. Representative Rogers objected, then withdrew his objection. The figure was adopted.

Park Operations, Park Design/Development, p 159: Senator Bennett moved the Senate figure. Representative Rogers objected, explaining he wished the Committee to consider adding a Park Ranger II because of the Governor's lawsuit regarding the Haul Road. Senator Kerttula urged support of the Independence Resort. Chairman Cotten requested this be HELD OPEN. There was no objection.

Park Operations, Park Maintenance & Operation, p 161: Senator Bennett moved the Senate figure of \$3,189.5. There was no objection.

Park Operations, Parks Administration, p 163: Senator Bennett moved the Governor's figure (also House/Senate) of \$434.3. There was no objection.

ADJOURNMENT

The meeting adjourned at 5:00 p.m.

Tape FCC 81-5, Side 2, #422 - End
FCC 81-6, Side 1, #001 - End
Side 2, #001 - End
FCC 81-7, Side 1, #001 - #561

Meekins
HOUSE TASK FORCE ON VIOLENT CRIME

BUDGET RECOMMENDATIONS

Budget recommendations initiated and proposed by the Task Force fall into eight categories and total \$3,088,000. The Task Force also endorsed a series of budgetary proposals proposed by others. The following is a detailed summary of these budgetary proposals.

Operating Budget Additions Proposed by the Task Force

1. Law Enforcement Officer Training \$ 269,025

One common complaint of witnesses was that the training of state troopers and local police officers in dealing with domestic violence and sexual assault is inadequate. Subsequent investigation revealed that (1) the Alaska State Trooper Academy provides only one day of training directly identifiable in this area; (2) the Police Standards Council's minimum requirement is for only two hours of such training; (3) local police forces accept training from a variety of institutions which may or may not provide such training; (4) a relatively high turnover rate in police agencies makes it difficult to determine or predict the level of training law enforcement officers have in this area. This proposal is to establish a continuing in-service training program for both state troopers and local police in the areas of domestic violence and sexual assault.

461,860

2. Judges Training

\$ 50,000

Another frequent allegation by the victims of sexual assault and domestic violence was a lack of sensitivity and understanding by judges. These complaints were passed on to the court system and Chief Justice Jay Rabinowitz endorsed this proposal for a series of seminars for judges on domestic violence and sexual assault. A similar program two years ago proved highly successful in helping reduce the incidence of racial sentencing disparities in Alaska courts.

3. Anchorage Police Pilot Projects

\$473,360

One of the first fundamental issues faced by the Task Force centered on the effects of crime deterrence. Theory holds that a criminal who knows he's going to be caught and punished won't commit the crime. Unquestioned faith in deterrence appears misplaced, however, because of widespread confusion between the effects of certainty of arrest and the effects of severity of punishment. A number of studies have shown that certainty of arrest has a deterrent effect but severity of sentence does not. The fact is that most offenders don't worry about going to jail because they don't expect to be caught -- and usually aren't. At best, 25 percent of all violent crimes result in an arrest.

Through liberal federal grants, the effects of increased police activity on crime have been thoroughly documented. The results have not been heartening. In one study of a major project in Kansas City to reduce crime through increased

police activity, it was found that (1) changes in random police patrols, which account for most of the work by street cops, did not significantly increase or decrease crime reports, arrests or levels of fear; (2) there was no significant relationship between prompt police response and harm to the victim or arrest of the offender; and (3) police concentration in crime-prone areas produced no more arrests than routine patrols.

In an effort to support new approaches to crime prevention and control, the Task Force has recommended funding for two separate pilot projects in Alaska's largest city. The first project would earmark \$319,980 for a Felony Crime Supression Unit. This unit, consisting of four officers, would be pattered after a Burglary Supression Unit initiated by the APD in 1976 through a short-term LEAA (Law Enforcement Assistance Administration) grant. In seven months of operation, the unit played a key role in 36 percent of all solved burglaries in the city and 22.6 percent of all solved armed robberies. It made a total of 81 arrests. This proposal would expand the concept to concentrate on violent crimes. The second project would earmark \$153,380 to add one officer to the APD's Community Relations Unit to work with the Anchorage PTA Council to establish a block home program in Anchorage. The main function of this officer would be to coordinate initiation and operation of the program and perform security checks on families who volunteered for the program. The goal of the program is to identify homes along school walking routes and bus stops where children could go for help when harassed or chased.

4. Sexual Assault Prosecution

\$661,860

Another complaint voiced during the public hearing process was on the effectiveness of sexual assault prosecution in Alaska. Generally, complaints were that: (1) a low percentage of sexual assault charges are being brought to trial and successfully prosecuted; (2) the trial process takes too long; (3) victims are being treated insensitively during the process. The Task Force relayed these complaints to Chief Prosecutor Dan Hickey along with a request on statistics on sexual assault prosecutions in Alaska.

Mr. Hickey responded that in 1980, 210 sexual assault cases were referred to district attorney offices for prosecution. Of those 210 cases, district attorneys accepted 140 and rejected 70, an acceptance rate of 67 percent. Of those 140 cases accepted for prosecution, 67 cases, or 47 percent, were disposed of through a plea of guilty to the original charge or a reduced charge. Another 22 were later dismissed. But perhaps the most startling statistic shows that of all the cases accepted for prosecution in 1980, only 15, or 11 percent, actually went to trial. Of those 15 trials, there were seven guilty verdicts, one verdict of innocent, two hung juries and one verdict of not guilty by reason of insanity. (See attached April 17, 1981 letter from Mr. Hickey to Rep. Freeman.) In an effort to reverse these statistics, the Task Force recommended funding for locating a prosecutor, paralegal and secretarial support in each of the eight district attorney offices statewide to specialize in sexual assault cases.

5. Victim/Witness Assistance

\$275,927

In general, testimony received by the Task Force on the criminal justice system in Alaska was negative. But one outstanding exception to this trend was widespread praise for the state's new victim/witness assistance program. The only criticism was that the program was too limited. This proposal would expand the program to provide victim/witness assistance offices in Ketchikan, Kodiak, Juneau and Bethel as well as adding personnel to the Anchorage and Fairbanks offices. According to Mr. Hickey, while there are a number of general reasons why sexual assault cases are dismissed after they have been filed the most prelevant reason for dismissals in rape and sexual assault prosecution stems from reluctance on the part of the victim to either testify against the attacker or to continue with the prosecution. (See attached memorandum "State v. Hernandez".) Currently the victim/witness assistance program is focusing on assisting sexual assault victims during all phases of prosecution. Under the program, paralegal employees prepare victims for going through the criminal justice process and teach them to become more effective witnesses during trial.

6. Pre-Trial Diversion

\$350,409

One alternative to the arrest/trial/incarceration procedure in the criminal justice system is pre-trial intervention and diversion. This program has the support of police, prosecutors, public defenders and judges. It operates under the premise that some first offenders can be handled without going through the

entire criminal justice system. The Task Force's priority here was to expand a program which will allow judges to force first offender domestic violence perpetrators into treatment programs. To date, the program has a 90 percent non-recidivism rate.

7. Public Education

\$530,000

One recommendation voiced repeatedly throughout the Task Force's hearing process was a call for public education designed to heighten awareness about the cycle of violence in Alaska society. In response to this wide-spread recommendation from the public, the Task Force proposed a multi-phased program aimed at a broad cross-section of Alaska society.

One component would be a series of 60-second public service spots for airing on Alaska commercial television and radio stations. The theme of these spots would center on the message that violence is not an acceptable method for resolving disputes. In addition to earmarking \$50,000 for actual production, the Task Force proposed an additional \$205,000 to purchase time for the spots. The problem with most PSA's is the tendency of commercial stations to air them at midnight. Proposed is funding for a six-month campaign to permit the airing of three spots a week on top commercial radio and television stations around Alaska.

A second component would be a series of video training tapes designed for use by advocates in training sessions with police, prosecutors, medical personnel, teachers and other professionals who are involved with the victims and perpetrators of violent crime. The price tag for this component is \$175,000.

A third component would be the production of a series of educational video tapes for use in grades K-12. This component would have a price tag of \$100,000 and would cover such topics as sexual assault, child abuse and violent behavior in general.

8. Corrections

\$122,527

This proposal came in response to testimony about the lack of adequate psychiatric and psychological treatment programs for violent offenders in the Alaska prison system. As noted by Walter Majoros, the director of a counseling program for men in Juneau, in a recent report, "it is shocking that with the incredible level of need for services to violent men, that the State of Alaska appropriated (for 1981) less than \$100,000 statewide to services for physically violent men and only \$20,000 (to the Southeast Regional Corrections Institute) for perpetrators of sexual assault. Just as men with violence problems will not change until they receive counseling, violence in Alaska by men will not stop until the state fully recognizes and accepts its commitment to men's services". Included in this proposal is funding for an expansion of the sex offender program to Eagle River, Fairbanks and Palmer. This program currently is operating only in Juneau.

Budget Addendum

1. Public Defender Agency

\$316,900

Another consistent complaint voiced throughout the House Task Force hearing process addressed concerns about the length of time it takes to bring cases to trial. This issue was raised repeatedly by both victims and representatives of the criminal justice system. Victim concern revolved around the frustrations and fears associated with long delays in bringing their attackers to trial. Testimony from criminal justice officials centered on the ripple effect of delays and causing logjams throughout the system. Superior Court Judge Victor Carlson of Anchorage told the Task Force that one of the major problems in obtaining speedy trials was inadequate staffing in the state Public Defender Agency, which represents defendants in the vast majority of cases of concern to the Task Force. Using standards recommended by the National Conference of Criminal Justice (LEAA), the Alaska Public Defender Agency should have 37 lawyers as compared to the current staff of 28. The Task Force originally recommended the addition of \$462,084 to the Public Defender Budget in an effort to both improve current conditions and to reflect the impact of other Task Force efforts to achieve more prosecutions. The recommendation was later deleted, but \$316,900 was restored by the full House Finance Committee.

FREE CONFERENCE COMMITTEE
ON THE BUDGET
(HB 50)
May 30, 1981
8:50 a.m.

FCC-81 #7, Side 1 (561-end)
FCC-81 #7, Side 2 (000-end)
FCC-81 #8, Side 1 (000-end)
FCC-81 #8, Side 2 (000-575)

CALL TO ORDER

The meeting was convened at approximately 8:50 a.m.

PRESENT

Present were House Committee members Cotten, Rogers, and Montgomery and Senate Committee members Kerttula and Bennett. The sixth member, Senator Sackett, did not attend. Also present were Director of Budget & Management, Ron Lehr; Director of Legislative Finance, Jay Hogan; and fiscal analyst Bob Grogan.

NATURAL RESOURCES

The committee commenced the following review and close-out of Natural Resource programs.

DEPARTMENT OF FISH & GAME

COMMERCIAL FISH - SPECIAL PROJECTS, p. 167

Bob Grogan explained the relationship between this program and federal funding. Representative Rogers moved for adoption of the request/Governor/House/Senate total of 496.2. No objection having been voiced, the figure was adopted.

COMMERCIAL FISH - SALMON, p. 169

Bob Grogan explained that differences between House and Senate figures result from House deletion of low priority projects and House election not to fund Budget Amendments. The Senate deleted numerous troll evaluation projects but added the Budget Amendment. Representative Rogers requested an evaluation of the proposed troll log book project. Ron Lehr advised that the project would provide valuable data to be used by Fish & Game and other agencies negotiating with Canada.

Representative Cotten moved that the program remain OPEN pending later consideration.

COMMERCIAL FISH - SHELLFISH, p. 171

Senator Bennett moved for adoption of the Senate total of 2668.4. Representative Cotten objected. Bob Grogan explained that the difference between the House and Senate figure represents Senate inclusion of the Governor's Budget Amendment. Representative Cotten removed his objection, and the Senate figure was adopted.

COMMERCIAL FISH - HERRING, p. 173

Senator Bennett moved for adoption of the House figure of 1189.0. Senator Kerttula raised questions concerning the Prince William Sound herring management study, and requested that the program remain OPEN for later consideration.

COMMERCIAL FISH - HDQTRS ADMIN., PLANNING & REVIEW, p. 175

Senator Bennett moved for adoption of the House/Senate total of 1906.4. No objection having been raised, the figure was adopted.

COMMERCIAL FISH - GROUND FISH, p. 177

Senator Bennett moved for adoption of the Senate total of 762.4. Representative Cotten objected. Representative Rogers questioned Senate inclusion of subsistence assessments within the above program, suggesting they would be better placed under a subsistence program rather than under ground fish. Representative Cotten requested that the program remain OPEN pending later consideration.

SPORT FISH - INVESTIGATIONS AND RESEARCH, p. 183

Senator Bennett moved the Senate total of 3814.5. No objection having been raised, the figure was adopted.

SPORT FISH - MANAGEMENT, p. 185

Senator Bennett moved for adoption of the House/Senate figure of 1160.6. No objection having been raised, the figure was adopted.

SPORT FISH - SPORT FISH RESTORATION, p. 187

Senator Bennett moved the House/Senate total of 101.5. No objection having been raised, the figure was adopted.

SPORT FISH - ADMINISTRATION, p. 189

Senator Bennett moved the House/Senate total of 329.3. No objection having been raised, the figure was adopted.

FRED - OPERATIONS, p. 195

Senator Bennett moved for adoption of the Senate total of 8820.9 plus the Governor's Budget Amendment. Representative

Cotten objected. Bob Grogan explained that the House deleted positions, while adding other positions back in. The correct House position count is 105. Positions deleted by the Senate relate to the tagging project. Mr. Grogan distributed a House/Senate Comparative Analysis for this program (copy attached). Representative Cotten moved to hold the program OPEN pending later consideration.

FRED - ADMINISTRATION, p. 197

Senator Bennett moved for adoption of the Senate total of 1458.1. Representative Rogers objected, raising questions concerning Copper River enhancement. Senator Kerttula attested to need for study of red salmon in relation to subsistence and the subsistence impact in Fairbanks and Cordova. Ron Lehr advised of new hatcheries "coming on line" and the need for clerk typists in order to staff them. Representative Cotten advised that he saw no problems with the Copper River project, but expressed a desire to "look at" aquaculture grants. He requested that the program remain OPEN pending later discussion.

FRED - TECHNOLOGY AND DEVELOPMENT, p. 199

Senator Bennett moved the House/Senate total of 1357.2. No objection having been raised, the figure was adopted.

ADMINISTRATION AND SUPPORT - OFFICE OF THE COMMISSIONER, p. 203

Senator Bennett moved the Senate total of 1568.3. Representative Rogers objected, requesting that the program remain OPEN pending formulation of intent regarding CIP positions (all CIP positions are to be included in the budget), as well as intent concerning the Department's lobbying effort. Representative Cotten raised questions concerning the \$5 million Budget Amendment and was informed by Bob Grogan that it represents a portion of the D-2 budget.

ADMINISTRATION AND SUPPORT - PUBLIC COMMUNICATION, p. 205

Senator Bennett moved for adoption of the Senate total of 407.8. Bob Grogan advised that the difference between House and Senate figures represents Senate funding of a communication specialist II position to assist with publication of the Department's monthly magazine. No objection to the Senate figure having been raised, it was adopted.

ADMINISTRATION AND SUPPORT - ADMINISTRATIVE SERVICES, p. 207

Bob Grogan explained differences between House and Senate figures, advising that the House funded 162.3 in designated grants, while the Senate reduced the number of positions and did not fund the whale study. Senator Bennett moved to fund

the Governor's adjusted figure of 3114.8. House members objected. Representative Rogers moved to adopt the House approach for personal services, reducing new position funding by 20%, to fund the Governor's budget amendment, to accept the Senate figure for contractual services, and to approve House/Senate figures for remain line items. He further stated that the legislature should move away from making designated grants to specified recipients and instead make designated grants for specific purposes. He then formalized Representative Cotten's earlier suggest that grant funding included within this program be moved under the program entitled "Designated Grants." No objection to Mr. Rogers' motions having been raised, they were adopted.

