

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2836

some hesitation, primarily on the part of the Department of Law, but with respect to statutory authority for the contracting out of a fairly broad scale of services. Their first memorandum of advice was dated May 9, 1980. He said that in essence, state agencies were "creatures" of statute, and the ability of a state agency to contract is at once a question of the statutes underlying the powers of that agency. Very often there were inferences that could be derived from the statutes which would support a contention here and there that certain services could not be obtained by contract. Many of those statutes, particularly in the public assistance area, were many years old, and it was unlikely they were drafted with this issue in mind. The language in the Finance SCS would turn a legal decision into a policy decision, and it would place that decision in the hands of the department. He said Section 2 was a permissive section and simply says the department may contract out a very broad range of its functions - drawing the line at those involving the exercise of agency discretion. He said the meaning of the section was quite self-evident, and it was intended to make the question of whether or not a certain function should be obtained by contract on a policy decision, through the department in conjunction with potential contractors. It would no longer be a legal decision.

Discussion and questioning ensued. Senator Ferguson moved and asked unanimous consent that the figure in Section 1 of SCS CS HB 608 (Finance) be changed from \$100.0 to \$400.0. Senator Sackett asked why the bill was needed if the law read the figure to be \$400.0 already, and Senator Ferguson responded the bill would give the authorization to contract out to non-profit corporations. Senator Ferguson withdrew his motion to amend the \$100.0 figure in Section 1.

Referring to the "designated grants battle", Mr. Baldwin stated that legislators have been taking designated grants out of the budget and changing them to grants for a specific purpose. He said he had drafted some language to amend Section 316 and take out designated grants and call them instead "grants for a specific purpose", and would remove requirements for preferential treatment to certain grants that are named in an appropriation bill. He distributed the language, which was inserted in the file. He said he offered the language because he said he believed it was consistent with the Alaska Constitution as well as the policy of the administration. Then, referring to the Finance SCS, he said the language beginning with line 14 on non-profit corporations could be improved if there was a non-profit code that "did something" as far as regulating non-profit corporations. He hoped that the legislature would consider a bill that would provide uniform regulation for non-profit corporation codes as it is really needed to correct the abuse by both the administration and the people who receive the money. He added he thought Section 316 should be repealed.

Discussion ensued. Senator Ferguson requested that the bill be returned to the file until a later time. Senator Sackett stated

that he thought the non-profits should be monitored just like everything else, but the reason they wanted to be able to contract out to non-profits was because they couldn't get the services from the state agencies. Co-chairman Dankworth said he thought the whole issue should be considered further. There being no objection, the bill was returned to the file until a later time.

#### HB 695

Co-chairman Bennett stated the next bill for consideration was Committee Substitute for HB 695 (Rules) amended (AN ACT ESTABLISHING THE VOCATIONAL EDUCATION AND EMPLOYMENT TRAINING TASK FORCE; AND PROVIDING FOR AN EFFECTIVE DATE), and requested Senator Stimson to present the legislation to the committee.

Senator Stimson stated the bill had gone through major changes since the original version, and asked Representative Sutcliffe as the prime sponsor to explain the bill to the committee. Representative Sutcliffe stated that originally the bill created a separate Board of Vocational Education. After a lot of "heated discussion", he realized he didn't have much administrative or agency support. Consequently, the bill was transformed into a study group that would look at the feasibility of a separate Board of Vocational Education, and it also was met with very little response. Subsequently, the bill was revised to establish a task force to just observe vocational education.

BEGIN SIDE 2, SFC 82, # 29, Side 2, 000-199

Representative Sutcliffe stated he would be monitoring the task force during the interim and he was hopeful of a great deal of support from those involved in the delivery.

Senator Stimson stated that the committee had before it Senate Committee Substitute for CS for HB 695 (HESS) (AN ACT ESTABLISHING THE VOCATIONAL EDUCATION AND EMPLOYMENT TRAINING TASK FORCE; AND PROVIDING FOR AN EFFECTIVE DATE).

Co-chairman Dankworth asked how many members would compose the task force, and Representative Sutcliffe responded thirteen. Co-chairman Dankworth then asked about the fiscal note dated 5/13/82. Senator Stimson pointed to the breakdown of the fiscal note in the file. Senator Stimson added that though the task force would have 13 members, he thought it was a reasonable size since it wouldn't go on more than a year.

Senator Stimson moved and asked unanimous consent that SCS CS HB 695 (HESS), and the fiscal note for \$58.7, be passed from committee with individual recommendations. There being no objection, it was so ordered, and the committee report was signed "do pass" by all members present with the exception of Co-chairman Bennett who signed "no recommendation".

ADJOURNMENT

The meeting adjourned at 9:25 a.m.

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(Tape SFC 82, # 29, Side 1, 000-end)  
(Tape SFC 82, # 29, Side 2, 000-199)

## SENATE FINANCE COMMITTEE

May 15, 1982

9:15 a.m.

(Tape SFC 82, # 29, Side 2, 200-end)

(Tape SFC 82, # 30, Side 1, 000-614)

CALL TO ORDER

Co-chairman Bennett called the meeting to order at 9:15 a.m.

PRESENT

All members were present with the exception of Senator Ferguson. Also in attendance were Judy Johnston, Administrative Assistant to Co-chairman Bennett; Representative Miller; Rod Betit, Director of Public Assistance; John Pugh, Director of Family and Youth Services; Representative Buchholdt; Mark Johnson, Coordinator of Emergency Medical Services; Tom Williams, Commissioner of Department of Revenue; David Rogers, Administrative Assistant to Co-chairman Dankworth; and members of the press including Todd Hardesty, Patty Ginzburg, Jean Kizer, John Matthews and Bill White.