ADMINISTRATION & SUPPORT - DESIGNATED GRANTS, p. 209

Bob Grogan attested to technical problems surrounding designation of grants, advising that to the House grant entitled "Northern Southeast Regional Aquaculture association, lake fertilization" should be added "and lake stocking." The 340.0 designated for the Alaska Zoo actually represents 300.0 in operating costs and 40.0 in capital costs. In addition, 19.1 for the Bristol Bay Native study should be added to the Senate list of grants. Representative Rogers stated that the House had placed funding for the Association of Village Council Presidents Fisheries Task Force in the Development budget. He added that Development rather than Fish & Game appears a better place for such funding. He further added that the above program represents the place to include the 73.4 for fish utilization and 88.9 for whale research removed from the previous program (p. 207) should the committee wish to do so. Senator Kerttula attested to need for negotiations between the U.S. and Canada regarding harvesting of King Salmon on the Yukon River. Representative Cotten advised that the House would prefer not to name recipients of grants. Representative Rogers moved that the program remain OPEN for later consideration.

KING CRAB QUALITY CONTROL BOARD, p. 211

Senator Bennett moved for adoption of the House/Senate total of 449.3. No objection having been raised, the total was adopted.

GAME - INVESTIGATIONS AND RESEARCH, p. 215

Senator Bennett moved for adoption of the Senate figure. Mr. Rogers objected, raising questions concerning the vacancy factor. Representative Cotton moved for adoption of 7464.9, representing the House figure plus the Governor's Budget Amendment. No objection having been raised, the total was adopted.

GAME - MANAGEMENT, p. 217

Senator Bennett moved the House/Senate total of 634.4. No objection having been raised, the figure was adopted.

GAME - HUNTER SAFETY, p. 219

Senator Bennett moved for adoption of the House/Senate total of 120.5. No objection having been raised, the figure was adopted.

GAME - SPECIAL PROJECTS, p. 223

Senator Bennett moved for adoption of the House/Senate total of 260.0. No objection having been raised, the figure was adopted.

GAME - NON-GAME FISH & WILDLIFE, p. 225

Senator Bennett moved the House/Senate total of 197.4. Representative Rogers objected, moving instead for adoption of the Governor's funding for personal services producing a new project total of 203.5. No objection to Mr. Rogers' motion having been raised, the total of 203.5 was adopted.

VESSELS, p. 227

Senator Bennett moved for adoption of the Senate total of 1878.9 plus the Governor's Budget Amendment of 8.5 for a new total of 1887.4. No objection having been raised, the figure was adopted.

BOARDS OF FISH & GAME, p. 229

Senator Bennett moved for adoption of the Senate total plus the Governor's adjusted funding for a new total of 493.8. No objection having been raised, the figure was adopted.

SUBSISTENCE SECTION, p. 231

Senator Bennett moved for adoption of the Senate total. Representative Rogers objected, advising of additions he wished to make to the program and requesting that the program remain OPEN pending later consideration.

LIMITED ENTRY - COMMERCIAL FISHERIES ENTRY COM., p. 233

Senator Bennett moved for adoption of the Senate total. Representative Cotten objected, raising questions concerning the Commission's ability to fill requested positions.

Senator Bennett moved that the committee take a fifteen minute break.

BREAK 9:50 A.M.
RECONVENE 10:25 A.M.

Upon reconvening, Representative Rogers moved for adoption of the House total of 2235.7. No objection having been raised, the figure was adopted.

HABITAT PROTECTION - LAND AND WATER CONSERVATION, p. 237

Senator Bennett advised that Senate funding reduces habitat protection in the Fairbanks area. Suggesting that perhaps the Fairbanks problem has recently been solved. Representative Rogers requested that the program remain OPEN pending later discussion.

HABITAT PROTECTION - ADMINISTRATION AND SUPPORT, p. 239

Representative Rogers moved for adoption of the Governor's figure for personal services. Following brief discussion, however, Senator Bennett moved for adoption of the House total of 261.1. No objection to the House total having been raised, it was adopted.

HABITAT PROTECTION - ENVIRONMENTAL MONITORING, p. 241

Senator Bennett moved that the program remain OPEN pending later consideration.

HABITAT PROTECTION - SPECIAL FEDERAL PROJECTS, p. 243

Representative Cotten moved for adoption of the Senate total of 2066.9. No objection having been raised, the figure was adopted.

HABITAT PROTECTION - OIL PIPELINE MONITORING, p. 245

Responding to questions raised by Representative Rogers, Bob Grogan advised that funding for this program is generated by program receipts from Alyeska. Senator Bennett moved for adoption of House funding of 140.7. No objection having been raised, the House total was adopted.

HABITAT PROTECTION - GAS PIPELINE MONITORING, p. 247

Representative Cotten moved that the program remain OPEN pending later consideration.

HABITAT PROTECTION - RESOURCE ASSESSMENT, p. 251

Representative Rogers moved for adoption of the Senate total of 128.5. No objection having been raised, the figure was adopted. Mr. Rogers further advised of need to create a new component for the Fisheries Data Center. He suggested that discussion of the new component be held at a later time.

DEPARTMENT OF PUBLIC SAFETY

FISH & WILDLIFE PROTECTION - ENFORCEMENT, p. 255

Bob Grogan advised that while the Senate added funding to that proposed by the Governor, the House budget for this program is larger statewide. The Senate also included intent with its budget. Senator Bennett moved for adoption of the Senate total. Representative Rogers objected, advising of need to include "Fairbanks people in the position count." Discussion followed concerning positions counts for both House and Senate budgets for the program. Representative Cotten requested that the program remain OPEN pending later consideration.

FISH & WILDLIFE PROTECTION - DIRECTORS OFFICE, p. 257

Representative Cotten requested that the program remain OPEN for later consideration.

FISH & WILDLIFE PROTECTION - AIRCRAFT SECTION, p. 257

Representative Cotten requested that the program remain OPEN pending later discussion.

FISH & WILDLIFE PROTECTION - MARINE ENFORCEMENT, 261

Senator Bennett moved for adoption of the House/Senate total of 2311.7. No objection having been raised, the figure was adopted.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

ADMINISTRATION - OFFICE OF THE COMMISSIONER, p. 295

Representative Rogers attested to need for legislative intent pertaining to budgeting of CIP positions and discouragement of lobbying efforts by state agencies. Representative Cotten requested that the program remain OPEN pending later discussion.

ADMINISTRATIVE SERVICES, p. 299

Senator Bennett moved for adoption of the House/Senate total of 465.7. No objection having been raised, the figure was adopted.

ADMINISTRATION - DESIGNATED GRANTS, p. 301

Senator Bennett moved for adoption of the Senate total. Representative Rogers objected, requesting that the program remain OPEN for later consideration. The program was thus held OPEN.

ENVIRON. QUALITY OPERATIONS - DIRECTORS OFFICE, p. 305

Senator Bennett moved for adoption of the House and Senate total of 446.1. No objection having been raised, the figure was adopted.

ENVIRON QUALITY OPER - PERMIT SECTION, p. 307

Senator Bennett moved for adoption of the House/Senate total. Representative Rogers objected, moving instead the Governor's figure for personal services. Following brief discussion the Governor's budget totaling 174.8 was adopted by committee.

ENVIRONMENTAL QUALITY OPER - MONITORING & LAB SUPPORT, p. 309

Senator Bennett moved for adoption of the House and Senate total of 679.4. No objection having been raised, the figure was adopted.

ENVIRONMENTAL QUALITY OPER - FACILITY CONSTRUCTION AND OPER, p. 311

Senator Bennett moved for adoption of the Senate total of 1323.1. Representative Rogers objected, raising questions concerning travel funding. He later removed his objection, and the Senate total was adopted by committee.

ENVIRON QUALITY OPER - SOUTHEAST REGION, p. 313

Senator Bennett moved for adoption of the Senate figure plus the Governor's Budget Amendment for a new total of 892.8. Representative Cotten objected, advising of a request to add additional employees. Ron Lehr advised that the program only displays general funding rather than federal funding. He stated that adding federal funding to the above-suggested total of 892.8 would produce the House total of 928.3. Representative Cotten requested that the program remain OPEN for later consideration.

ENVIRONMENTAL QUALITY OPERATION - SOUTHCENTRAL REGION, p. 315

Senator Bennett moved for adoption of the Senate figure plus the Governor's adjustment for a new total of 1539.8. Representative Rogers objected, moving instead the House total of 1555.2. The House total was adopted by committee, but Representative Cotten later requested that the program be considered OPEN for further discussion if needed.

ENVIRON QUALITY OPER. - NORTHERN REGION, p. 317

Senator Bennett moved for adoption of the House total of 1524.0. Representative Cotten objected, moving instead that this program as well as the three preceding programs remain OPEN for later consideration.

ENV. QUALITY OPERATIONS - PLACER MINING PROJECT, p. 319

Senator Bennett moved for adoption of the House total of 577.1. No objection having been raised, the figure was adopted.

ENVIRONMENTAL MANAGEMENT - DIRECTORS OFFICE, p. 323

Senator Bennett moved for adoption of the House/Senate total of 202.4. No objection having been raised, the figure was adopted.

ENVIRONMENTAL MANAGEMENT - WATER QUALITY MANAGEMENT, p. 325

Senator Bennett moved for adoption of the House/Senate total of 1367.4. No objection having been raised, the figure was adopted.

ENVIRONMENTAL MANAGEMENT - MANAGEMENT & TECH ASSISTANCE, p. 327

Senator Bennett moved for adoption of the House/Senate total of 549.9. No objection having been raised, the figure was adopted.

ENVIRONMENTAL MANAGEMENT - AIR & SOLID WASTE, p. 329

Senator Bennett moved for adoption of the House/Senate total of 1011.0. No objection having been raised, the figure was adopted.

GAS PIPELINE SURVEILLANCE - SURVEILLANCE ACTIVITIES, p. 331

Representative Rogers requested that this program remain OPEN.

OFFICE OF SCIENCE AND TECHNOL - EXECUTIVE OPERATIONS, p. 333

Representative Cotten moved for adoption of the House figure of 998.2. Senator Bennett objected, requesting instead that the program remain OPEN. Representative Rogers advised that funding shown for the above-program was "moved from DPDP." The program remained OPEN for later discussion.

STATE BOND COMMITTEE

DEBT SERVICE, p. 335-343

Representative Rogers requested that Debt Service remain OPEN for later discussion.

RECESS

The meeting was recessed at approximately 11:00 a.m.

FCC-81, #7, Side 1 (561-end)
FCC-81, #7, Side 2 (000-end)
FCC-81, #8, Side 1 (000-end)
FCC-81, #8, Side 2 (000-575)

5/22/81

FCC-81

5/80

p. 195

NRMEC

F.R.E.D. - OPERATIONS
HOUSE-SENATE COMPARATIVE ANALYSIS

Correction

House personal services figure should be \$5,108.3.
Total should be \$9,710.2 (an addition of 114.1)

Key Differences

Both House & Senate delete Governor's Tagging program (\$300.0).

The House deletes (\$440.0) for a 5% G.F. reduction.

The Senate allows the Governor's Cordova Tagging positions.

The House adds:

\$	104.0	for Cold Bay hatchery operation
	87.6	for Kitoi Bay/Karluk Marketing/Tagging
	1,208.8	for fish marking, recovery & evaluation
	<u>200.0</u>	Southcentral Steelhead research

\$1,600.4

reduction represents an effort to compromise on appropriation levels. Senator Bennett stated his personal preference for the original twenty appropriations, advising that such a distribution of funding would provide better fiscal control geographically. Senator Kerttula attested to need for individual appropriations to community colleges in order to "maintain their integrity." Representative Cotton advised that the proposed reduction to twelve appropriations appears to be "a real good offer" which would probably be accepted by House members. He asked, however, that the House be allowed time in which to consider the foregoing Senate proposals.

Senator Kerttula advised of an additional \$500,000 in requests (including extension service requests) that he wished to include within the budget, suggesting that the University be funded at the Senate figure plus \$1.3 (the additional \$500,000 in requests to make up the difference totaling \$1.8).

Concerning allocation levels, Representative Rogers advised that for senior campuses the House allowed five or six allocation and combined debt service with administration and plant, and combined student loans, student services, and academic support into a new allocation called "student support." For community colleges the House allowed two allocations: one for instruction and another for everything else. The Senate, however, set forth specific allocations for instruction, academic support, student services, administration & plant, etc. (see attachment "University of Alaska Appropriation & Allocation Levels"). Senator Sackett stated that he had no objection to combining some Senate allocations, but he preferred that academic support and student services remain separate.

Senator Kerttula attested to the fact that it is difficult to "pimp" for the University Administration when the University's \$2 million budget lists such line items as \$106,000 for longer library hours. He stated that "a University is a library . . . a library at the instructional level." He added that for \$2 million, "the library ought to be open." Representative Rogers advised that he had received assurances from the Director of the library that with the additional funding, the library will remain open. Mr. Rogers suggested adding intent language that the University take note of line items allocated by the legislature, and that if the University does not do so, the legislature will consider more appropriations. He advised that reduction of University appropriations over a two year period from 37 to 20 to 12 represents a major step on behalf of the legislature which should be met with appropriate response by the University. Responding to cuts suggested by Senator Kerttula to reduce the University bureaucracy, Mr. Rogers stated that cuts often affect the students rather than the bureaucracy.

Representative Rogers attested to corrections in the University position count, advising that fiscal analyst, Alison Elgee, has current figures. He further added that the state will be "moving to a new accounting system over the next year or two." Since

CORRECTION

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

FREE CONFERENCE COMMITTEE
ON THE BUDGET
(HB 50)
June 1, 1981
8:10 a.m.

FCC-81, #8, Side 2 (575-end)
FCC-81, #9, Side 1 (000-345)

CALL TO ORDER

The meeting was convened at approximately 8:10 a.m.

PRESENT

Present were Senate members Bennett, Sackett, and Kerttula, and House members Rogers, Cotten, and Montgomery. Also attending were Ron Lehr, Director of Budget & Management; and fiscal analysts Alison Elgee and Elmer Lindstrom.

UNIVERSITY OF ALASKA

Fiscal analyst, Alison Elgee, distributed two comparison sheets for committee study. The first sheet (copy attached) sets forth House and Senate appropriation and allocation levels for the University. The second sheet (copy attached) compares general fund changes in the Governor's budget effected by the House and Senate.

Senator Bennett moved for adoption of Senate funding of \$1829.4, plus \$1.8 million for the University.

Representative Rogers advised of a difference between the Senate figure and requested funding for intercollegiate athletics at UAJ, explaining that the Senate added \$500,000 while the University requested \$100,000. He expressed the House feeling that perhaps intercollegiate athletics could be reduced and funding applied to other areas of need at UAJ.

Senator Kerttula advised of his desire to "see a couple cooperative extension agents put into the greater Bethel area if possible," attesting to need for such agents in the bush. He added that agents for Bethel were requested by Senator Hohman.

Referring to major allocation and appropriation differences between House and Senate, Representative Rogers asked if the motion to fund \$1.8 plus \$1.8 takes into consideration the six-appropriations (one for each senior campus, organized research statewide, and one appropriation for community colleges) contemplated by the House, or does it relate to the Senate approach (the first five appropriations are the same but thereafter each community college receives a separate appropriation). Senator Bennett distributed a proposal reducing Senate appropriations from twenty to twelve, advising that the

reduction represents an effort to compromise on appropriation levels. Senator Bennett stated his personal preference for the original twenty appropriations, advising that such a distribution of funding would provide better fiscal control geographically. Senator Kerttula attested to need for individual appropriations to community colleges in order to "maintain their integrity." Representative Cotton advised that the proposed reduction to twelve appropriations appears to be "a real good offer" which would probably be accepted by House members. He asked, however, that the House be allowed time in which to consider the foregoing Senate proposals.

Senator Kerttula advised of an additional \$500,000 in requests (including extension service requests) that he wished to include within the budget, suggesting that the University be funded at the Senate figure plus \$1.3 (the additional \$500,000 in requests to make up the difference totaling \$1.8).

Concerning allocation levels, Representative Rogers advised that for senior campuses the House allowed five or six allocation and combined debt service with administration and plant, and combined student loans, student services, and academic support into a new allocation called "student support." For community colleges the House allowed two allocations: one for instruction and another for everything else. The Senate, however, set forth specific allocations for instruction, academic support, student services, administration & plant, etc. (see attachment "University of Alaska Appropriation & Allocation Levels"). Senator Sackett stated that he had no objection to combining some Senate allocations, but he preferred that academic support and student services remain separate.

Senator Kerttula attested to the fact that it is difficult to "pimp" for the University Administration when the University's \$2 million budget lists such line items as \$106,000 for longer library hours. He stated that "a University is a library . . . a library at the instructional level." He added that for \$2 million, "the library ought to be open." Representative Rogers advised that he had received assurances from the Director of the library that with the additional funding, the library will remain open. Mr. Rogers suggested adding intent language that the University take note of line items allocated by the legislature, and that if the University does not do so, the legislature will consider more appropriations. He advised that reduction of University appropriations over a two year period from 37 to 20 to 12 represents a major step on behalf of the legislature which should be met with appropriate response by the University. Responding to cuts suggested by Senator Kerttula to reduce the University bureaucracy, Mr. Rogers stated that cuts often affect the students rather than the bureaucracy.

Representative Rogers attested to corrections in the University position count, advising that fiscal analyst, Alison Elgee, has current figures. He further added that the state will be "moving to a new accounting system over the next year or two." Since

this system is now in the early stages, it would be appropriate to add strong intent that the University participate in the development of the system in order that the University may use the same format to provide "good numbers" in the future.

Representative Cotten advised that the House would respond to previously made Senate proposals later in the afternoon, and suggested that, for the present, the committee continue review of the Development budget.

DEVELOPMENT

OFFICE OF THE GOVERNOR

COASTAL ZONE MANAGEMENT, p. 5

Representative Rogers advised that House intent comes close to the Senate approach zeroing the program. The difference between the two is approximately 18 months' funding. The House budget states that the FY 83 budget for CZM should not request general funds other than those necessary to match federal funding. The House budget allows only 13 positions, but continues the grants and raises the grant percentage. The House budget basically represents the first step of a very quick wind-down since CZM will most like not receive much in the way of federal funding next year. Senator Bennett advised that the zero funding recommended by the Senate is "quicker" than the method proposed by the House.

Ron Lehr advised that Budget & Management knows of no federal funds available for CZM for FY 83, so funding for the coming year represents "a transition period." The main goal of the program is to provide planning assistance for rural areas. The administration would like to continue the program until plans currently under CZM review are complete.

Responding to a question from Representative Cotten concerning grant recipients, fiscal analyst Elmer Lindstrom stated that the 460.0 in requested general funds represents the match for funds remaining within the CZM office as well as the match for areas with and without taxing authorities. A large amount of federal funding received by CZM goes to other state agencies as interagency transfers. Thereafter the agencies have to match the federal funds internally. General fund matches for CZM's receipt of federal funds appear throughout most other budget categories. CZM has established three categories for recipients. Under these categories grants are awarded to municipalities, as well as non-profit organizations.

Representative Cotten advised of designated grants included in the House budget which would make use of available federal funds. He requested that the program remain OPEN for later discussion.

DEPARTMENT OF ADMINISTRATION

ALASKA ENERGY CENTER, p. 7

Senator Bennett moved for adoption of zero funding proposed by the Senate. Representative Rogers objected, moving instead for adoption of the House figure of 6404.7. Representative Cotten inquired into the status of the Energy Center. Representative Rogers advised that it is currently operational; it hired an executive director several months ago; a number of "R & D projects are beginning to roll."

Senator Kerttula advised that the Center practices in-house collusion, advising of conflicts of interest between Center directors and their involvement in a number of Center-issued grants.

Discussion followed concerning possible use of R & D funding for operational costs. Representative Rogers advised of concern that the Center will be defunded before it has had an opportunity to prove itself. He moved that funding for the Center remain OPEN for later consideration.

DEPARTMENT OF REVENUE

ALASKA RENEWABLE RESOURCES CORP., p. 9

Senator Bennett moved for adoption of zero funding proposed by the Senate. Representative Rogers objected, moving instead for adoption of House funding of 1996.4. Mr. Rogers explained that the difference between House funding and that of the Governor rests with personal services and the number of positions for Anchorage and Fairbanks. Senator Kerttula advised that ARC is poorly structured. It should be restructured along the lines of an investment bank providing equity participation. He attested to the fact that the program has assisted outside interests rather than long time Alaskans possessing "sweat equity." He spoke further to problems surrounding a corporation presided over by three directors, and stressed need for a banking structure whereby loan officers present carefully screened projects to a board of directors or investment board for approval. He urged that grant provisions of the corporation be eliminated.

Representative Rogers agreed that ARC has structural problems and corrective legislation should be introduced. He added that ARC was structured to provide "different kinds of financing," and to accept projects which do not fit molds established by other loan programs. He further stated that some of ARC's projects should fail or the corporation is not going far enough out to the high risk areas of Alaska. He asked what the legislature should do with ARC's existing portfolio and pending projects if the corporation is defunded. Defunding will result in serious business disruptions if the corporation is "wiped out." He concluded

his comments advising that while corrective legislation is warranted, defunding would create serious problems for some Alaska businesses.

Representative Cotten requested that the program remain OPEN pending later discussion.

SHARED TAXES - MUNICIPAL ASSISTANCE, p. 13

Senator Bennett moved for adoption of the Senate total of 87400.0. Representative Cotten advised that House funding maintains levels received by municipalities for FY 81. Such funding includes supplemental appropriations. In many cases, property taxes in communities "came down to a very reasonable level or very low level." Senator Kerttula advised that this did not occur in all communities, citing the MatSu Borough as an example. The MatSu Borough raised appraisals, and net property tax dollars increased per taxpayer. Representative Cotten stated that while municipal assistance is supposed to keep local taxes down, government growth in Alaska has been greatest at the local or municipal level. Senator Kerttula testified to tax problems in the MatSu Borough. Representative Cotten stated that municipalities will likely receive capital dollars on a per capita basis in addition to increased unrestricted revenue funds. Such increased funding will lead to further governmental expansion at the local level. If municipal revenue does slow down now, taxes will increase, or drastic cuts in municipal employees will be necessary in the future.

Representative Rogers advised of House intent language providing for legislative consideration of a supplemental if communities use increased municipal assistance funds for local tax relief. Mr. Rogers stated that municipal assistance funding exhibits the largest budget increase over last year. House funding is up approximately 400%, while Senate funding represents an approximate increase of 650%. Revenue sharing is based upon petroleum corporate income tax collections which replaced the gross receipts tax. The new formula represents a major increase for municipalities. Concern relates to the likelihood that corporate tax receipts will be down next year. If municipalities are funded at the Senate level this year, it will be difficult to cut back municipal assistance next year. A lower level of funding now, coupled with a possible supplemental, is preferable. In addition, some municipalities have taken "a fairly strong position" that the program which raises funding distributed as revenue sharing ought to be repealed.

Representative Cotton moved that the program remain OPEN for later consideration.

SHARED TAXES - AMUSEMENT AND GAMING TAX, p. 15

Representative Cotten moved for adoption of the Senate figure of 36.0. No objection having been raised, Senate funding was adopted.

SHARED TAXES - AVIATION FUEL TAX, p. 17

Representative Cotten moved for adoption of the House/Senate total of 141.0. No objection having been raised, the figure was adopted.

SHARED TAXES - ELECTRIC & TELEPHONE COOP. TAX, p. 19

Senator Bennett moved for adoption of the House/Senate total of 2100.0. No objection having been raised, the figure was adopted.

SHARED TAXES - LIQUOR LICENSE TAX, p. 21

Senator Bennett moved for adoption of the House/Senate total of 900.0. No objection having been raised, the figure was adopted.

SHARED TAXES - FISHERIES TAX, p. 23

Senator Bennett moved for adoption of the House/Senate total of 3938.0. No objection having been raised, the figure was adopted.

MUNICIPAL BOND BANK AUTHORITY, p. 25

Senator Bennett moved for adoption of the House/Senate total of 345.4. No objection having been raised, the figure was adopted.

ALASKA HOUSING FINANCE CORP., p. 27

Senator Bennett moved for adoption of the House/Senate total of 2557.7. Ron Lehr advised of a recently-received request from AHFC for an additional \$300,000. He distributed the request to committee members, advising that the program is "getting into trouble" now that it has lost tax exempt bond status. There is need for a general fund appropriation to subsidize high costs in the bond market. Representative Rogers stated that the current subsidy on a \$90,000 mortgage is approximately \$600 per month. Senator Kerttula advised that the state will destroy its portfolio if it continues going to the bond market and subsidizing the difference. The state should go "direct cash" into the program. Representative Rogers suggested allowing AHFC interest rates to "float closer to market." Citing the current 8% rate, Mr. Rogers stated that he did not feel the state should "give somebody who gets a \$90,000 home more money each month in a subsidy than we give a welfare mother." Representative Cotten attested to timely testimony before House Finance, and House inability to effect major changes in the program.

Representative Rogers moved to approve AHFC's additional request. Representative Cotten objected, moving instead to hold the program OPEN for later consideration.

DEPARTMENT OF COMMERCE & ECONOMIC ENTERPRISE

ECONOMIC ENTERPRISE - SPECIAL DEVELOPMENT PROJECTS, p. 37

Representative Cotten moved for adoption of the Senate total of 374.7. No objection having been raised, the figure was adopted.

ECONOMIC ENTERPRISE - MINERALS DEVELOPMENT, p. 39

Senator Bennett moved for adoption of the House/Senate total of 318.1. No objection having been raised, the figure was adopted.

ECONOMIC ENTERPRISE - HYDROCARBON DEVELOPMENT, p. 41

Senator Bennett moved for adoption of Senate zero funding. Representative Cotten objected. Representative Rogers advised that while he served on the subcommittee dealing with this program, the administration never gave much explanation concerning program activities. Ron Lehr stated that the program has not gotten underway because it is not yet staffed. When staffed it will identify barriers to hydrocarbon development (development for in-state use). It would also be used to "balance off" DNR's mandate to get the maximum price for hydrocarbon development by highlighting possible in-state use. The program was created last year, but Commissioner Webber has not yet staffed it due to reorganization within the Department of Economic Development.

Representative Cotten moved to hold the program OPEN for further discussion.

ECONOMIC ENTERPRISE - COMMERCIAL FISHERIES DEV., p. 43

Senator Bennett moved for adoption of the Senate total of 262.7. Representatives Cotten and Rogers objected. Mr. Cotten advised of House funding for grants. Representative Rogers stated that some items included by the House (AVCT Fisheries Program, the Alaska Native Foundation Program, and Bering Straits Fisheries Foundation) were included by the Senate in other budget areas. Senator Sackett advised that the Senate budget includes all but the Bering Straits project. Fiscal analyst, Elmer Lindstrom, stated that the project is aimed at developing markets for Western Alaska fisheries. The office represents the lead agency for the entire bottom fish program.

Representative Cotten requested that the program remain OPEN for later discussion.

ECONOMIC ENTERPRISE - ADMINISTRATION, p. 45

Senator Bennett moved for adoption of the Senate total of 226.0 plus the Governor's adjusted of 50.3 for a total of 276.3. Representative Rogers advised that Senate funding eliminates the Deputy Commissioner position. The House funded this position for half a year since it has been vacant for a year. Ron Lehr stated that the House approach would be acceptable, since Commissioner Webber could fill the position on a contractual basis. Representative Montgomery moved for adoption of the Senate figure of 226.0. Representative Rogers attested to need for at least six month funding for the Deputy Commissioner's position. Ron Lehr explained that the Commissioner of Commerce has a great deal of responsibility relating to energy. The Deputy Commissioner position would oversee energy areas within the Department. Representative Cotten moved to accept the Senate figure. Representative Rogers objected, requesting that the program remain OPEN pending resolution of questions pertaining to energy. No objection having been raised, the program was held OPEN.

ECONOMIC ENTERPRISE - DESIGNATED GRANTS, p. 47

Senator Bennett moved for adoption of the Senate total of 1257.7. Representative Cotten objected, advising of need for coordination with page 42. Senator Kerttula advised of a request from the MatSu Borough for an overall economic development program. Senator Sackett attested to concern for the number of fishery marketing grants scattered throughout the budget. He advised of agreement with the House approach which would funnel all such grants into one area for easier management.

Senator Bennett moved to recess the meeting until later in the afternoon.

RECESS

The meeting was recessed at approximately 9:30 a.m.

FCC-81, #8, Side 2 (575-end)
FCC-81, #9, Side 1 (000-345)

6/1/81
FCC-81

UNIVERSITY OF ALASKA
APPROPRIATION & ALLOCATION LEVELS

House

Statewide Administration

Statewide staff & support
Data Processing Service
Risk Management

Organized Research

General University Research
Special State Projects Research

University of Alaska, Fairbanks

Instruction
Public Service - KUAC
Administration & Plant
Auxiliary Services
Intercollegiate Athletics
Student Support

University of Alaska, Anchorage

Instruction
Research & Professional Centers
Administration and Plant
Auxiliary Services
Intercollegiate Athletics
Student Support

Senate

Statewide Administration

Statewide staff & support
Data Processing Service
Risk Management

Organized Research

General University Research
Special State Projects Research

University of Alaska, Fairbanks

Instruction
Research & Professional Centers
Public Service - KUAC
Academic Support
Student Services
Administration & Plant
Auxiliary Services
Student Loans & Scholarships
Intercollegiate Athletics
Debt Service

School of Journalism

University of Alaska, Anchorage

Instruction
Research & Professional Centers
Academic Support
Student Services
Administration and Plant
Auxiliary Services
Student Loans and Scholarships
Intercollegiate Athletics
Debt Service

-22-

House

University of Alaska, Juneau

Instruction
Administration and Plant
Auxiliary Services
Student Support

Community Colleges, Rural Ed & Coop. Extension

CC-Statewide Administration
Anchorage CC - Instruction
Chugiak/Eagle River
Anchorage CC - Other
Kenai Peninsula CC - Instruction
Kenai Peninsula CC - Other
Ketchikan CC - Instruction
Ketchikan CC - Other
Kodiak CC - Instruction
Kodiak CC - Other
Kuskokwim CC - Instruction
Kuskokwim CC - Other
Kuskokwim Yupik Language Center
Mat-Su CC - Instruction
Mat-Su CC - Other
Northwest CC - Instruction
Northwest CC - Other
Prince William Sound CC - Instruction
Prince William Sound CC - Other
Sitka CC - Instruction
Sitka CC - Other
Tanana Valley CC - Instruction
Tanana Valley CC - Other
Rural Education - Instruction
Rural Education Research & Professional Ctrs.
Rural Education - Other
Cooperative Extension Service

Senate

University of Alaska, Juneau

Instruction
Academic Support
Student Services
Administration and Plant
Public Service
Auxiliary Services
Student Loans & Scholarships
Intercollegiate Athletics

CC - Statewide Administration

Statewide staff and support
Community College Contract
Instruction
Academic Support

Anchorage Community College

Instruction
Public Service
Academic Support
Chugiak/Eagle River
Student Services
Administration and Plant
Auxiliary Services
Student Loans and Scholarships

Kenai Peninsula Community College

Instruction
Academic Support
Student Services
Administration and Plant
Auxiliary Services
Student Loans and Scholarships

Ketchikan Community College

Instruction
Academic Support
Student Services
Administration and Plant
Auxiliary Services

House

Senate

Kodiak Community College

Instruction
Academic Support
Student Services
Administration and Plant
Auxiliary Services

Kuskokwim Community College

Instruction
Academic Support
Yupik Language Center
Student Services
Administration and Plant
Auxiliary Services
Student Loans and Scholarships

Matanuska-Susitna Community College

Instruction
Academic Support
Student Services
Administration and Plant
Auxiliary Services

Northwest Community College

Instruction
Academic Support
Student Services
Administration and Plant
Auxiliary Services

Prince William Sound Community College

Instruction
Academic Support
Administration and Plant
Auxiliary Services

House

Senate

Sitka Community College

Instruction
Academic Support
Sheldon Jackson Consortium
Student Services
Administration and Plant
Auxiliary Services

Tanana Valley Community College

Instruction
Academic Support
Student Services
Administration and Plant

Rural Education

Instruction
Research and Professional Centers
Academic Support
Student Services
Auxiliary Services

Cooperative Extension Service

Cooperative Extension Service

Prepared by:

Alison Elgee
Legislative Finance
5/25/81

-95-

6/1/81
FCC-81-8

UNIVERSITY OF ALASKA

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General Fund
Changes to
Governor's Budget

<u>Hse.</u>	<u>Sen.</u>		<u>House</u>	<u>Senate</u>
		<u>Statewide Administration</u>		
2	2	Substitute program rec. for G.F.	(285.0)	
2	2	Delay conversion of CIP staff	(124.2)	
4	4	Data Processing Contract	55.7	55.7
			(353.5)	55.7
		<u>Organized Research</u>		
	20	Marine Ed. periodical		(54.7)
	20	ISER professor (census)		42.6
	22	ISER "capital impact model"		70.0
	22	Oral History Program		97.5
22		Permafrost conference planning	25.0	
22		Current research profile	15.0	
20		Oceanography research	62.5	
20		Permafrost & Sea-ice research	66.6	
20		Info. dissemination of research	53.5	
20		Arctic health	41.0	
20		Visiting professorships	83.0	
20		Graduate fellowships in resources	61.0	
20		Coal conversion	73.0	
20		Life sciences div. support costs	20.0	
			501.2	155.4
		<u>UA-Fairbanks</u>		
	26	Teacher training/rural Alaska		100.0
	26	Alaska Native studies	45.8	238.3
	26	Shipboard laboratory course		(27.7)
26		UAF engineering	226.1	
26		Home economics teacher training	75.0	
26		Physical ed. support staff	17.7	
26		Physical ed. coaches	49.2	
26		Asst. Prof. - English Comp.	35.2	
26		Economics sections	9.8	
26		National resource coursework	58.6	
26		Graduate assistantships	36.6	
26		Reg. Cross-cultural ed. program	76.9	
26		Geology/Geophysical support staff	22.4	
26		Asst. prof. - business admin.	50.2	
26		Increase equip. & supplies - engineering	18.1	
26		Foreign faculty exchange	64.0	
26		Petroleum engineering	63.0	
26		Associate prof. - elementary ed.	42.1	
26		Asst. prof. - glaciology	11.6	
26		Maint. of fine arts theater	45.3	
26		Asst. prof. - mechanical engineering	35.9	

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<u>Hse.</u>	<u>Sen.</u>		<u>House</u>	<u>Senate</u>
26		Exp. mining engineering	52.5	
26		Summer session courses	282.2	
46	32	Longer library hours	106.1	72.9
	32	Student typewriters		12.0
46	34	Clerk - financial aid office.	26.7	26.7
46	34	Campus recreation program	40.2	80.8
36		EEO/AAO personnel	48.0	
36		Admissions & records support staff	63.5	
36		Assistant Fire Chief	43.4	
36		Incl. maint. of emergency vehicles	36.5	
36		UAF info	60.5	
36		Recruitment & relocation	65.0	
36		Improved commencement, etc.	27.5	
42		UAF intercollegiate athletics	161.0	
42		Hockey tournament (1/2)	62.5	
46		Media services support	30.5	
46		Admin. supp. for school of Agriculture	68.7	
46		Library support	55.5	
46		Expand rare books inventory	64.1	
	48	School of journalism		260.0
			2277.9	763.0
		<u>UA-Anchorage</u>		
52		Arts & Sciences secretary support	23.5	
52		Arts & Sciences program support	50.0	
52		Assoc. prof.-bilingual/bicultural ed.	42.8	
52		School of Ed. secretary	25.1	
52		Assoc. prof.-bus. & public admin.	44.7	
52		Assoc. prof.-bus. & public admin.	50.1	
52		Asst. prof. - sociology	35.8	
52		Asst. prof. - history	35.8	
	60	Recruitment & relocation		(75.0)
60		AAO - secretarial support	10.8	
60		Improved elevator maintenance	25.0	
60		Staff development program	33.2	
60		Custodial staff	44.8	
66		Hockey tournament (1/2)	62.5	
66		Men's & women's skiing	79.4	
70		Additional library volumes	50.0	
70		Additional library volumes	50.0	
70		Additional library volumes	50.0	
70		Computer search of library materials	13.8	
70		WLN acquisitions subsystem	52.6	
			815.7	(75.0)

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Governor's Budget

<u>Hse.</u>	<u>Sen.</u>		<u>House</u>	<u>Senate</u>
		<u>UA-Juneau</u>		
78	78	Ed. Rehab. Studies support cost	10.5	10.5
78		Assoc. prof. - biometrics dept.	47.7	
78		Assoc. prof - speech dept.	48.8	
78		Forest products mgt. & tech. program	51.6	
78		Coop. ed./on-the-job training	25.0	
78		English faculty position	39.0	
78		Emergency medical training	18.2	
78		Fisheries technology program	46.8	
	78	Summer program		18.0
84		Physical plant secretary	21.6	
84		Mail courier services	15.6	
84		Expanded student recruitment	23.0	
84		Admin. svcs. training equipment	7.5	
92		Tech. svcs. librarian	19.9	
92		Faculty development & training	5.8	
92		Placement & career counselor	37.4	
	94	Intercollegiate athletics		500.0
			418.4	528.5
		<u>CC - Statewide Admin.</u>		
282	98	Transfer petroleum tech. & expand	343.0	343.0
282		Maintain bldgs. in Kotzebue	30.6	
282		ITV productions	115.0	
282		ACCFT contract funding	(982.5)	
282		Public Info office	23.4	
282		Computer output microfiche upgrade	8.2	
282		Secretary for Vice Chancellor	27.2	
282		AAO Office	44.1	
282		Institutional studies office	60.4	
282		ITV voice to voice contact system	150.5	
282		ITV course productions	110.8	
			(69.3)	343.0
		<u>Anchorage CC</u>		
284	106	Aviation teachers	72.4	72.4
284		Part-time off-campus instruction	160.0	
284		Vocational course offerings	60.0	
284		Director & support for learning ctr.	73.0	
286		Chugiak-Eagle River support staff	30.5	
286		Chugiak-Eagle River misc. support	13.0	
288		Graphic artist - media services	41.7	
288		Student recruitment	34.0	
288		Telephone operators/dispatchers	39.2	
288		Incl. security - 2 public safety ofcrs.	68.9	
288		Women's Center	96.5	
			689.2	72.4

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Governor's Budget

<u>Hse.</u>	<u>Sen.</u>		<u>House</u>	<u>Senate</u>
124	124	<u>Chuckchi CC</u> Operational funding	(671.4) (671.4)	(671.4) (671.4)
	134	<u>Kenai Peninsula CC</u> New facilities funding		(22.9)
290		Upgrade equipment - office occup.	25.5	
290		Machine repair program	21.4	
290		Energy Tech. program	7.6	
290		Industrial technology	34.3	
290		Expansion of theatrical arts program	35.2	
290		Computer science instruction	38.8	
292		Library periodicals	5.6	
			168.4	(22.9)
		<u>Ketchikan CC</u>		
294		Marine cadet program	60.0	
	146	Student services director		(51.4)
294		Woodshop & diesel equip. programs	17.6	
294		Part-time academic instruction	9.9	
296		Venting system for woodshop	9.0	
			96.5	(51.4)
		<u>Kodiak CC</u>		
	154	Contractual instructional services		165.0
	160	Planning council travel		(3.2)
300		Library Aide	5.4	
298		Expand summer program	21.9	
			27.3	161.8
		<u>Kuskokwim CC</u>		
306		Constitution translation to Yupik	56.0	
			56.0	Ø
		<u>Mat-Su CC</u>		
308		Support staff	31.7	31.7
308		Instructional equipment	8.0	8.0
310	186	Counseling center	30.4	30.4
310	186	Catalog & advertising	7.0	7.0
	186	Roof repairs		8.0
			77.1	85.1
		<u>Northwest CC</u>		
312		Basic skills curriculum	49.0	
312		Word processing & clerical support	40.5	
314		Library services	45.8	
314		Full-time counselor	51.9	
			187.2	Ø

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General Fund
Changes to
Governor's Budget

<u>Hse.</u>	<u>Sen.</u>		<u>House</u>	<u>Senate</u>
		<u>Prince William Sound CC</u>		
316	208	Office occupations teacher	48.6	48.6
318	212	Registration Clerk	24.1	24.1
316		Welding Instructor	48.6	
			<u>121.3</u>	<u>72.7</u>
		<u>Sitka CC</u>		
320	218	Outreach Program	35.9	35.9
322	226	Business Office Accts. Clerk	23.6	23.6
			<u>59.5</u>	<u>59.5</u>
		<u>Tanana Valley CC</u>		
324	232	Petroleum Tech. transfer to statewide	((110.0)	((110.0)
324		Out of State travel	14.6	
324		"ESOL" program	32.3	
324	232	Welding Instructor	49.4	49.4
326		Personnel Technician	34.2	
			<u>20.5</u>	<u>(60.6)</u>
		<u>Rural Education</u>		
328		Part-time instructional aides	49.4	
328		Navy computer time	7.8	
328		Fisheries education	11.2	
328		Agricultural instruction	12.6	
332		Clerk Typist - Dean's office	20.8	
332		Additional office space	28.5	
330		Bilingual materials center	500.0	
			<u>630.3</u>	<u>0</u>
		<u>Cooperative Extension Service</u>		
334		Energy engineering specialist	48.0	
334		Expanded fisheries education	61.5	
334		Bethel - 4H Program	34.2	
334		Nome home economist	38.1	
334		Food preservation training	22.8	
334		Small farm media program	5.0	
334		Small scale livestock program	21.6	
334		Reindeer research agent	78.4	
	254	Kodiak extension agent		68.9
	254	Food price index		62.7
	254	Agricultural/Nome Ec. Sitka-Juneau		157.0
	254	McGrath small scale agriculture		75.0
	254	Agriculture program - Galena		50.0
			<u>309.6</u>	<u>413.6</u>
		GRAND TOTAL-----	<u>\$5361.9</u>	<u>\$1829.4</u>

FREE CONFERENCE COMMITTEE
ON THE BUDGET
(HB 50)
June 1, 1981
1:45 p.m.

FCC-81, #9, Side 1 (345-end)
FCC-81, #9, Side 2 (000-536)

CALL TO ORDER

The meeting was reconvened at approximately 1:45 p.m.

PRESENT

Present were Senate members Bennett, Kerttula, and Sackett, and House members Cotten, Rogers, and Montgomery. Also attending were Director of Budget & Management Ron Lehr; and fiscal analysts Alison Elgee, Don Fisher, and Elmer Lindstrom.

DEVELOPMENT

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

ECONOMIC ENTERPRISE - DESIGNATED GRANTS, p. 47

Senator Bennett and Representative Cotten agreed that the above program should remain OPEN pending resolution of differences between House and Senate approaches to grant funding.

LOAN FUND ADMINISTRATION, p. 49

Representative Cotten asked if the administration would be "coming in with a new number" for the program since the Lt. Governor has suggested revamping state loan programs. Ron Lehr responded that he was unaware of a change in funding at this time. Senator Bennett moved for adoption of the Governor's total of 1260.3. No objection having been raised, the figure was adopted. Representative Rogers moved for adoption of House/Senate intent. No objection having been raised, the intent was adopted.

FISH ENHANCEMENT TAX RECEIPTS, p. 51

Senator Bennett moved for adoption of the Governor's total of 1306.4. No objection having been raised, the figure was adopted.

VETERANS AFFAIRS - VETERANS LOAN FUND, p. 55

Senator Bennett moved for adoption of the House/Senate total of 753.1. No objection having been raised, the figure was adopted. Representative Rogers moved for adoption of

House/Senate intent. No objection having been raised, the intent was adopted.

VETERANS AFFAIRS - VETERANS SERVICES, p. 57

Senator Bennett moved for adoption of the Governor's total of 121.4. No objection having been raised, the figure was adopted.

TOURISM - TOURISM OPERATIONS, p. 61

Senator Bennett moved for adoption of the Senate total of 11120.1. Representative Cotten objected. Representative Rogers read a list of projects included within Senate funding (\$4 million, Alaska '84; \$2 million for a T.V. program; \$1 million for a consumer magazine program; \$400.0 for cooperative marketing; \$134.0 for design of a cultural center). Representative Cotten attested to legislation in the House relating to Alaska 1984 (Silver Anniversary Commission). He stated that the project appears to emanate from a private group which would like to conduct a statewide capital needs assessment. He added that evidence presented to him was not convincing--the project is "totally unnecessary." Senator Bennett advised that Senate members would recede from the request for \$4 million for Alaska '84.

Responding to questions from Representative Cotten concerning other Senate projects, Representative Rogers advised that the television program is new; the consumer magazine project relates to expansion of an existing program whereby the state places ads in magazines throughout the country; the cooperative marketing program also represents expansion of an existing program. Elmer Lindstrom advised that the \$400.0, the \$1.030 million, and the \$2.019 million would all become part of the cooperative marketing project between the Visitors Association and the State. The Governor has approximately \$1.2 million in his budget for this purpose. Senate funding would greatly expand the program.

The committee agreed upon deletion of \$4 million in funding for Alaska '84.

Representative Rogers concurred in Senate intent that the state promote University of Alaska summer school in Tourism's publication "Worlds of Alaska."

Senator Sackett requested that Elmer Lindstrom obtain and distribute the AVA pass-out to committee members. Mr. Lindstrom said he would do so.

Representative Cotten requested that the program remain OPEN for later discussion. No objection having been raised, the program was held OPEN.

TOURISM - DESIGNATED GRANTS, p. 63

Senator Bennett moved for adoption of the House/Senate total of 77.5. No objections having been raised, the figure was adopted.

ENERGY & POWER DEVELOPMENT - ENERGY ADMINISTRATION, p. 67

Senator Bennett moved for adoption of the Senate total of 341.8. Representative Cotten objected, advising that the House added an Anchorage project. Representative Rogers stated that the House added an ongoing alternative energy resource center in Anchorage. Mr. Cotten advised that the project relates to an existing non-profit corporation. Mr. Rogers added that funding was placed in the contractual line item so the Department could put the project out for bid rather than fund a named recipient.

Senator Sackett advised of his feeling that the project should be included under the Alaska Energy Center. Representative Rogers advised that the Energy Center promotes research projects while the project included within energy administration relates to an information function.

Senator Bennett objected to the proposed funding, requesting that the program remain OPEN for later consideration.

ENERGY & POWER DEVELOPMENT - ENERGY GRANTS & ASSISTANCE, p. 69

Senator Bennett moved for adoption of the Senate total of 4931.7. Representative Rogers objected, advising that the difference between House and Senate totals results from House funding of three positions (two in Anchorage, one in Fairbanks) and House addition of a position created by the energy audit program (HB 173). Discussion followed concerning problems relating to HB 173 and HB 9. Representative Cotten moved for adoption of the House total of 4986.8. Senator Bennett objected, moving instead that the program remain OPEN. No objection to Senator Bennett's motion having been raised, the program was held OPEN.

ENERGY & POWER DEVELOPMENT - ENERGY PLANNING, p. 71

Senator Bennett moved for adoption of the House/Senate total of 253.8. No objection having been raised, the figure was adopted.

ENERGY & POWER DEVELOPMENT - WEATHERIZATION, p. 73

Representative Cotten advised that since the above program represents total federal funding the committee would adopt the Senate total of 2186.9. No objection having been raised, the figure was adopted.

ENERGY & POWER DEVELOPMENT - ENERGY CONSERVATION/OUTREACH, p. 75

Senator Bennett moved for adoption of the Senate total of 1117.7. Representative Rogers objected, moving instead for adoption of the House figure of 1217.4, explaining that funding represents the remainder of the Fairbanks office (3 positions). He attested to problems within the Department of Commerce due to the fact that it is the most centralized of all state agencies--97% of the Department's personnel are in Anchorage or Juneau. To accomplish the objectives contemplated by the above program, personnel must spread out around the state. Senator Bennett objected to House funding. Representative Cotten advised that the program would remain OPEN for later discussion.