HB 330

Co-chairman Bennett stated the first order of business was consideration of CS HB 330 (Finance) am (AN ACT RELATING TO PAYMENT OF THE COSTS OF SERVICES FOR PREGNANT WOMEN; AND PROVIDING FOR AN EFFECTIVE DATE), and requested that Representative Miller come forward to testify on the legislation.

Representative Miller stated his support of the legislation. He said it had received favorable testimony from both pro-life and pro-choice factions in the House. He said at the present time the state would fund abortions for low income and poverty and above women who choose not to carry their pregnancies to term. He said in many instances, these women are choosing to have abortions not because they want to, but because their economic situations are such that they have no other choice. This bill would provide an economic alternative, and the choice would still remain with the woman and in no way would impose a choice upon her. So, if she chooses to allow the pregnancy to go to term, the state would provide funding for that. The bill would call for prenatal, delivery and post-natal services. He said that SB 817 had already provided some delivery services through medicaid for pregnant women, and this bill contained that same provision. However, he suggested leaving the language in since SB 817 hadn't passed the House yet. To further justify the need for the services to be provided in HB 330, Representative Miller stated he had received information from the Salvation Army concerning their Booth Memorial Home in Anchorage. In 1981 they turned away 228 maternity cases of women who were unable to carry pregnancies

to term due to lack of funds. Furthermore, in 1982 (as of March 30) they had to turn away 207 women for the same reason. In all of 1981, the Booth Memorial Home has been able to have more than 60% of the infants whose mothers were able to come to term, placed in homes for adoption. On the subject of adoption, he said that the list of people wanting to adopt is very long compared with the practically non-existent number of babies available for adoption. The bill before the committee would also provide some parenting skill instruction so that these same mothers would not be back again needing "help" and "child abuse" dollars. He said the fiscal note on the bill was about \$1.9 million, and he hoped it would be funded to that amount. However, he said the most important thing was to pass the bill and fund it to at least some extent.

Senator Sturgulewski asked which version the committee was considering. It was decided that Senate Committee Substitute for Committee Substitute for HB 330 (Finance) (AN ACT RELATING TO MEDICAL AND SOCIAL SERVICES; AND PROVIDING FOR AN EFFECTIVE DATE) was the version the committee should be considering since the HESS Committee version still had the provision for seamen, which was no longer needed. Senator Stimson moved and asked unanimous consent that SCS CS HB 330 (Finance) be adopted for consideration. There being no objection, it was so ordered.

There was some discussion about the Finance SCS. Representative Miller stated he thought it was a suggested draft by the Department of Health and Social Services - it did not include the seamen or the birthing centers, but it did include the medicaid treatment. Senator Stimson asked which fiscal note in the file would pertain to the draft before the committee. Representative Miller stated the fiscal impact for FY 83 would be \$1.904 million (about \$215,000 were federal funds). As there was some confusion about the fiscal notes in the file, Senator Stimson requested that the bill be held until the proper fiscal note was before the committee. Senator Sackett asked for testimony from the department.

Mr. Rod Betit, Director of the Public Assistance Division, came forward and stated he was speaking to SCS CS HB 330 (Finance) - he said the department supported all its provisions. He said the pregnant women provision in the bill would move those covered under general medical over to medicaid and would increase the eligibility limit. It would increase the number of people covered from 95 to about 370. There would be about a \$97.0 cost to the state. He said Mr. Pugh would speak to the adding of services.

Mr. John Pugh, Division of Family and Youth Services, came forward to speak to SCS CS HB 330 (Finance) dated 2/10/82. He said the division presently provides some care for unmarried teenagers who fall under the law regarding child abuse neglect or runaways. The bill before the committee would expand to a larger number of individuals - at risk, who are pregnant, etc. He said that in 1980 about 1,500 unmarried women gave birth, and 1,100 of

those were between the ages of 14 and 24. He said those in that age category were considered high risk because they are most likely to end up on public assistance, or with relationship problems which result in child abuse neglect and family violence, etc. He stated that the fiscal note prepared by the department was based on the assumption that 1,100 was a high, at risk group. They felt that about 20% of that figure would avail themselves of some sort of actual out-of-home placement opportunity (either a foster home or maternity home). He said the figures they used to go by were those of the Booth Memorial Home. He said the largest part of the fiscal note had to do with those placement options (foster home or maternity home care). There was also counsel and adoption assistance funding in the fiscal note. Discussion ensued.

Senator Sturgulewski asked if the fiscal note dated 4/6/82 for \$100.0 was an addition to the \$1.9 million fiscal note. Co-chairman Bennett responded that it wasn't an addition, it was an amount to get the program going, and would supplant the other fiscal notes in the file.

Senator Sackett moved and asked unanimous consent that SCS CS HB 330 (Finance), with the fiscal note for \$100.0, be passed from committee with individual recommendations. Senator Stimson objected for further discussion on the legislation.

Senator Stimson asked what the \$100.0 would do for the program. Mr. Pugn responded that it wouldn't provide any foster or maternity home care. Possibly some counseling and adoption assistance could be provided. He concluded that certainly the basic pieces of the program could not be instituted with this amount - it just wasn't enough. Representative Miller stated that though he knew the funding should be higher, he hoped to see the legislation move through so that the program could be started, and the funding could be increased the following year. Senator Eliason asked Co-chairman Bennett what his recommendation was. Co-chairman Bennett stated that they were already reaching their dollar limitation on new programs; he said he would rather have the program on the books as a new program and increase the amount next year. Senator Sturgulewski stated she supported the legislation. Senator Stimson removed his objection to Senator Sackett's motion.

Senator Sackett replaced his above motion, adding the HESS Committee Letter of Intent. There being no objection, it was so ordered; and the committee report was signed "do pass" by all those present with the exception of Co-chairmen Dankworth and Bennett who signed "no recommendation".