ALASKA POWER AUTHORITY, p. 77

Senator Bennett moved for adoption of the Senate total of 668.6. Representative Rogers objected, advising of past legislative practice which places feasibility studies in the capital rather than operating budget. He added that if feasibility studies are now, and in the future, to be included in the operating budget, the House has several million worth of studies it would request. Mr. Rogers suggested holding the program open, advising that both the House and Senate deleted funding for the power production assistance program in the operating budget assuming it would be "picked up" in separate legislation. He suggested that until the needed legislation passes, it might be wise to hold this program OPEN. Representative Cotten attested to the fact that both the House and Senate reduced funding for this program under the assumption that funding would be included in SB 26. House and Senate totals thus differ only in the \$25.0 for the Senate-funded feasibility study which might be more appropriately placed in SB 26. Representative Cotten moved for adoption of the House total of 643.6. Senator Bennett requested that the program remain OPEN. No objection having been raised, the program was held OPEN.

ROYALTY OIL AND GAS BOARD, p. 79

Senator Bennett moved for adoption of the Senate total of 268.8. Representatives Cotten and Rogers objected. Mr. Rogers advised that the above project was originally under the Hydrocarbons Office and moved to a separate component by both House and Senate Finance Committees. The House reduced funding because the Governor originally denied the request, and the House felt alternative studies should be initiated by the legislature rather than the Royalty Board. Representative Cotten advised of House interest in a study similar to the one contemplated by the \$100.0 in funding for the Royalty Oil & Gas Alternatives Study which represents the difference between the House and Senate total. Representative Cotten moved for adoption of the House figure. Senator Bennett objected. Senator Sackett moved that the program remain OPEN. No objection having been raised, the program was held OPEN.

ALASKA IND. DEV. AUTHORITY, p. 81.

Representative Cotten moved for adoption of the Senate total of 1572.2. No objection having been raised, the figure was adopted.

AGRICULTURAL ACTION COUNCIL, p. 83

Senator Bennett moved for adoption of the Senate total of 385.7. Representative Rogers objected, advising that the House Resources Committee passed legislation which would change the Agricultural Action Council. Senator Kerttula advised that those who authored the pending legislation did not have the necessary expertise to effect prudent changes. The legislation will undergo study and perhaps extensive revision during the summer. Representative Cotten advised of concern expressed by the House regarding the overall agriculture policy funded by the Senate. Discussion regarding agricultural development followed. Representative Rogers advised that House problems with the Agricultural Council are analogous to Senate problems with ARC. Representative Cotten moved that the program remain OPEN for later discussion. No objection having been raised, the program was held OPEN.

FOREIGN OFFICES - ASIAN OFFICE, p. 87

Senator Bennett moved for adoption of the Senate total of 477.3. Representative Cotten objected, moving instead for adoption of House zero funding. Senator Bennett objected, moving that the program remain OPEN for later consideration. No objection to the motion to hold OPEN having been raised, funding for the program was held in abeyance.

FOREIGN OFFICES - EUROPEAN OFFICE, p. 89

Representative Cotten moved that the above program remain OPEN. No objection having been raised, the project was held OPEN.

FOREIGN OFFICES - GERMAN OFFICE, p. 91

Representative Rogers moved for Senate zero funding for the office. Representative Cotten objected, requesting instead that the program remain OPEN. No objection to Rep. Cotten's motion having been raised, the program was held OPEN.

OFFICE OF THE COMMISSIONER - FILM AND TELEVISION SECTION, p. 93

Representative Rogers advised that both the House and Senate funded the 115.0, the question remaining, however, is where the funding should be placed. Representative Cotten advised of intent language patterned on the bill which he wished to present for Senate review, asking that the program remain

OPEN for later discussion. No objection having been raised, the program was held OPEN.

DEPARTMENT OF NATURAL RESOURCES

AGRICULTURAL MANAGEMENT - AGRICULTURAL DEVELOPMENT, p. 97

Senator Bennett moved for adoption of the Governor's total of 299.4. Representative Cotten objected, moving instead for adoption of the House figure of 342.7. Senator Bennett advised that the Senate would accept House funding. The House total of 342.7 was thus adopted.

AGRICULTURAL MANAGEMENT - AG. FINANCING & PROMOTION, p. 99

Representative Rogers moved for adoption of the House figure. Senator Bennett moved instead for adoption of the Governor's figure of 359.9. No objection to the Governor's figure having been raised, it was adopted.

AGRICULTURAL MANAGEMENT - AG RESEARCH/EXTENSION SVCS, p. 101

Senator Bennett moved for adoption of the Senate figure of 663.1. No objection having been raised, the figure was adopted.

AGRICULTURAL MANAGEMENT - STATE FAIRS, p. 103

Senator Bennett moved for adoption of the Senate total of 318.1. Representative Cotten objected. Representative Rogers explained that in order for a fair to receive funding it must submit its request to the Governor in October. The Month of Iditarod Committee did not submit its request in time, otherwise it would have been eligible for funding. The House thus included \$15.0 for the committee. Senator Bennett advised that the Senate would accept House funding of 333.1. No objection having been raised, the House funding was adopted.

AGRICULTURAL MANAGEMENT - DIRECTORS OFFICE, p. 105

Representative Cotten advised that the St. Lawrence Island Reindeer Stock Improvement Project proposes hiring a veterinary and herders to assist in air placement of reindeer on St. Lawrence Island for stock improvement. Representative Rogers stated that the \$25,000 would cover air fare for the reindeer, the veterinary's time, as well as the cost of pens. Senator Bennett advised that Senate members would accept the House figure of 233.2. Representative Cotten objected, moving instead to hold the project OPEN, proposing that the reindeer project could perhaps be included under designated grants. No objection to Mr. Cotten's motion having been voiced, the program was held OPEN.

AGRICULTURAL MANAGEMENT - DESIGNATED GRANTS, p. 107

Representative Cotten moved that the program remain OPEN for later action.

ENERGY MANAGEMENT - COAL DEVELOPMENT, p. 111

Senator Bennett moved for adoption of the Governor's total of 258.9. No objection having been raised, the figure was adopted.

ENERGY MANAGEMENT - GEOTHERMAL DEVELOPMENT, p. 113

Senator Bennett moved for adoption of the Governor's total of 210.0. No objection having been raised, the figure was adopted.

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

COMMUNITY ASSISTANCE GRANTS - MUNICIPAL REVENUE SHARING, p. 117

Representative Cotten requested that fiscal analyst, Elmer Lindstrom, explain House intent language. Mr. Lindstrom advised that under HB 192, the new revenue sharing formula, two clauses were set forth. One clause, the minimum entitlement clause, guarantees small communities \$25,000. The other, the hold harmless clause, states that no municipality shall receive less than 125% of what it received under the old formula. At the level of \$51,900,000 both clauses are fully funded. Below the \$51 million level, everything is prorated--small communities would not necessarily receive \$25,000 nor would municipalities receive 125% of prior funding. Funding of less than \$51 million will result in prorata distribution of revenue sharing, and the two above-mentioned clauses will not take effect. Representative Cotten moved for adoption of the Senate total of \$51900.0. No objection having been raised, the figure was adopted.

COMMUNITY ASSISTANCE GRANTS - AGRICULTURAL LAND EXEMPTION, p. 119

Senator Bennett moved for adoption of the House figure of 194.3. No objection having been raised, the funding was adopted.

COMMUNITY ASSISTANCE GRANTS - NATIONAL FOREST RECEIPTS, p. 121

Senator Bennett moved for adoption of the House and Senate total of 2500.0. No objection having been raised, the figure was adopted.

COMMUNITY ASSISTANCE GRANTS - RURAL DEVELOPMENT GRANTS, p. 123

Senator Bennett moved for adoption of the Governor's total of 3000.0. No objection having been raised, the figure was adopted.

COMMUNITY ASSISTANCE GRANTS - ORGANIZATIONAL GRANTS, p. 125

Senator Bennett moved for adoption of the Governor's total of 27.0. No objection having been raised, the figure was adopted.

COMMUNITY ASSISTANCE GRANTS - COMMUNITY LEGAL ASST GRANTS, p. 127

Senator Bennett moved for adoption of the Governor's total of 108.0. No objection having been raised, the figure was adopted.

COMMUNITY ASSISTANCE GRANTS - BULK FUEL GRANTS, p. 129

Representative Cotten moved for adoption of the House total of 277.4. Senator Bennett objected, moving instead for adoption of the Senate total of 177.4. Representative Cotten objected. Representative Rogers advised that the \$100.0 difference results from funding for inspection of fuel storage facilities. Some communities have experience problems with the program. Senator Kerttula suggested that the state police conduct such inspections. Representative Rogers moved to "split the difference." Following brief discussion concerning responsibility for inspections, Representative Rogers moved to hold the program OPEN, pending receipt of additional information. Senator Sackett requested that the committee fund fuel grants in the budget if pending legislation relating to this program does not pass. No objection to Senator Sackett's request or Mr. Rogers motion to hold the program OPEN having been raised, both were accepted by committee.

LOCAL GOVERNMENT ASSISTANCE - TRAINING, DEVELOPMENT & RDA, p. 133

Representative Cotten moved for adoption of the House figure. Senator Bennett objected, moving instead for adoption of the Senate figure. Representative Cotten objected. Senator Bennett moved that the program remain OPEN. No objection having been raised, the program was held OPEN.

LOCAL GOVERNMENT ASSISTANCE - STATE ASSESSOR, p. 135

Senator Bennett moved for adoption of the Senate total of 305.8. No objection having been raised, the figure was adopted.

LOCAL GOVERNMENT ASSISTANCE - LOCAL BOUNDARY COMMISSION, p. 137

Senator Bennett moved for adoption of the Senate total of 168.5. Representative Cotten objected. Representative Rogers raised questions concerning the Borough Government Study. Mr. Cotten suggested it would be inappropriate to give the commission more work than it already has, since it was originally initiated for a single purpose which has already been expanded upon. Representative Cotten moved for adoption of the House total of 93.5. Senator Bennett objected, requesting that the program remain OPEN for later discussion.

LOCAL GOVERNMENT ASSISTANCE - REVENUE SHARING ADMINISTRATION,
p. 139

Senator Bennett moved for adoption of the House total of 86.9. No objection having been raised, the figure was adopted.

LOCAL GOVERNMENT ASSISTANCE - COASTAL ENERGY IMPACT PROGRAM,
P. 141

Senator Bennett moved for adoption of the Senate total of 2151.6. Representative Rogers moved for adoption of House/Senate intent, advising that it represents intent requested by the administration to extend an '82 lapse date. If the Governor accepts the intent, it means that he is giving intent language the force of law. If a lapse date can be extended through intent language, it will strengthen the legislature's court case. Ron Lehr advised that the administration would like to have the language "in the bill" so that it does have the force of law. Representative Rogers stated that his intent is to add the language as intent in the bill, not as a separate section in the bill--intent within the law. Ron Lehr advised that whether or not the language has the effect of legislative intent for force of law will depend upon how it is written into the bill.

BREAK 2:30 p.m.

RECONVENE 3:02 p.m.

Discussion followed concerning the placement of intent language to extend the lapse date. Representative Cotten stressed need to obtain an opinion from Legislative attorneys. Mr. Cotten requested that adoption of intent language remain OPEN for later discussion.

COMMUNITY PLANNING SERVICES - COMMUNITY PLANNING ASSISTANCE,
p. 145

Noting differences in personal services funding in House and Senate budgets, Representative Rogers advised that positions 1, 4, 5, and 7 are currently filled. The House allowed the positions and added on funding for the DCS Task Force for the Yukon-Kuskokwim Delta. Much of the funding comes by way of

RP from the capital budget. Senator Bennett moved for adoption of the Senate total of 3748.6. Representative Cotten objected, requesting that the program remain OPEN for later discussion.

MUNICIPAL LANDS TRUSTEE, p. 149

Senator Bennett moved for adoption of the House/Senate total of 274.5. No objection having been raised, the figure was adopted.

ANCSA PLAN OF SURVEY, p. 151

Senator Bennett moved for adoption of the Senate total of 370.1. Representative Rogers objected, questioning the need for an additional planner at Nome. Senator Sackett attested to need for such services in the Northwest region. Senator Sackett explained the program. Representative Rogers advised that Form 6 indicates that all that is needed is an addition \$21,200. There is currently a \$50,000 position in Anchorage for a planner. If \$21,200 is added to that, the position can be moved to Nome. The Senate added a position rather than upgrading and moving the Anchorage position. Staff explained that funding requested on Form 6 was meant to correct an error made by placing the Nome position in Anchorage. Representative Cotten requested that the program remain OPEN for later discussion.

ADMINISTRATION - OFFICE OF THE COMMISSIONER, p. 155

Representative Rogers moved for adoption of the House total of 738.2. Senator Bennett objected, moving Senate funding instead. Senator Sackett requested that the program remain OPEN for later action. No objection to Senator Sackett's request having been raised, the program was held OPEN.

ADMINISTRATION - ADMINISTRATIVE SERVICES, p. 157

Representative Cotten moved for adoption of the House total of 972.7. Senator Bennett objected, moving instead for adoption of the Senate figure. Representatives objected. Senator Kerttula moved that the program remain OPEN for later discussion. No objection having been raised, the program was held OPEN.

ADMINISTRATION - RURAL DEVELOPMENT COUNCIL, p. 159

Senator Bennett moved for adoption of the House total of 179.9. No objection having been raised, the figure was adopted.

ADMINISTRATION - DESIGNATED GRANTS, p. 161

Representative Cotten and Senator Kerttula suggested that each membership accept one-half of its funding (House to take

one-half of 814.0, the Senate to take one-half of 3069.9). Representative Rogers and Montgomery objected. Representative Montgomery and Senators Kerttula and Bennett suggested adoption of the Governor's zero funding. Representative Rogers and Cotten and Senator Sackett objected. Representative Cotten suggested that the program remain OPEN for later discussion. No objection having been raised, the program was held OPEN.

NON-CONFORMING HOUSING LOANS - HOUSING LOAN ADMINISTRATION, p. 163

Senator Bennett moved for adoption of the Senate total of 1006.6. No objection having been raised, the figure was adopted.

MUNICIPAL GRANTS (AS 37.05.315)

ED 1 KETCHIKAN - CRAIG BOROUGH STUDY, p. 165

Senator Bennett moved for adoption of the Senate total of 125.0. Representative Cotten objected, advising that he had no objection to the study but felt it should be included with other one-time studies for consistent handling. Senator Bennett advised that the program would remain OPEN for later action.

ED 7-12 ANCHORAGE - ANCHORAGE-FED COMMUNITY CNCLS, p. 167

Senator Bennett moved for adoption of the Senate total of 80.0. Representative Cotten objected, requesting that all municipal grants, p. 167 through 179 remain OPEN.

FAIRBANKS NORTH STAR BOROUGH - ARCTIC WINTER GAMES 1982, p. 181

Representative Rogers moved for adoption of the Senate total of 6378.4. Representative Cotten objected, requesting that the program remain OPEN along with the foregoing municipal grants.

STATE BOND COMMITTEE

DEBT SERVICE, p. 185 through 189

Representative Cotten advised that debt service would be held OPEN for later discussion.

ADJOURNMENT

Senator Bennett moved to adjourn the meeting. No objection having been raised, the meeting was adjourned at approximately 3:16 p.m.

FCC-81, #9, Side 1 (345-end)
FCC-81, #9, Side 2 (000-536)

FREE CONFERENCE COMMITTEE
ON THE BUDGET
(HB 50)
June 2, 1981
8:11 a.m.

(Tape FCC 81, # 9, Side 2, 550 - end)
(Tape FCC 81, #10, Side 1, 000 - end)
(Tape FCC 81, #10, Side 2, 000 - 368)

CALL TO ORDER

Chairman Cotten called the meeting to order at 8:11 a.m.

PRESENT

Chairman Cotten and Representatives Rogers and Montgomery; and Senators Sackett, Bennett and Kerttula were present. Also in attendance were Ron Lehr, Director of Budget and Management; Jeff Morrison of Budget and Management; and Don Fisher and Jerry Schilz, Legislative Finance Fiscal Analysts.

GENERAL GOVERNMENT BUDGET CATEGORY

OFFICE OF THE GOVERNOR - EXECUTIVE OPERATIONS - EXECUTIVE OFFICE
- page 3

Senator Bennett moved the Senate figure of \$3065.8 plus the Governor's add-on for \$707.0. Chairman Cotten objected and moved the Senate figure. Mr. Lehr stated that the Special Projects Office had been in this budget in the past but was now out. Senator Kerttula stated that for the most part over the last 20 years, the Governor's Office requests and the Legislative requests have been left intact. Chairman Cotten stated he had not heard of any such arrangements, and requested that the page be HELD OPEN.

OFFICE OF THE GOVERNOR - EXECUTIVE OPERATIONS - SPECIAL PROJECTS
COORDINATOR - page 7

Chairman Cotten moved the Senate figure of \$596.7. There being no objection, it was ADOPTED.

OFFICE OF THE GOVERNOR - EXECUTIVE OPERATIONS - CONTINGENCY FUND
- page 9

Senator Bennett moved the House/Senate figure of \$750.0. There being no objection, it was ADOPTED.

Representative Rogers moved that an extended lapse date be put on this item so that if there are funds remaining at the end of the year, they would hold over until the following fiscal year. Senator Sackett objected. Representative Rogers stated that this

item has gone up each year, so this action would help to keep the level of appropriation down next year. Senator Kerttula disagreed. The committee did not act on Representative Rogers' motion.

OFFICE OF THE GOVERNOR - EXECUTIVE OPERATIONS - EXECUTIVE MANSION
- page 11

Senator Bennett moved the House/Senate figure of \$182.6. There being no objection, it was ADOPTED.

OFFICE OF THE GOVERNOR - EXECUTIVE OPERATIONS - REGULATORY REFORM
OFFICE - page 13

Senator Bennett moved the Senate figure of \$-0- plus the Governor's add-back. Representative Rogers stated that the Governor's add-back was equivalent to the House figure of \$108.7. Chairman Cotten reiterated that the House figure of \$108.7 was ADOPTED.

OFFICE OF THE GOVERNOR - EXECUTIVE OPERATIONS - LIEUTENANT
GOVERNOR - page 17

Chairman Cotten requested that this page be HELD OPEN.

OFFICE OF THE GOVERNOR - EXECUTIVE OPERATIONS - DPDP - page 21

Senator Bennett moved the Senate figure of \$1365.4 plus the Governor's add-back. Chairman Cotten objected. Discussion ensued and Senator Bennett requested that this page be HELD OPEN.

OFFICE OF THE GOVERNOR - EXECUTIVE OPERATIONS - GROWTH POLICY
COUNCIL - page 23

Senator Bennett moved the Senate figure of \$-0- plus the Governor's add-back. Chairman Cotten objected and moved the Senate figure of \$-0-. Senator Bennett objected and requested that the page be HELD OPEN.

OFFICE OF THE GOVERNOR - EXECUTIVE OPERATIONS - BUDGET AND
MANAGEMENT - page 27

Senator Bennett moved the Senate figure of \$1960.6 plus the Governor's add-back. Discussion ensued. Chairman Cotten moved the Governor's figure of \$2063.9. There being no objection, it was ADOPTED.

OFFICE OF THE GOVERNOR - EXECUTIVE OPERATIONS - INTERNAL AUDIT -
page 29

Senator Bennett moved the Senate figure of \$654.0 plus the Governor's add-back, for a total of \$853.0. Chairman Cotten asked Mr. Lehr what the duties of the Internal Auditors were and Mr. Lehr responded that the office was trying to restructure so

there would be more of a management pool. There was no objection to Senator Bennett's motion, so the figure was ADOPTED.

OFFICE OF THE GOVERNOR - EXECUTIVE OPERATIONS - COUNCIL OF ECONOMIC ADVISORS - page 31

Senator Bennett moved the Senate figure of \$-0- plus the Governor's adjusted figure of \$250.0. Representative Rogers asked for comments from Mr. Lehr on the Council who responded that they deal with major economic issues and is presently in a formation stage. Representative Montgomery moved the House figure of \$-0-. Senator Bennett objected and requested that the page be HELD OPEN.

(BEGIN NEW TAPE, FCC 81, #10, Side 1, 000 - end)

OFFICE OF THE GOVERNOR - ALASKA LAND USE COUNCIL - page 35

Senator Bennett moved the Senate figure of \$-0- plus the Governor's adjusted figure. Mr. Lehr explained the function of the Land Use Council. Chairman Cotten requested that the page be HELD OPEN.

OFFICE OF THE GOVERNOR - ELECTIVE OPERATIONS - ELECTIONS - page 39

Senator Bennett moved the Senate figure of \$1659.9 plus the Governor's add-on for a total of \$1939.7. Chairman Cotten objected. Representative Rogers commented that with reapportionment coming up, next year the Elections Office will have a difficult time what with training new precinct judges, etc. He felt that the committee should at least give them the 6 month position, and concurred with the Senate motion. Differences between the Senate and House figures as well as Senator Bennett's motion were discussed. Senator Kerttula commented on the continuing problems and "rumors" bordering on scandal within the Alaska election system. He felt that there should be some capability of "moving in immediately" where problems arise to "stop this". Senator Sackett asked Mr. Fisher if the Governor's Amendment was in the House and Senate figures. Mr. Fisher stated part of it was and continued to explain the differences. Representative Rogers stated that the Deputy Director had been "double budgeted". Mr. Lehr explained that the Deputy Director was "sort of in both". Representative Rogers requested that this page be held open until it was determined whether or not there was an error. Senator Bennett requested that Mr. Lehr provide the committee with an amendment to the GBA. The page was HELD OPEN.

OFFICE OF THE GOVERNOR - SALARY AND BENEFITS INCREASES - EXECUTIVE AGENCIES PART I - page 43

Senator Bennett moved the figure of \$14190.2 (this was the Senate figure plus the GBA). Representative Rogers moved the following Legislative Intent:

The amount of \$1,630,700 is to be distributed only if the Inland Boatman's Union bargaining unit ratifies the contract for which the funds were requested. The amount of \$336,000 is to be distributed only if the Masters, Mates and Pilots bargaining unit ratifies the contract for which the funds were requested.

There being no objection to Representative Rogers motion, the INTENT WAS ADOPTED. There being no objection to Senator Bennett's motion, the FIGURE WAS ADOPTED. In regard to the deleted programs on the amendment, Mr. Lehr stated that though the three programs had been deleted, the funds were still in, so if ultimately approved, those funds would probably lapse.

DEPT. OF ADMINISTRATION - ALASKA STATEHOOD COMMISSION - page 53

Senator Bennett moved the Senate figure of \$392.5. Representative Rogers objected and moved the Governor's figure. Senator Bennett objected. Chairman Cotten moved the House figure. Senator Kerttula objected. Representative Montgomery moved a \$-0- figure. Representative Rogers objected. Representative Montgomery requested that the page be HELD OPEN. Differences between the figures were discussed. Upon a voice vote, the motion to zero the page the motion failed. The page was HELD OPEN.

DEPT. OF ADMINISTRATION - PUBLIC OFFICES COMMISSION - page 55

Senator Bennett moved the Senate figure of \$393.8 plus the Governor's requested adjusted figure, for a total of \$423.7. The committee discussed the figures. There being no objection, the figure was ADOPTED.

DEPT. OF ADMINISTRATION - OFFICE OF THE COMMISSIONER - page 57

Senator Bennett moved the Senate figure of \$651.3 plus the Governor's adjusted figure for a total of \$765.3. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - OFFICE OF INFORMATION MANAGEMENT - page 59

Chairman Cotten moved the House/Senate figure of \$457.0. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - ADMIN. SERVICES - FISCAL/PERSONNEL - page 63

Senator Bennett moved the Senate figure of \$569.4 plus the Governor's adjusted for a total of \$626.7. Chairman Cotten objected and asked Mr. Lehr for explanation. Mr. Lehr stated the \$57.3 was for a Supply Officer and to restore some of the vacancy assessment. Chairman Cotten moved the Senate figure of \$569.4. Senator Bennett objected and requested that the page be HELD OPEN.

DEPT. OF ADMINISTRATION - ADMIN. SERVICES - WORD PROCESSING
CENTERS - page 65

Senator Bennett moved the Senate figure of \$741.9 plus the Governor's add-back for a total of \$816.9. Chairman Cotten objected, and moved the Senate figure of \$741.9. Mr. Lehr commented on the function of the Word Processing Center. Senator Bennett objected to Chairman Cotten's motion and requested that the page be HELD OPEN.

DEPT. OF ADMINISTRATION - ADMIN. SERVICES - CENTREX - page 67

Senator Bennett moved the House/Senate figure of \$370.6. Representative Rogers requested that the page be held open, referring to a request for funding for \$110.0 for new software, and \$6.0 for tie-lines to reduce the busy signals experienced when called out of the Centrex system. Mr. Fisher stated the \$110.0 was for a new switching device to be installed in the J-D Telephone system. It was programmable and would provide additional circuits to the system. Also, all the telephone equipment on the 6th floor of the State Office Building could be cleared out which would allow about 2,500 additional square feet of office space. Mr. Lehr stated his figures were entirely different. He said the 5-year pay back was \$220.0 and the 10 year pay back was \$108.0. Representative Rogers moved the House/Senate figure of \$370.6 plus \$221.8 plus \$6.0, for a total of \$597.6. There being no objection, it was ADOPTED. Representative Rogers moved the Legislative Intent for this page for a study regarding state ownership of Centrex equipment. There being no objection, INTENT WAS ADOPTED.

DEPT. OF ADMINISTRATION - TELECOMMUNICATIONS SYSTEMS - OPERATIONS
- page 69

Senator Bennett moved the Senate figure of \$9129.6 plus the Governor's add-back for a total of \$10029.6. Discussion ensued and Chairman Cotten requested that the page be HELD OPEN.

DEPT. OF ADMINISTRATION - TELECOMMUNICATIONS SERVICES - PLANNING
- page 71

Senator Bennett moved the House/Senate figure of \$302.4 plus the Governor's add-on for a total of \$443.3. Representative Rogers stated that Representative Brown was concerned about losing these positions and requested that the page be HELD OPEN.

DEPT. OF ADMINISTRATION - ACCOUNTING - PRE-AUDIT - page 75

Senator Bennett moved the Senate figure of \$337.7 plus the Governor's adjusted, for a new total of \$396.3. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - ACCOUNTING - ACCOUNTING SERVICES - page
77

Senator Bennett moved the Senate figure of \$293.6 plus the Governor's adjusted, for a new total of \$355.5. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - ACCOUNTING - PAYROLL ACCOUNTING - page 79

Senator Bennett moved the House/Senate figure of \$581.8. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - ACCOUNTING - ADMINISTRATION & SUPPORT - page 81

Senator Bennett moved the House/Senate figure of \$259.2. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - ACCOUNTING - FINANCIAL SYSTEMS - page 83

Senator Bennett moved the House/Senate figure of \$1853.3. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - RISK MANAGEMENT - OPERATIONS - page 87

Senator Bennett moved the House/Senate figure of \$377.0. Chairman Cotten objected. Representative Rogers stated that the Governor had requested three positions funded by Other Funds. The three positions would negotiate contracts for insurance on the pipeline. Mr. Lehr stated insurance costs would be lowered; in fact he said that the insurance rates were based on the fact that the three positions would be operating. He said it would lower the costs by about \$500.0. Senator Bennett moved the Governor's figure of \$523.3. Chairman Cotten objected and moved the Senate figure of \$377.0. Senator Bennett objected and requested that the page be HELD OPEN.

DEPT. OF ADMINISTRATION - RISK MANAGEMENT - PREMIUMS - page 89

Senator Bennett moved the Senate figure of \$5308.0 plus the Governor's adjusted. Chairman Cotten objected and stated this was the \$2 million pipeline interruption insurance. The House subcommittee had decided the proposal was a "waste of money". He said it was his understanding that if the pipeline shut down for in excess of 30 days but not more than 90 days, the State would be guaranteed the cash flow that it otherwise would have received for that 60 day period. Mr. Lehr agreed, but said that it was actually only a \$1 million program and explained why. Senator Bennett moved the House figure of \$5308.0. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - RISK MANAGEMENT - LOSS RETENTION - page 91

Senator Bennett moved the House/Senate figure of \$7672.5. There being no objection, it was ADOPTED. Senator Sackett moved the

Legislative Intent. There being no objection, INTENT WAS ADOPTED.

DEPT. OF ADMINISTRATION - PERSONNEL & LABOR RELATIONS SV - PERSONNEL - page 95

Senator Bennett moved the House/Senate figure of \$3164.8. There being no objection, it was ADOPTED. Representative Rogers moved the Legislative Intent for this page, and without objection ALREADY EXISTING INTENT WAS ADOPTED. Representative Rogers stated that he would also like to move Legislative Intent to the effect that none of the new positions may be filled until 75% of the positions authorized for other agencies are filled. He requested that this page be HELD OPEN FOR ADDITIONAL INTENT.

DEPT. OF ADMINISTRATION - PERSONNEL & LABOR RELATIONS - LABOR RELATIONS - page 97

Senator Bennett moved the House/Senate figure of \$749.6. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - GENERAL SERVICES - PURCHASING - page 101

Senator Bennett moved the House/Senate figure of \$1116.8. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - GENERAL SERVICES - PROPERTY MANAGEMENT - page 103

Senator Bennett moved the House/Senate figure of \$352.3. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - GENERAL SERVICES - CENTRAL MAIL & SWITCHBOARD - page 105

Senator Bennett moved the Senate figure of \$508.8 plus the Governor's adjusted for a new total of \$552.0. Chairman Cotten objected and moved the House figure of \$508.8. Representative Rogers objected and expressed displeasure with the Central Mail System. Now, with the move to the Take Twins building, the central office will be even farther away, so two new mail carriers might speed up the delivery process. Senator Sackett stated he felt the mail was delivered often enough. Chairman Cotten moved the Senate figure of \$508.8. Senator Bennett moved the House figure of \$508.8. Mr. Lehr stated when the Central Mail operation was moved to the old Don Abel's building, the two new positions were created by RP so that mail could be shuttled back and forth to the office buildings. Senator Bennett moved the Senate figure of \$508.8 plus the Governor's add-on for a new total of \$552.0. Chairman Cotten objected and requested that the page be HELD OPEN.

DEPT. OF ADMINISTRATION - GENERAL SERVICES - CENTRAL DUPLICATING - page 107

Senator Bennett moved the Senate figure of \$1424.1. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - GENERAL SERVICES - ARCHIVES - page 109

Senator Bennett moved the Senate figure of \$693.8. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - GENERAL SERVICES - SURPLUS PROPERTY - page 111

Senator Bennett moved the Senate figure of \$163.5. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - DATA PROCESSING - COMPUTING SERVICES - page 117

Senator Bennett moved the Senate figure of \$571.0. There being no objection, it was ADOPTED. Representative Rogers moved Legislative Intent appearing in both budgets stating that the total source of funds will come directly from the General Fund. There being no objection, INTENT WAS ADOPTED. Representative Rogers moved the following additional Legislative Intent:

The Commissioner of the Department of Administration shall work with the University of Alaska on implementing an electronic mail system between UA computer terminals and State computer terminals.

There being no objection, ADDITIONAL INTENT WAS ADOPTED.

DEPT. OF ADMINISTRATION - DATA PROCESSING - MANAGEMENT SERVICES - page 119

Senator Bennett moved the House/Senate figure of \$658.2. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - LABOR SERVICES - LABOR RELATIONS AGENCY - page 125

Senator Bennett moved the House/Senate figure of \$92.8. There being no objection, it was ADOPTED.

DEPT. OF ADMINISTRATION - LABOR SERVICES - EQUAL EMPLOYMENT OPPORTUNITY - page 127

Senator Bennett moved the House/Senate figure of \$492.7. There being no objection, it was ADOPTED. Representative Rogers moved the Legislative Intent appearing in both budgets encouraging the placement of the EEO office as a major component within the Division of Personnel. There being no objection, INTENT WAS ADOPTED.

DEPT. OF ADMINISTRATION - RETIREMENT & BENEFITS - P.E.R.S. - page 131

Senator Bennett moved the Senate figure of \$1403.4 plus the Governor's add-on for a new total of \$1434.7. This would restore positions # 1 and 2. Chairman Cotten objected and requested that the page be HELD OPEN.