#### HB 549

Co-chairman Bennett stated the next item was consideration of CS HB 549 (Finance) (AN ACT MAKING A SPECIAL APPROPRIATION TO THE DEPARTMENT OF ADMINISTRATION FOR A COST ANALYSIS OF ALTERNATIVE DESIGNS FOR THE STATE HEALTH COMMUNICATIONS NETWORK; AND

PROVIDING FOR AN EFFECTIVE DATE). He said that Representative Buchholdt was present to testify on the legislation.

Representative Buchholdt stated that Representative Fuller had asked her to speak in his place - primarily because she was the project director of an interim study dealing with health issues. She said the bill was simple, called for \$130.0 special appropriation to conduct a study on cost analysis of alternative telecommunications designed for improvements of the statewide health communications network. She said health care in Alaska has many shortcomings. She said for that reason the earlier study recommended a more comprehensive analysis of the problem, rather than do a piece-meal study village by village. She referred to the House Finance Committee Letter of Intent in the file, and requested that the Senate Finance Committee pass it along with the bill if it passed the bill. She explained the Letter of Intent was missed when the bill was passed from the House.

Senator Sturgulewski asked what the Department of Health and Social Service position was on the legislation.

BEGIN NEW TAPE, SFC 82, # 30, Side 1, 000-614

Representative Buchholdt stated that the department was in need of more funding, and they had indicated they would be able to answer the questions in the Letter of Intent by next session. She said they were eager to do the study. She stated that department representatives were present to testify as to the department's role.

Mr. Mark Johnson, DHSS Coordinator of Emergency Medical Services, came forward. He said his office had been working very closely with the Department of Administration, Division of Telecommunication Systems. He said on their behalf that they were very interested in doing the study. He said in previous years, the Emergency Medical Services office had documented numerous needs as far as communications problems throughout the state. He said in many instances they have had to rely on the assistance of volunteer communications engineer advisers, and have had only the minimum amount of funding to improve the communications. Since the State Telecommunications Division was formed, they now have direct state assistance, and Emergency Medical Services looks forward to working with them in the future.

Senator Sturgulewski moved and asked unanimous consent that CS HB 549 (Finance), including the House Finance Committee Letter of Intent, be passed from committee with individual recommendations. There being no objection, it was so ordered, and the committee report was signed "do pass" by all those present with the exception of Senators Eliason, Dankworth and Bennett who signed "no recommendation".

HJR 71

Co-chairman Bennett stated the next bill for consideration was CS HJR 71 (SA) (PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE STATE OF ALASKA RELATING TO INCURRING GENERAL OBLIGATION INDEBTEDNESS FOR VETERANS HOUSING), and requested Senator Eliason to present the legislation to the committee. Senator Eliason stated that Tom Williams, Commissioner of the Department of Revenue, was present to speak on the legislation.

Mr. Williams introduced himself as Commissioner of Department of Revenue as well as a Board Member of the Alaska Housing Finance Corporation. He said federal legislation introduced several years ago by Representative Al Ullman of Oregon has greatly curtailed the ability of anyone to issue tax exempt bonds to finance housing. In fact, even the limited ability AHFC has will expire after 1983. He said there was one major exception - and that was for General Obligation bonds of a state that are issued to finance housing mortgages for veterans. Oregon had such a program, and it remains intact. He said a bill has been passed and was on the Governor's desk that would give AHFC authority to issue bonds assuming that the voters approve the necessary constitutional amendment as well as the authorized amount of bonds for \$400 million to take care of veteran housing mortgage over the next two years. He said HJR 71 was the constitutional amendment that had to be approved before the program could be moved forward. Because it does allow tax exempt bonds to be issued instead of taxable bonds, the cost of funds to the corporation was going to be much less than if they proceeded as they do presently with taxable bonds. This would mean that the subsidy per loan made to a veteran would be a smaller amount, and the overall subsidy AHFC would need in subsequent years would be reduced to the extent that veterans avail themselves of the program. He said the amendment before the committee at that time was "tightly" drafted and would make it clear that the state debt couldn't be contracted unless its authorized by law for housing loans for veterans - it makes it clear its for the mortgage program, and it would have to be ratified by a majority of voters. He said he thought the way the program was designed, going through AHFC with the guarantee of the bonds by the state's full faith and credit, was superior to the Oregon program where bonds were issued in Oregon's name regardless of whether they were for veteran's loans or for their capital projects. As a result, there was "tons" of Oregon paper on the market and unless one is very well informed, it was hard to tell which paper was for what. This program would eliminate that confusion, but it wouldn't prevent it from converting the bonds either. He thought it was a good amendment, and recommended it to the committee.

Questioning and discussion ensued on subjects such as interest rates on bond sales, the consistency of the amendment with SB 666, and the fiscal impact of the legislation (savings to the state). Senator Sackett asked about alternatives 1 and 2 in the letter in the file from Tom Williams to Representative Metcalfe dated January 26, 1982. Mr. Williams responded that alternative

1 was the legislation before the committee. Alternative 2 would change the first sentence to "no state debt shall be contracted for capital improvements, nor shall the full faith and credit of this state be pledged to guarantee bonds issued by the state or an instrumentality of the state to finance housing for veterans unless authorized by law and ratified by a majority of the qualified voters of this state who vote on the question." He said the reason for this proposal was because he was unsure whether the term state debt went so far as to cover a guarantee by the state of bonds that were issued by an instrumentality such as AHFC. Since that time bond counselors had a chance to review this language and had assured him that in their opinion there was no doubt whatsoever that state debt was construed (whenever there was a guarantee backed by the full faith and credit of the state) as a state debt regardless of whether it was in the state's name or in the name of an instrumentality of the state. He concluded that his language was more cumbersome and unnecessary - the present language before the committee was superior.

Senator Eliason moved and asked unanimous consent that CS HJR 71 (SA) be passed from committee with individual recommendations. There being no objection, it was so ordered, and the committee report was signed "do pass" by all members present with the exception of Senator Sackett who signed "no recommendation".

#### HB 643

Co-chairman Bennett stated the next bill for consideration was SCS CS HB 643 (Finance) (AN ACT REPEALING, AMENDING, MAKING, AND EXTENDING LAPSE DATES ON APPROPRIATIONS; AND PROVIDING FOR AN EFFECTIVE DATE).

Co-chairman Dankworth stated since the bill was originally assigned to him, he thought he had some obligation to keep it moving. He stated that the work draft dated 5/10/82 was before the committee for consideration, and there were two other drafts now available from other members of the committee (one dated 5/14/82 by Senator Stimson, and one dated 5/14/82 by Senator Sturgulewski). He said there was one issue he wanted to address, and that was the set of appropriations on hydro power. He said the previous day HJR 61 was defeated, which was the long-range hydro plan as it would have put into place a source of low-interest, long-term money. Without HJR 61, hydro power in Alaska was in trouble. He said the report on Susitna was that it wouldn't be a feasible project unless \$2.5 billion was put into it. More immediate were the needs for Swan Lake, Tyee, Bradley Lake and Terror Lake. Again, he indicated the need for a spending plan for hydro, the need to get the House to address this issue, and the fact that there was a great deal of funding for hydro in his 5/10/82 work draft of this bill before the committee.

Senator Sturgulewski stated there were two main issues: 1) the long range ability to finance hydro, and 2) how the dollars should be utilized. She said last year there were massive

appropriations to hydro - would the re-allocations this year be for the right projects? Referring to SB 608, she stated there were a lot of hydro projects contained in that legislation. She hoped there would be testimony from people who could say whether or not the various projects were feasible.

Co-chairman Bennett stated that the hydro portion of the bill would be held over until 2:00 p.m. that day. He stated the committee would recess until 2:00 p.m. for further consideration of SCS CS HB 643 (Finance), and it was returned to the file until that time.

RECESS

The meeting recessed at 10:40 p.m.

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(Tape SFC 82, # 29, Side 2, 200-end)  
(Tape SFC 82, # 30, Side 1, 000-614)

## SENATE FINANCE COMMITTEE

May 15, 1982

3:25 p.m.

(Tape SFC 82, # 30, Side 1, 618-end)(Tape SFC 82, # 30, Side 2, 000-end)  
(Tape SFC 82, # 31, Side 1, 000-449)

CALL TO ORDER

Co-chairman Bennett called the meeting to order at 3:25 p.m.

PRESENT

All members of the committee were present. Also in attendance were Judy Johnston, Administrative Assistant to Co-chairman Bennett; Ron Lehr, Director of Budget and Management and member of the Alaska Power Authority; Kurt Dzinich, Senate Advisory Council (hydropower specialist); Senator Gilman; Mike Scott, Administrative Assistant to Senator Ferguson; Jay Hogan, Director of Legislative Finance Division; Elmer Lindstrom, Legislative Finance Fiscal Analyst; and members of the press Patty Ginzburg, John Greeley and Bob Roark.

HB 643

Co-chairman Bennett stated the committee would continue with consideration of SCS CS HB 643 (Finance) (AN ACT REPEALING, AMENDING, MAKING, AND EXTENDING LAPSE DATES ON APPROPRIATIONS; AND PROVIDING FOR AN EFFECTIVE DATE), and requested Co-chairman Dankworth to open the meeting on the legislation.

Co-chairman Dankworth stated he would like to continue with the hydro portion of the bill. He said that he would ask a member of the Alaska Power Authority as well as a member of the Senate Advisory Committee to speak to the committee after he made some comments. He said he had raised the question of the advisability of continuing with some of the hydro projects until some kind of a spending plan was in place. At the present time, he said again, the Susitna project (under the Acres plan) would not be a viable project unless there \$2.5 billion was put into it. He stated again the need of the legislature to commit itself to a spending plan with low-cost, long-term financing. He added that if some of the projects had to stand alone, the kilowatt hours would not be reduced enough to make them viable projects. He asked Ron Lehr, a member of the Alaska Power Authority, to come forward to testify on the various projects.

Mr. Lehr agreed with Co-chairman Dankworth's statements about most of the hydro projects not being able to support 100% revenue bonds. He said the real difficulty was that they didn't have a full, mature system with billions of dollars invested so that when a new project came on it would only be a marginal increment and could be funded from existing rates. For example, in

Southeast, none of the projects are inter-tied so everything has to stand on its own. Whereas, in the Railbelt where the projects are inter-tied, some of the projects are large enough that they somewhat dwarf some of the ones coming on so that they end up having to bear almost the full cost when they come on board. Hydro is extremely expensive, so there is a large up-front cost that is difficult to bear in the beginning. So a plan for low-interest loans, or some way of deferring costs till the future, was necessary. He said he thought it was fair to say that almost none of the projects could be revenue bonded 100%.

Co-chairman Dankworth again stated the need for a plan before more money was put into hydro. He said prior to Mr. Lehr joining the Alaska Power Authority, some of the estimates were very far off, and he didn't think the Authority had provided enough guidelines. He said that some of the projects standing alone, did not appear to be very good projects. He said it had been his idea to put another \$25 million in Tyee to try to make the prices come down, and combine Solomon Gulch, Tyee, Terror Lake and Swan Lake. Then the Resource Fund could have begun to buy off the anticipation notes on Terror Lake, to have a leveling effect, and by putting a new infusion of cash into Tyee, the projects would all begin to look more feasible. He said if the anticipation notes were not bought for Terror Lake, and only \$25 million was put into Tyee, the cost of energy at Tyee and Bradley would be so high that it couldn't be sold. He said that was why he wanted the Power Authority to give the Legislature some guidelines. He said he wanted everyone to know what was being done when they put another \$20 million into Bradley Lake. It would be a commitment that it would be built - the total cost would be \$650 - \$750 million. He wondered how it would be paid for if only \$20 million was put in - where would the Legislature get the balance. He asked Mr. Lehr if he would get together with the Alaska Power Authority to discuss whether or not to proceed with some of the hydro projects.