(BEGIN NEW SIDE, FCC 81, # 10, Side 2, 000 - 368)

DEPT. OF ADMINISTRATION - RETIREMENT & BENEFITS - T.R.S. - page 133

Senator Bennett moved the Senate figure of \$1057.4 plus the Governor's add-on for a new total of \$1088.7. Chairman Cotten objected and requested that the page be HELD OPEN.

DEPT. OF ADMINISTRATION - RETIREMENT & BENEFITS - OTHER BENEFITS - page 135

Senator Bennett moved the House/Senate figure of \$1539.4. There being no objection, it was ADOPTED. Representative Rogers moved the Senate Legislative Intent that the Department of Administration open an Anchorage office in next years budget request. There being no objection, INTENT WAS ADOPTED.

DEPT. OF ADMINISTRATION - BUILDING & EQUIPMENT SERVICES - LEASING & FACILITIES - page 139

Senator Bennett moved the Senate figure of \$22888.7. Representative Rogers explained the difference between the figures and said it was the GBA for the leasing reconciliation. He concurred with the Senate motion. Representative Rogers stated there had been some discussion on consolidation of some of the leased facilities around the state. He said there had been a report done for the Commissioner of Administration about a year ago surveying state facility needs, which recommended consolidating facilities in about 13 communities - Anchorage was one. He stated that he had Legislative Intent to get a report on how much that would save for next year, and requested that the page be HELD OPEN for that purpose. Chairman Cotten stated there was a problem with the figures anyway, and moved the House figure of \$21187.6 plus the GBA. Senator Bennett objected. Representative Rogers requested that the page be HELD OPEN, and added that he would have the Legislative Intent prepared for later consideration of this page.

DEPT. OF ADMINISTRATION - BUILDING & EQUIPMENT SERVICES - EMPLOYEE HOUSING - page 141

Senator Bennett moved the House/Senate figure of \$1360.4. There being no objection, it was ADOPTED.

DEPT. OF LAW - LEGAL SERVICES - OPERATIONS - page 145

Chairman Cotten moved \$6691.0 rather than \$6619.5, which would add the Washington D.C. position back in. Senator Bennett concurred. Representative Rogers stated that the Governor had

also requested an add-back of position # 13 (the attorney for legal challenges to the Permanent Fund Dividend). Senator Sackett requested that the page be HELD OPEN.

DEPT. OF LAW - LEGAL SERVICES - ADMIN. & SUPPORT - page 149

Senator Bennett moved the House/Senate figure of \$368.2. There being no objection, it was ADOPTED.

DEPT. OF REVENUE - REVENUE OPERATIONS - AUDIT - page 153

Senator Bennett moved the Senate figure of \$3067.5 plus the Governor's add-back for a new total of \$3170.3. Chairman Cotten objected. Mr. Lehr stated this would continue eleven part-time positions for 6 months. Though SB 560 on the income tax had been passed, Mr. Lehr stated they still have to audit the tax paid by employers and this funding would make available refunds to employers who overpaid their taxes. He added however, that he needed further information. Senator Sackett commented that it was thought that the 70 or 80 tax examiners could be reduced when the income tax was repealed. Then it was said that they needed those people for the Permanent Fund distribution and in needed 11 positions in addition. He requested that the page be HELD OPEN and that Mr. Lehr bring an in-depth answer to the whole question here and in all related BRU's in Dept. of Revenue. The page was HELD OPEN.

DEPT. OF REVENUE - REVENUE OPERATIONS - PETROLEUM REVENUE - page 155

Senator Bennett moved the House/Senate figure of \$1600.1. There being no objection, it was ADOPTED.

DEPT. OF REVENUE - REVENUE OPERATIONS - ENFORCEMENT - page 157

Senator Bennett moved the Senate figure of \$1551.8 plus the Governor's add-back for a new total of \$1715.4. Representative Rogers objected and stated there was one full-time and seven part-time positions for rural assistance for Permanent Fund applications. Chairman Cotten asked when these positions would be implemented and Mr. Lehr stated after the court case was settled. There being no objection to Senator Bennett's motion, it was ADOPTED. Chairman Cotten asked that the page be HELD OPEN FOR ADDITIONAL INTENT.

DEPT. OF REVENUE - REVENUE OPERATIONS - TREASURY MANAGEMENT - page 159

Senator Bennett moved the Senate figure of \$2097.5 plus the Governor's add-back for a new total of \$2308.0. Chairman Cotten objected. Representative Rogers stated the difference was the funding for the Permanent Fund Board though the budget amendment did not show on this page. Mr. Lehr stated the amendment arrived too late to put in the budget, but he would provide it the

following day. Senator Bennett requested that the page be HELD OPEN.

DEPT. OF REVENUE - CHILD SUPPORT ENFORCEMENT - page 161

Senator Bennett moved the Senate figure of \$2731.2. Responding to Chairman Cotten, Senator Bennett stated that the case loads were so heavy now that the office cannot provide services they are charged with. Representative Rogers noted that the Intent was different in the House and Senate budgets. Chairman Cotten requested that the page be HELD OPEN.

DEPT. OF REVENUE - ADMIN & SUPPORT - OFFICE OF THE COMMISSIONER - page 165

Senator Bennett moved the House/Senate figure of \$1089.4. There being no objection, it was ADOPTED.

DEPT. OF REVENUE - ADMIN & SUPPORT - ADMINISTRATIVE SERVICES - page 167

Representative Rogers moved the House/Senate figure of \$151874.1 minus the Grants and Claims line item, for a total of \$1012.3. Chairman Cotten questioned appropriating \$150 million to this uncertain Permanent Fund program. Last year \$128 million was appropriated, so this would make \$278 million "sitting in limbo" until the court case is settled. If the court case was won, Representative Rogers stated the first check could be mailed out, but not the second one if this motion were passed. Mr. Lehr stated he would not want to transfer the funds under any circumstances. Representative Rogers suggested a separate appropriation for the Permanent Fund Dividend. Chairman Cotten concurred. Senator Bennett requested that the page be HELD OPEN.

RECESS

The meeting recessed at 9:30 a.m., to reconvene at 2:00 p.m.

(FCC 81, # 9, Side 2, 550 - end)
(FCC 81, # 10, Side 1, 000 - end)
(FCC 81, # 10, Side 2, 000 - 368)

FREE CONFERENCE COMMITTEE
ON THE BUDGET
(HB 50)
June 2, 1981
2:00 p.m.

(FCC 81, # 10, Side 2, 368 - end)
(FCC 81, # 11, Side 1, 000 - 612)

CALL TO ORDER

The meeting was called back to order at 2:00 p.m. and all members were present. The committee continued consideration of the General Government Budget Category.

GENERAL GOVERNMENT BUDGET CATEGORY

DEPT. OF REVENUE - ADMIN & SUPPORT - FISH AND GAME LICENSING -
page 169

Representative Rogers moved the House/Senate figure of \$303.7. There being no objection, it was ADOPTED.

DEPT. OF TRANSPORTATION - STATE AGENCY COMMUNICATIONS - SUPPORT
TO STATE AGENCIES - page 173

Senator Bennett moved the House figure of \$-0-. There being no objection, it was ADOPTED.

Representative Rogers stated that all pages were \$-0- until page 201. There were no objections.

LEGISLATURE - BUDGET & AUDIT COMMITTEE - LEGISLATIVE AUDIT - page
201

Chairman Cotten moved the House/Senate figure of \$2544.1. There being no objection, it was ADOPTED.

LEGISLATURE - BUDGET & AUDIT COMMITTEE - LEGISLATIVE FINANCE -
page 203

Senator Bennett moved the Senate figure of \$2860.1. Representative Rogers stated the difference was \$160.0 for Legislative Oversight Committee on improvements to aviation transportation, and the REAA Legislative Oversight Committee for \$170.4. Chairman Cotten asked what the transportation study was, and Senator Sackett said he would provide information on the project. He said that two years earlier the rural transportation study was started. He said that part of it was for continued appropriation and the other part was for oversight to look at what the Department of Transportation is doing with the existing funds - so direct appropriation was made for Operating, and also appropriation was made through HB 60 Capital, and the Bond

appropriations for airport construction. Representative Rogers stated it was his understanding that all interim committees would be funded by fiscal notes. Senator Kerttula stated that the Senate had an informal agreement on that, but is primarily looking to standing committees to do the work so that contractual could be held down. He said that he had been assigned this subcommittee which was the Legislative Affairs Agency portion. Senator Sackett pointed out that there was intent on this page also. Chairman Cotten requested that the page be HELD OPEN.

LEGISLATURE - BUDGET & AUDIT COMMITTEE - COMMITTEE EXPENSES -
page 205

Senator Bennett moved the House/Senate figure of \$900.0. There being no objection, it was ADOPTED.

LEGISLATURE - LEGISLATIVE COUNCIL - SALARIES & ALLOWANCES - page
209

Senator Bennett moved the House/Senate figure of \$1953.4. Chairman Cotten moved to fund it at a 120 day session. There being no objection, Chairman Cotten's motion was ADOPTED, and a new figure was requested from Don Fisher.

LEGISLATURE - LEGISLATIVE COUNCIL - LEADERSHIP - page 211

Senator Bennett moved the House figure of \$725.2. There being no objection, it was ADOPTED.

LEGISLATURE - LEGISLATIVE COUNCIL - LAA EXECUTIVE ADMINISTRATION
- page 213

Senator Bennett moved the Senate figure of \$649.4. Representative Rogers objected and moved the House figure of \$920.7. Senator Bennett objected. Representative Rogers stated that the Washington D.C. was valuable in terms of providing information to the Legislature and in terms of contact with decisions being made in Washington, D.C. Senator Kerttula commented. Senator Bennett requested that the page be held open. Representative Rogers stated the staff training program was very valuable. Referring to comments made by Senator Kerttula, Chairman Cotten stated it appeared that there were some problems with the position classifications and also requested that the page be HELD OPEN.

LEGISLATURE - LEGISLATIVE COUNCIL - LAA ADMINISTRATIVE SERVICES -
page 215

Chairman Cotten moved to add on \$25.0 for funding for a 1983 NCSL conference to be held in Juneau for the Chief Clerks and Senate Secretaries national conference. Chairman Cotten asked about the three DP positions. Senator Kerttula stated they were not filled, and he said there was no need for the three positions. Senator Bennett moved the Senate figure of \$3450.5. Chairman Cotten objected and moved the Senate figure plus \$25.0 along with

the Legislative Intent language so that the Chief Clerks and Senate Secretaries could plan for their national conference in 1983. The new total was \$3475.5. There being no objection, the figure was ADOPTED, and the LEGISLATIVE INTENT WAS ADOPTED.

LEGISLATURE - LEGISLATIVE COUNCIL - HOUSE RESEARCH - page 217

Chairman Cotten asked about the \$85.0 for teleconference service contracts. Senator Kerttula stated the Senate had put it back to the original agency request. Chairman Cotten requested that the page be HELD OPEN.

LEGISLATURE - LEGISLATIVE COUNCIL - LAA LEGAL SERVICES - page 219

Senator Bennett moved the Senate figure of \$1359.9. There being no objection, it was ADOPTED.

LEGISLATURE - LEGISLATIVE COUNCIL - SESSION EXPENSES - page 221

Representative Rogers stated that this was for 120 days, and the action on page 209 to fund it at 120 days didn't really make any difference. On page 209 there shouldn't be a change for salaries and allowances - so it should be the House/Senate figure of \$1953.4. Everyone agreed; it was just the \$4.0 plus salaries. On page 221, the only difference was that the House had added for a 120 day session. Senator Kerttula stated the Senate had deleted the Levy contract and Hugh Malone was in agreement with that action. Senator Bennett moved the House figure of \$3561.4 on page 221 minus the Levy contract for a new total of \$4768.6. There being no objection, it was ADOPTED.

LEGISLATURE - LEGISLATIVE COUNCIL - COUNCIL & SUBCOMMITTEES - page 223

Senator Bennett moved the Senate figure of \$800.0. Representative Rogers objected and moved the House figure of \$2141.4. Chairman Cotten requested that the page be HELD OPEN.

LEGISLATURE - LEGISLATIVE COUNCIL - OFFICE SPACE RENTAL - page 225

Representative Rogers moved the House figure of \$2000.5 and explained that the extra \$7.0 in the House figure was for teleconference equipment. Senator Kerttula objected and stated the Senate did not want escalation without justification. Chairman Cotten requested that the page be HELD OPEN.

LEGISLATURE - LEGISLATIVE COUNCIL - EQUIPMENT ACCOUNT - page 227

Senator Bennett moved the Senate figure of \$349.0. Senator Kerttula stated that the figure reflected a need for new equipment not provided and also for office equipment for positions that were not provided. Representative Rogers stated that in the past the Council had used lapsing funds to buy equipment and he imagined that practice would continue, and

stated he had no objection to the Senate figure. Chairman Cotten requested that the page be HELD OPEN.

LEGISLATURE - LEGISLATIVE COUNCIL - PUBLIC SERVICES - page 229

Senator Kerttula stated that he had been asked to go into the Council budget; he said that there were problems with the budget and to get a really clear picture, the committee should ask Myrt Charney to testify. Senator Bennett moved the Senate figure of \$2321.1. Representative Rogers objected and discussed the differences in the figure. Representative Rogers stated that if there was an agreement on interim staffing, it would not be very important to add onto this Public Services function. Chairman Cotten requested that the page be HELD OPEN.

LEGISLATURE - LEGISLATIVE COUNCIL - SENATE RESEARCH - page 231

Senator Bennett moved the Senate figure of \$566.1. Representative Rogers asked that the page be HELD OPEN. Discussion ensued on the House and Senate research programs and the possibility of merging the two once the Senate Research gets organized. The page was HELD OPEN.

(BEGIN NEW TAPE, FCC 81, # 11, Side 1, 000 - 612)

LEGISLATURE - OFFICE OF OMBUDSMAN - page 235

Senator Bennett moved the Senate figure of \$1262.0. Chairman Cotten objected. Representative Rogers pointed to a back-up letter that explained the difference between the House and Senate figures. He said the Data Entry Clerk position was the only difference. He moved to accept the position and the Senate figure. Senator Sackett objected. Senator Bennett moved the Senate figure again. There being no objection, it was ADOPTED.

GENERAL DISCUSSION

The Free Conference Committee at this point had completed its first "pass through" of all the budget categories. It was decided that the committee would consider the Health Budget Category and the Social Services Budget Category again and attempt to resolve pages that had been left open earlier.

SOCIAL SERVICES BUDGET CATEGORY

DEPT. OF HEALTH & SOC. SVCS. - ASSISTANCE PAYMENTS - AID TO THE BLIND - page 27

Senator Bennett stated the Senate would accept the House figure of \$161.3 on this page. Chairman Cotten stated that on this page as well as other pages that had been held open, the Senate had increased the amount and then transferred a portion of the funding to Mauneluk for the provision of services in that area. He said it was apparently not opposed by the administration.

Senator Bennett moved the Senate figure of \$155.1. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - ASSISTANCE PAYMENTS - AID TO THE DISABLED - page 29

Senator Bennett moved the Senate figure of \$5849.4. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - ENERGY ASSISTANCE PROGRAM - ENERGY ASSISTANCE - page 35

Senator Bennett moved the Senate figure of \$8174.4. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - PUBLIC ASSISTANCE ELIGIBILITY - STAFF DEVELOPMENT - page 41

Senator Bennett moved the Senate figure of \$157.5. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - JUVENILE CUSTODY - S.S. FOSTER CARE - page 55

Senator Bennett moved the Senate figure of \$3181.1. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - JUVENILE CUSTODY - S.S. INSTIT CARE - page 59

Chairman Cotten moved the Senate figure of \$7504.2. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - SOCIAL SERVICES - NORTHWESTERN REGION - page 73

Chairman Cotten moved the Senate figure of \$555.2. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - ADULT & AGING SERVICES - ADULT SERVICES - page 95

Chairman Cotten stated the figure on this page should be \$4102.5 to reflect the transfer to Mauneluk. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - CONTRACT SERVICES - MAUNELUK - page 85

Mr. Schilz stated that the committee had skipped page 39 which had a transfer for \$161.2. Other than that all the Mauneluk transfers had been made except for Domestic Violence. The committee decided to go on to page 109 first, so this page was HELD OPEN.