Mr. Lehr stated there would be a Power Authority meeting over the next two weeks, and the issue would come up since Terror Lake was the next project on the agenda. Solomon Gulch was already built. Swan Lake was close to completion, Tyee was well under way. Right now, he thought there was about \$120 million of bonding that would go out. He said that would effect the rates of all the existing projects because either under the present SB 25 or under the modified version of HB 9, debt service was "pooled". He said under HB 9 there would be a more dramatic effect on something like Swan Lake and Tyee because they would be pro-rating the debt service according to the state investment, so the more expensive projects per kilowatt would be hurt relatively more, while the more cost-effective projects like Solomon Gulch would be hurt relatively less. In any case, he said bringing on \$120 million in revenue bonds would increase the rates of all projects.

Co-chairman Dankworth asked Mr. Lehr if he was familiar with the Acres study that said there had to be \$2.5 billion invested into

Susitna before it was feasible. Mr. Lehr responded yes. Co-chairman Dankworth stated the Alaska Power Authority had that study done, and they said to continue on with the engineering and design. In doing that, Co-chairman Dankworth asked if the Alaska Power Authority had a plan for where the \$2.5 billion would come from. Mr. Lehr responded "no, not yet".

Co-chairman Dankworth then asked if Mr. Kurt Dzinich of the Senate Advisory Council (hydropower specialist), to come forward to testify on the subject before the committee. Co-chairman Dankworth asked Mr. Dzinich to present his opinion of the matter. Mr. Dzinich stated he didn't have any disagreement with Dr. Lehr's or Co-chairman Dankworth's comments that the financing of the projects would be the crucial factor in whether or not they can be built at a price that would result in energy costs the consumer would be willing to pay. He said if they were talking about 14% revenue bonds, then they probably wouldn't be building many projects. He stated there was definitely a need for long-range financing.

Senator Eliason asked if a list had been established as to the feasibility of the various projects. Mr. Dzinich responded that APA had sent a list to the Resources Committee as to which were the best projects. He said Terror Lake was the next one - the bids were about 30% below the engineer's estimate, and they would remain valid for about 30 more days. Then the next project that could be considered for construction was Bradley Lake. Discussion continued on how kilowatt rates would change according to the amounts of money put into the projects.

BEGIN SIDE TWO, SFC 82, # 30, Side 2, 000-end

Mr. Dzinich stated that if the debt service was something less than 10 cents per kilowatt hour, a project could probably be considered a good one. Co-chairman Dankworth commented that this was further reason for putting cash into the hydro projects. Referring to a cost comparison chart (attached to the end of these minutes), he pointed out to the committee how costs would fluctuate according to the amounts of money put into the various projects. Mr. Dzinich agreed with Co-chairman Dankworth's comments regarding the costs. Further discussion ensued. Senator Sturgulewski again stated her concern that it was difficult to know how much money to put into the various hydro projects, especially when the members had to weigh the cost against the other re-allocations requested in the bill. She was hoping there could be more concrete assurance that if re-allocations were made for the hydro projects, more requests for re-allocation would not be made the next year. She noted that the move was being made very rapidly into hydro, so she didn't feel totally convinced that the "structure" had not kept up with the allocation of dollars. In conclusion, she asked the committee, Mr. Dzinich and the Alaska Power Authority "do we have good projects in HB 643, or in SB 608?" Co-chairman Dankworth reiterated that it was difficult to answer that question because if there wasn't enough low-cost money, then most of the projects

would look bad. Conversely, if there was money made available, then the projects would all look reasonably good. Senator Sturgulewski wished to point out that she wasn't necessarily against the projects - she was just concerned that the projects were valid. Mr. Dzinich stated that some of the engineering and studies being done were not finished, but for example, Terror Lake was a good project and it was ready to go now. On the other hand, he said the state would have to spend some more money just to see if some of the projects would be worthwhile.

Senator Sturgulewski asked about the Susitna project and the funds in SB 608. She wondered if the funds were adequate to allow for the Legislature to have enough information when it meets again so that a decision could be made to move into the construction phase. Mr. Dzinich responded he didn't think the next Legislature would be in a position to make a decision on constructing Susitna. He thought it would be two to four years before that decision could be made. The importance of putting in \$25.6 million was to continue the field and engineering studies. When the license is received and if the financing and load conditions are correct, then they could proceed. If money isn't spent on engineering then they wouldn't be able to proceed with Susitna, even if revenue bonds were down to 5% or if the state eventually has a lot of money to put into it. So, by putting \$25.6 million into the FY 83 budget, the state would be buying flexibility, and alternatives could be addressed. Mr. Lehr stated he thought there was enough money to continue with the FERC license as well as looking at some of the alternatives. On the issue of project feasibility, he said that those projects with, say a 50 year time span, would be cheaper than the next best alternative. The problems are with cash flow over the short-term.

Senator Sturgulewski stated that she thought there was a major policy question in regard to hydro - should the committee combine the projects with the rest of the re-allocations, or should it separate them out. She stated her preference for the latter. Referring to an amendment proposed to the bill by Senator Gilman, she asked for clarification. Co-chairman Dankworth stated the amendment was the same as the language in SB 608. Senator Gilman came forward and said the amendment proposed to SCS CS HB 643 (Finance) was exactly the same as it was in SB 608. His idea was that if HB 643 was to be the vehicle for hydro funding, then he wanted this language in HB 643.

Senator Ferguson moved the following amendments to whichever bill was passed from the Senate Finance Committee: 1) delete \$2,225,000 from Nome-Council Road Reconstruction and provide it for the Nome-Taylor Road; 2) take the fire truck or ambulance out of Dillingham and give them one fire truck, with the other fire truck to King Salmon; 3) put \$600,000 back in the General Fund for a grant to the City of Kotzebue for utility system construction.

Co-chairman Bennett stated for the purpose of having a working document, the committee would entertain a motion to adopt SCS CS HB 643 dated 5/14/82 by Senator Sturgulewski. Senator Ferguson moved and asked unanimous consent. Senator Sturgulewski objected for purposes of explanation. She referred to the memo in the file from Jay Hogan, Director of Legislative Finance, to herself, which explained that her version contained strictly technical amendments as a result of her request at an earlier meeting that the Legislative Finance Division technically check the 5/10/82 version. She said she originally wanted to submit these as amendments to the 5/10/82 version, but due to the procedure Legislative Drafting uses, that wasn't possible, so she had another version drawn up. She said that her version left the bill out of balance, explained in a memo in the file from Donna Pegues. Co-chairman Dankworth stated the technical matters had been "cleaned up" in Senator Sturgulewski's version, though it was still about \$2.5 million out of balance. There being no further discussion or objection to Senator Ferguson's motion, it was so ordered, and the 5/14/82 version of SCS CS HB 643 (by Senator Sturgulewski) was adopted by the committee for consideration.

Senator Ferguson replaced his motion that the above amendments be adopted. Senator Stimson objected, and stated it was unclear in his mind whether the committee's intention was to include Operating Budget items in this bill. Co-chairman Bennett stated this piece of legislation was just like any other, and it was subject to amendment until it was passed from committee. Senator Stimson stated his concern was that the Operating Budget was approached with some specific direction, and it appeared that the intent of that Operating Budget would be violated by allowing operating items to be brought into this bill this way. He appealed for more consistency in the way the Operating Budget was being handled. Co-chairman Bennett reminded Senator Stimson that this bill was not the Operating Budget. Senator Stimson countered that he thought this bill would have a substantial impact on the Operating Budget, and he added he didn't think it was a very realistic approach. He said there were roughly \$3.5 million of Operating Budget items in this bill, and he was sure those would surface in the Operating Budget next year; he did not think this was appropriate action. He thought the committee lacked a philosophy about how to handle the Operating and Capital Budgets. Co-chairman Bennett suggested Senator Stimson make a motion. Senator Stimson stated he would make a motion after the motion before the committee by Senator Ferguson was considered. Senator Ferguson removed his motion for the above amendments.

Senator Stimson moved and asked unanimous consent that all portions be taken out of SCS CS HB 643 (Finance) (dated 5/14/82) that should properly belong in the Operating Budget. Co-chairman Dankworth objected, and asked Senator Stimson if the draft Senator Stimson had provided to the committee at the beginning of the meeting (new version by Senator Stimson dated 5/14/82) was the same as the motion Senator Stimson had just made. Senator Stimson responded "no", and stated his new version would lapse

all the funds into the General Fund and would not appropriate anything. Discussion ensued on what was Capital and what was Operating. Upon a show of hands, those in favor of Senator Stimson's motion were Senators Stimson, Sturgulewski and Eliason. Those against the motion were Senators Ferguson, Sackett, Dankworth and Bennett. The motion failed.

BEGIN NEW TAPE, SFC 82, # 31, Side 1, 000-449

Senator Ferguson again replaced his motion to adopt the above amendments (marked # 2 in the file). There being no objection, they were so ordered.

Senator Ferguson stated he had another amendment to propose, but wanted his Administrative Assistant Mike Scott to speak to the committee on it first. Mr. Scott stated the amendment regarded the Kaktovik Runway (marked # 1 in the file) was in the 5/10/82 version, but was not in Senator Sturgulewski's 5/14/82 version which was now officially being considered by the committee. He said last year \$2.5 million was appropriated for the Kaktovik runway. Since that time the North Slope Borough has run into land use problems and has told Senator Ferguson that they will not be able to construct the runway. So this amendment would re-insert Kaktovik in the latest version of SCS CS HB 643 (Finance). Discussion ensued. Senator Sturgulewski said that Mr. Hogan had indicated there was a contract between the Administration and the North Slope Borough, and she thought the issue was technical rather than legal. However, there needed to be a document releasing any contracting arrangements. Mr. Scott stated that after discussing the matter with the Department of Administration, there was simply a requirement of a contract amendment.

Senator Ferguson moved the amendment regarding Kaktovik again, contingent upon the successful completion of an amendment to the original contract between the State of Alaska and the North Slope Borough.

Mr. Hogan stated that Senator Kelly had submitted an amendment that would make an appropriation contingent upon the South Fork area forming a fire service district. That amendment would be found in Section 130 in the version before the committee at this time. Co-chairman Dankworth asked Senator Sturgulewski if this amendment would force Anchorage to form a fire district; she responded that was apparently the intent. Co-chairman Dankworth stated he would not support that amendment. Senator Sturgulewski stated that since the hydro portion of the bill would be held until the following Monday, perhaps it would be appropriate for Senator Kelly to appear before the committee on his amendment at that time. Co-chairman Bennett agreed, and asked Mr. Hogan to pass that information along to Senator Kelly.

Co-chairman Dankworth brought up the subject of breaking the hydro portions out of the bill and putting them on another bill instead. He stated he had not decided how to do that - whether

to put it on another Senate or House bill, or put it in the budget. Senator Sturgulewski requested again that the issue be held, and that hydro be kept separate from the rest of the bill before the committee.

Senator Eliason asked Mr. Hogan how much money had been converted from hydro into grants and capital improvements projects. Mr. Lindstrom, Legislative Finance Fiscal Analyst covering hydro, came forward and stated that it was difficult to say exactly how much from Department of Commerce and the Alaska Power Authority, was spread into other areas. He guessed it was about \$25 million, approximately the amount of the Susitna project, that had been lost in this bill related to power and energy. That was a rough estimate.