DEPT. OF HEALTH & SOC. SVCS. - OLD AGE ASSISTANCE PAYMENTS - OLD AGE ASSISTANCE - page 109

Chairman Cotten moved the Senate figure of \$5025.1. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - CONTRACT SERVICES-MAUNELUK - page 85

Chairman Cotten asked Mr. Schilz which items in the intent on this page were not transferred from other pages. Mr. Schilz stated they were Eligibility Determination on page 39, and Domestic Violence. Page 85 continued to be HELD OPEN.

DEPT. OF HEALTH & SOC. SVCS. - PUBLIC ASSISTANCE ELIGIBILITY - ELIGIBILITY DETERMINATION - page 39

Mr. Schilz stated the \$161.2 transfer to Mauneluk on this page was in various line items on this page. It was \$144.2 in Personal Services; \$2.2 in Travel; \$15.5 in Contractual; and \$1.3 in Commodities. Representative Rogers stated the other difference in the figures was that the House had positions #2, #20 and #21 in Wasilla; the Senate did not include those positions, but did include positions #22, #23 and #24 in Palmer. This page continued to be HELD OPEN.

DEPT. OF HEALTH & SOC. SVCS. - CONTRACT SERVICES-MAUNELUK - page 85

Chairman Cotten moved the figure of \$918.1 (which included everything except Domestic Violence). There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - PUBLIC ASSIST ELIG - ELIG DETERMINATION - page 39

Representative Rogers stated that the Governor had asked for the Wasilla positions and the Senate had asked for the Palmer positions. He requested discussion. Senator Kerttula stated that both places needed the facilities. He said there were employees in Wasilla but none in Palmer. Senator Sackett stated that when the Senate came up with their figures, they had disallowed all the positions and then Senator Kerttula came in with a request for positions for Palmer later. Chairman Cotten suggested 3 positions for Palmer and one for Wasilla. Senator Kerttula stated that was fine with him. Mr. Lehr stated that position # 20 for Wasilla was the best one. Representative Rogers moved the Senate figure of \$6623.4 plus position # 20 for a new total of \$6655.6. Senator Sackett stated there was also the North Slope Borough contract in the House figure. Representative Rogers moved to add that into the figure also, for a new total of \$6684.7. There being no objection, \$6684.7 was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - PROGRAM SERVICES - HOMEMAKER SERVICES - page 45

Chairman Cotten explained the difference. Senator Bennett moved the House figure of \$200.0. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - JUVENILE CUSTODY - SS INSTIT CARE - page 59

Representative Rogers stated that the Senate figure of \$7504.2 had been ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - SOCIAL SERVICES - SOUTHCENTRAL REGION - page 65

Chairman Cotten moved the Senate figure of \$2742.7. Senator Bennett moved that positions # 4 and # 5 upgrade be added for a total of \$2768.2. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - SOCIAL SERVICES - NORTHERN REGION - page 67

Mr. Schilz stated that \$22.4 was for the Social Worker in Nenana. Senator Bennett moved the Senate figure of \$1423.9. There being no objection, it was ADOPTED.

DEPT. OF HEALTH & SOC. SVCS. - ADULT & AGING SERVICES - DOMESTIC VIOLENCE - page 97

Chairman Cotten stated the House took the approach that the recipients should not be designated. He said that the money would just move over to Adult and Aging Services on a newly created page and Betsy McGuire could make the allocations. The Senate had made a determination already through Network. Representative Rogers stated there was legislation to set up a council to administer this program so that the Legislature could determine an overall level and the council could determine regional need. It was further discussed. Senator Sackett asked Mr. Schilz to provide back-up material to the committee on how Domestic Violence lost federal funding, and requested that the page be HELD OPEN.

DEPT. OF HEALTH & SOC. SVCS. - AGING GRANTS - page 105

Chairman Cotten stated the House did not make specific appropriations for the senior citizens centers. They had added \$10.0 for the White House Conference on the Aging. He said it was better to make general grants. It was decided that the page be HELD OPEN.

Senator Kerttula asked if in all the transfers to Mauneluk, any positions had been moved from Social Services. Mr. Schilz stated the positions that were transferred would be paid for by Mauneluk.

DEPT. OF LABOR - EMPLOYMENT SECURITY - EMPLOYMENT SECURITY - page 121

Representative Rogers moved the House figure of \$9996.1 and stated that the Employment Security Specialist in Petersburg was the only difference. He then moved the GBA for lease reconciliation which was the Senate figure of \$9878.9 plus \$32.3 for a new total of \$9911.2. There being no objection, it was ADOPTED.

DEPT. OF LABOR - COMMISSIONER'S OFFICE (LABOR) - page 143

Representative Rogers requested that the Legislative Intent on lobbying and on CIP's be held open. There being no objection, INTENT WAS HELD OPEN. Representative Rogers moved continuation level in the Travel line item and the Senate figure in all other line items, for a total of \$656.3. There being no objection, the figure was ADOPTED.

DEPT. OF LABOR - ADMINISTRATIVE SERVICES - DESIGNATED GRANTS - page 153

Senator Bennett moved the Senate figure of \$254.8. Chairman Cotten objected and requested that the page be HELD OPEN.

DEPT. OF LABOR - ALASKA PLAN - page 157

Senator Bennett moved the House/Senate figure of \$428.4. Senator Kerttula moved \$-0-. Senator Bennett changed his motion and moved \$-0-. There being no objection, a \$-0- figure was ADOPTED.

DEPT. OF COMM. & REGIONAL AFFAIRS - SENIOR CITIZENS TAX RELIEF - HOMEOWNERS' PROPERTY TAX EXEMP - page 161

Senator Bennett moved \$2054.5. There being no objection, it was ADOPTED.

DEPT. OF COMM. & REGIONAL AFFAIRS - SENIOR CITIZENS TAX RELIEF - RENTERS EQUIVALENCY, REBATE - page 163

Chairman Cotten moved the new figure of \$190.5. There being no objection, it was ADOPTED.

DEPT. OF COMM. & REGIONAL AFFAIRS - CHILD ASSISTANCE - DAY CARE - page 171

Representative Rogers moved the Senate Intent. Senator Sackett objected and stated that if designated grants were being held, they should all be held. Representative Rogers moved to delete the Intent language and close this page. Chairman Cotten stated the figure of \$4242.5 had already been adopted, so there being no objections to eliminating the Legislative Intent, this page was CLOSED.

DEPT. OF COMM. & REGIONAL AFFAIRS - CHILD ASSISTANCE - HEAD START
GRANTS - page 173

Chairman Cotten stated that the Intent only had been held on this page and he no longer had objections to it. There being no other objections, the page was CLOSED.

DEPT. OF COMM. & REGIONAL AFFAIRS - SENIOR CITIZEN HOUSING
DEVELOP - page 193

Senator Bennett moved the House figure of \$72.3. There being no objection it was ADOPTED.

ADJOURNMENT

The meeting adjourned at 3:45 p.m. and planned to meet the following morning at 8:00 a.m.

(Tape FCC 81, #10, Side 2, 368 - end)
(Tape FCC 81, #11, Side 1, 000 - 612)

FREE CONFERENCE COMMITTEE
ON THE BUDGET
(HB 50)
June 3, 1981
8:15 a.m.

{FCC 81-11, Side 1, #613}

PRESENT

Chairman Cotten called the meeting to order at 8:15 a.m. All members of the Committee were present (Representatives Cotten, Montgomery, Rogers; Senators Bennett, Kerttula, Sackett). Also in attendance: Ron Lehr, Director, Division of Budget and Management, Office of the Governor; Jerry Schilz, Fiscal Analyst, Division of Legislative Finance.

HEALTH BUDGET CATEGORY

Chairman Cotten advised the Committee would consider the HEALTH BUDGET category.

DEPARTMENT OF HEALTH & SOCIAL SERVICES--Contract Services--
Launeluk, p 13: After brief discussion, this was again HELD OPEN.

Communicable Disease Control, Epidemiology, p 23: Senator Bennett noted the motion was for the Governor's figure. Ron Lehr explained this will provide computer support. He then made a request for funds to study prevention of a new venereal disease--clamedia. Chairman Cotten requested this be HELD OPEN. There was no objection.

Child & Family Health, Special Education Grants, p 43: Representative Rogers moved the House figure and urged full funding of the Infant Learning programs. Senator Kerttula requested this be HELD OPEN. There was no objection. Senator Sackett requested Representative Rogers provide the Committee with copies of the backup for this program.

ADJOURNMENT

Senator Bennett requested a brief recess at 8:25 a.m. There was no objection. Chairman Cotten adjourned the meeting at 8:30 a.m.

Tape FCC 81-11, Side 1, #613 - #698

FREE CONFERENCE COMMITTEE
ON THE BUDGET
(HB 50)
June 3, 1981
2:05 p.m.

{Tape FCC 81-11, Side 1, #698}

PRESENT

Chairman Cotten called the meeting or order at 2:05 p.m. All members of the Committee were present (Representatives Cotten, Rogers, Montgomery; Senators Bennett, Kerttula, Sackett). Also in attendance: Kerry Romesburg, Executive Director, Postsecondary Education Commission, Department of Education; Ron Lehr, Director, Division of Budget and Management, Office of the Governor; Jerry Schilz and Alison Elgee, Fiscal Analysts, Division of Legislative Finance.

HEALTH BUDGET CATEGORY

Chairman Cotten advised the Committee would continue with the HEALTH BUDGET closeouts.

DEPARTMENT OF HEALTH & SOCIAL SERVICES--Child & Family Health, Designated Grants, p 45: This was again HELD OPEN.

Laboratories, Regional Labs, p 49: Representative Rogers moved the Senate figure of \$1,482.0. There was no objection.

Public Health Administration, p 59-63: There was no objection to Chairman Cotten's request that the following grants components be HELD OPEN:

Grant to GAAB
Anchorage Programs/Handicapped
Designated Grants

Emergency Medical Services, Administration, p 67: Chairman Cotten moved the House figure of \$479.8. There was no objection.

Emergency Medical Services--Grants, p 73: Senator Bennett moved the Senate figure. Chairman Cotten objected and requested this be HELD OPEN. There was no objection.

General Relief Medical, Catastrophic, p 99: Ron Lehr explained this would be an interim program. Senator Bennett moved the Senate figure plus the GRA. Chairman Cotten requested this be HELD OPEN. There was no objection.

Communicable Disease Control, Epidemiology, p 23: Representative Rogers moved a compromise figure of 381.0, which represents the House/Senate figure plus 177.0. There was no objection.

Chairman Cotten requested the following be HELD OPEN, without objection:

Public Assistance Admin/Collection, Administration, p 105

Alcohol & Drug Abuse, Alcohol Abuse Grants, p 115

Community Mental Health Services, Community MH Grants, p 133

Governor's Council/Handicapped, p 141

Community DD Services, Community Services, p 147

SHPDA, Health Clinics, p 177

Commissioner's Office, p 183: Representative Rogers recapped this was HELD OPEN for INTENT only.

Legal Services, p 205: Jerry Schilz explained this is an expansion program and recommended the funds be transferred to p 183. Chairman Cotten moved the House figure of \$188.8 be transferred to p 183 under Contractual--new total of 812.1. There was no objection. This page was ZEROED OUT.

(Senator Kerttula left the meeting.)

Holistic Health, p 213: After brief discussion, Chairman Cotten moved the Senate figure of \$561.7 be transferred to p 147 without INTENT. There was no objection. This page was ZEROED OUT.

Merchant Seaman's Health Program, p 219: Representative Rogers indicated he felt this could be handled in a fiscal note for HB 330. Chairman Cotten moved the House figure of \$300.0. There was no objection.

(Senator Kerttula returned to the meeting.)

STATE BOND COMMITTEE--Debt Service, Health Facilities: This again was HELD OPEN.

LEGISLATIVE CIP AND LOBBYING INTENT

At this time, there was discussion on the following CIP and Lobbying INTENT to be placed in all Commissioners' Offices, as suggested by the Senate Committee members:

Capital Improvement Positions have by tradition been established, funded and supported outside the appropriated budget process contrary to the Executive Budget Act. Beginning with the fiscal year 1983 budget presented to the Legislature, all capital improvement positions 'authorized' or existing in all State Agencies and all line item detail associated with those positions shall be budgeted for appropriation in accordance with the detail budget.

instructions published by the Office of the Governor,
Division of Budget & Management.

The Commissioner shall assure that none of the State funds distributed as grants or funding entitlements to non-State Agencies be used for the purpose of lobbying activities before the Alaska Legislature.

Representative Rogers moved the above INTENT language be extended to all categories of the budget. There was no objection.

(Senator Sackett left the meeting.)

FEDERAL GOVERNMENT BUDGET CUT-BACKS

Mr. Schilz distributed copies of a report prepared by the Division of Budget and Management on the federal budget cut-backs and how this relates to State programs. He advised this affects both the HEALTH and SOCIAL SERVICES budget categories, which will be at reduced levels. He stated Congress has approved the block grant concept, but doesn't know when this will take effect.

(Senator Sackett returned to the meeting.)

Mr. Lehr commented he feels this report should be viewed as a transitional device. The Legislature won't be in session by the time they know exactly how much funds are involved, he explained; therefore, they will have to operate during the interim through the Legislative Budget and Audit Committee. Mr. Schilz noted the HEALTH and SOCIAL SERVICES budgets are the only ones affected by block grants. Mr. Lehr stated most of the other budget categories will not require supplemental funds before the session next year.

RECESS

(Chairman Cotten called a recess at 2:50 p.m. and reconvened the meeting at 3:00 p.m.)

EDUCATION BUDGET CATEGORY

DEPARTMENT OF EDUCATION--Foundation Program Components, p 7-21:
Alison Elgee distributed copies of a Letter of Intent regarding statute and regulatory responsibilities of financial oversight of the school districts. Chairman Cotten moved the LETTER OF INTENT. He requested Ms. Elgee condense the language and report back to the Committee. Senator Kerttula moved the Senate figures on all pages. Chairman Cotten objected and moved a compromise that this be reduced by 3/4 of 1%. There was no objection.

Financial Support-Districts, Pupil Transportation, p 25:
Representative Rogers moved the lobbying INTENT. There was no objection. Ms. Elgee distributed copies of a memorandum (see Attachment 1) from the Department and explained the problems with the COLA increases. She stated the Department would prefer the

Governor/House/Senate figure of \$20,195.3, because the addition of funds would circumvent competitive bidding. Chairman Cotten moved the figure. There was no objection.

(Representative Rogers left the meeting.)

Financial Support-Districts, Kotzebue Technical Center, p 41: Senator Bennett moved the House figure of \$1,000.0 and the House INTENT. There was no objection.

Financial Support-District, NW Arctic REAA Postsecondary Pilot Program, p 43: This was again HELD OPEN.

Financial Support-Districts, Sabbatical Leaves, p 45: Representative Montgomery explained the districts were never able to afford all the applicants; therefore, it was left to the discretion of each individual district. Chairman Cotten moved the House figure of \$-0-. There was no objection.

Financial Support-Districts, Designated Grants, p 47: Senator Bennett moved the House figure of \$-0-. There was no objection.

Financial Support-Other, Regional Resource Centers, p 57: Chairman Cotten moved the House figure of \$-0-. There was no objection.

Administrative Program Support, Finance & Management Services, p 69: The Committee held this OPEN for INTENT.

(Representative Rogers returned to the meeting.)

K-12 Education Program Support, Career & Vocational Education, p 77: Ms. Elgee distributed copies of a memorandum (see Attachment 2). After brief discussion, Chairman Cotten requested this again be HELD OPEN. There was no objection.

K-12 Education Program-Support, Education Program Development, p 83: (see Attachment 2) Senator Bennett moved the Senate figure of \$489.5. There was no objection.

K-12 Education Program Support, Designated Grants, p 85: This was again HELD OPEN.

Executive Administration, Commissioner, p 89: Representative Rogers moved the CIP and Lobbying INTENT. There was no objection.

Executive Administration, Planning Info & Research, p 91: There was discussion on the INTENT. Ms. Elgee will provide additional information. The Committee held this OPEN.

ADJOURNMENT

The meeting adjourned at 3:25 p.m.

Tape FCC 81-11, Side 1, #698 - End
 Side 2, #001 - End
FCC 81-12, Side 1, #001 - End
 Side 2, #001 - #321