Senator Eliason asked Mr. Hogan what was the usual procedure in drafting a re-allocation bill. He wondered how he could identify where the money was really coming from and where it would go. Mr. Hogan responded that the method used last year was to put the adds and deletes within the same section of the bill. So each section would have three or four sub-sections, so that the bill would all balance out. Senator Eliason asked if there was time to prepare a document that would reflect the concerns members have about the bill. If it was true that the whole hydro program was in jeopardy, he couldn't see taking \$25 million out of it, for example. Mr. Hogan responded that SB 608 did that very thing for the power projects. He said it would be more difficult to do that for HB 643, but he thought his staff working with those who put the bill together could come up with such a document.

Senator Sturgulewski asked if SCS CS HB 643 (Finance) would be out of balance if all hydro projects were taken out of it and put into SB 608. Mr. Lindstrom responded that it would still be out of balance by about the cost of the Susitna project. Senator Sackett said he thought the answer was yes, only if they were talking about energy. If they were talking just about hydro, the bill would not be out of balance. Co-chairman Dankworth stated he thought SB 608 would balance, but HB 643 would be about \$25 million short, if they tried to do the Tyee project in SB 608. Mr. Lindstrom added that because the Susitna project was anticipated to be funded through the Capital Budget, it was not put in HB 643 though it was put in SB 608. Aside from Susitna, everything else that was in SB 608, was also in HB 643. Therefore, if all the items in HB 643 that were found in SB 608, HB 643 would be out of balance by approximately the cost of the Susitna appropriation. Co-chairman Dankworth stated that Susitna was changed to Tyee, intending the \$25 million to go back into the Capital Budget (the one the Governor said he wouldn't veto again).

Senator Sturgulewski requested that Legislative Finance do another work draft that would reflect the changes made during today's meeting, as well as taking out the energy related projects and reflect them in SB 608. Further, she asked for a statement as to whether they were "in-balance" or "out-of-

balance" in HB 643. Mr. Lindstrom wished to clarify that Senator Sturgulewski would only want taken out of HB 643 those items that were also found in SB 608, because as Senator Sackett had pointed out, there were other energy appropriations not in SB 608. Senator Sturgulewski agreed.

Senator Ferguson replaced his earlier motion on the Kaktovik runway amendment, with the contingency clause. Senator Sturgulewski stated she thought they really wanted to say that the contract would lapse - that the funds would not be used for anything else. There being no objection to his motion, it was so ordered.

Co-chairman Bennett stated SCS CS HB 643 (Finance) would be taken up for consideration again on the following Monday.

#### ADJOURNMENT

The meeting adjourned at 5:00 p.m.

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(Tape SFC 82, # 30, Side 1, 618-end)  
(Tape SFC 82, # 30, Side 2, 000-end)  
(Tape SFC 82, # 31, Side 1, 000-449)

Assumptions:

- Bradley Lake, 752 million
- Note sales are consecutive since they are first year sales figures, and by the time Terror Lake comes on they will have increased.

Table 5

| <u>Project</u> | <u>Cost</u> | <u>Original<br/>Debt<br/>Service</u> | <u>Project<br/>Share</u> | <u>Prorated<br/>Debt<br/>Service</u> | <u>1st<br/>Year<br/>Sales</u> | <u>Cents<br/>per KWH</u> |
|----------------|-------------|--------------------------------------|--------------------------|--------------------------------------|-------------------------------|--------------------------|
| Swan           | 100         | 4.3                                  | 8.5                      | 13.4                                 | 41                            | 32.7                     |
| Tyee           | 100         | 4.3                                  | 8.5                      | 13.4                                 | 31                            | 43.2                     |
| Solomon Gulch  | 45          | -                                    | 3.9                      | 6.1                                  | 41                            | 14.9                     |
| Terror         | 175         | 20.6                                 | 14.9                     | 23.5                                 | 116                           | 20.3                     |
| Bradley        | <u>752</u>  | <u>128.6</u>                         | <u>64.2</u>              | <u>101.4</u>                         | <u>360</u>                    | <u>28.2</u>              |
| TOTAL          | 1,172       | 157.8                                | 100%                     | 157.8                                | —                             | —                        |

Assumptions

- Same as Case 5 except SJR61 financing is used for intern and final construction of Bradley Lake (654 construction cost) 30 year loan

Table 6

| <u>Project</u> | <u>Cost</u> | <u>Original<br/>Debt<br/>Service</u> | <u>Project<br/>Share</u> | <u>Prorated<br/>Debt<br/>Service</u> | <u>1st<br/>Year<br/>Sales</u> | <u>Cents<br/>per KWH</u> |
|----------------|-------------|--------------------------------------|--------------------------|--------------------------------------|-------------------------------|--------------------------|
| Swan           | 100         | 1.6                                  | 9.3                      | 4.1                                  | 41                            | 10.0                     |
| Tyee           | 100         | 1.6                                  | 9.3                      | 4.1                                  | 31                            | 13.2                     |
| Solomon Gulch  | 45          | -                                    | 4.2                      | 1.8                                  | 41                            | 4.4                      |
| Terror         | 175         | 7.8                                  | 16.3                     | 7.1                                  | 116                           | 6.1                      |
| Bradley        | <u>654</u>  | <u>32.7</u>                          | <u>60.9</u>              | <u>26.6</u>                          | <u>360</u>                    | <u>7.4</u>               |
| TOTAL          | 1,74        | 43.7                                 | 100                      | 43.7                                 | —                             | —                        |

*with Reserve fund  
at 5%  
minus HB 9*

### III. Case 3 (Addition of Terror Lake)

#### Assumptions:

- same as Case 2, except Terror Lake is added as follows -
- Terror Lake: Cost \$175 million; debt \$120 million
- Note the sales figures for Swan and Tyee are conservative, since they are first year sales figures, and by the time Terror Lake comes on they will have increased.

*if Bond  
Terror at 14%*

Table 3

| <u>Project</u> | <u>Cost</u> | <u>Original<br/>Debt<br/>Service</u> | <u>Project<br/>Share</u> | <u>Prorated<br/>Debt<br/>Service</u> | <u>1<sup>st</sup><br/>Year<br/>Sales</u> | <u>Cents<br/>per KWH</u> |
|----------------|-------------|--------------------------------------|--------------------------|--------------------------------------|------------------------------------------|--------------------------|
| Swan           | 100         | 4.3                                  | 24%                      | 7.0                                  | 31                                       | 22.6                     |
| Tyee           | 100         | 4.3                                  | 24%                      | 7.0                                  | 31                                       | 22.6                     |
| Solomon Gulch  | 45          | -                                    | 10%                      | 2.9                                  | 41                                       | 7.1                      |
| Terror         | 175         | 20.6                                 | 41%                      | 12.3                                 | 116                                      | 10.6                     |
| TOTAL          | 420         | 29.2                                 | 100%                     | 29.2                                 | --                                       | --                       |

### IV. Case 4 (With passage of SJR61)

#### Assumptions:

- Same assumptions as Case 3, except it is assumed that all debt is refinanced with a 30 year, 5% loan from the Resource fund.

*5% long Range  
with H B 9  
as written*

Table 4

| <u>Project</u> | <u>Cost</u> | <u>Original<br/>(loan) Debt<br/>Service</u> | <u>Project<br/>Share</u> | <u>Adjusted<br/>(loan) Debt<br/>Service</u> | <u>1<sup>st</sup><br/>Year<br/>Sales</u> | <u>Cents<br/>per KWH</u> |
|----------------|-------------|---------------------------------------------|--------------------------|---------------------------------------------|------------------------------------------|--------------------------|
| Swan           | 100         | 1.6                                         | 24%                      | 2.6                                         | 31                                       | 8.4                      |
| Tyee           | 100         | 1.6                                         | 24%                      | 2.6                                         | 31                                       | 8.4                      |
| Solomon Gulch  | 45          | -                                           | 10%                      | 1.2                                         | 41                                       | 2.9                      |
| Terror         | 175         | 7.8                                         | 42%                      | 4.6                                         | 116                                      | 4.0                      |
| TOTAL          | 420         | 11.0                                        | 100%                     | 11.0                                        | --                                       | --                       |

# I. Case 1 (Status Quo)

## Assumptions:

- Swan Lake: Cost \$100 million; debt \$25 million
- Tyee Lake: Cost \$100 million; debt \$50 million
- Solomon Gulch: Cost \$45 million; no debt
- assume that debt will be financed as revenue bonds with 120% coverage for 30 years at 14%
- first year sales figures are in millions of KWH, figures are from APA
- dollar figures in all tables are millions, except cents per KWH

Table 1

| <u>Project</u> | <u>Cost</u> | <u>Original<br/>Debt<br/>Service</u> | <u>Project<br/>Share</u> | <u>Prorated<br/>Debt<br/>Service</u> | <u>1st<br/>Year<br/>Sales</u> | <u>Cents<br/>per KWH</u> |
|----------------|-------------|--------------------------------------|--------------------------|--------------------------------------|-------------------------------|--------------------------|
| Swan           | 100         | 4.3                                  | 41%                      | 5.25                                 | 31                            | 16.9                     |
| Tyee           | 100         | 8.5                                  | 41%                      | 5.25                                 | 31                            | 16.9                     |
| Solomon Gulch  | 45          | -                                    | 18%                      | 2.3                                  | 41                            | 5.6                      |
| TOTAL          | 245         | 12.8                                 | 100%                     | 12.8                                 | --                            | --                       |

# II. Case 2 (Additional \$25 million)

## Assumptions:

- Same as Case 1, except an additional \$25 million is appropriated to Lake Tyee, to cut its debt in half.

Table 2

| <u>Project</u> | <u>Cost</u> | <u>Original<br/>Debt<br/>Service</u> | <u>Project<br/>Share</u> | <u>Prorated<br/>Debt<br/>Service</u> | <u>1st<br/>Year<br/>Sales</u> | <u>Cents<br/>per KWH</u> |
|----------------|-------------|--------------------------------------|--------------------------|--------------------------------------|-------------------------------|--------------------------|
| Swan           | 100         | 4.3                                  | 41%                      | 3.53                                 | 31                            | 11.4                     |
| Tyee           | 100         | 4.3                                  | 41%                      | 3.53                                 | 31                            | 11.4                     |
| Solomon Gulch  | 45          | -                                    | 18%                      | 1.55                                 | 41                            | 3.8                      |
| TOTAL          | 245         | 8.6                                  | 100%                     | 8.6                                  | --                            | --                       |

SF0517820910

SENATE FINANCE COMMITTEE

May 17, 1982

9:10 a.m.

SFC-82 #31, Side 1 (449-end)

SFC-82 #31, Side 2 (000-end)

SFC-82 #32, Side 1 (000-748)

CALL TO ORDER

Co-chairman Don Bennett convened the meeting at approximately 9:10 a.m.

PRESENT

All committee members were present with the exception of Senator Stimson. Also attending portions of the meeting were Senators Gilman and Fanrenkamp; Deputy Attorney General, Ronald W. Lorensen; Richard Aks and Linda Luther from the Department of Community & Regional Affairs; Kurt Dzinich of the Senate Advisory Agency; David Hutchens, representing the Alaska Rural Electric Cooperative Association; Fiscal Analysts Alison Farnan, Bob Schroeder, Elmer Lindstrom, Garrey Peska, and Bob Grogan; Administrative Assistant to Senator Sturgulewski, Glen Svendsen; Administrative Assistant to Senate Finance, Judy Johnston; and representatives from the press.

HB 156

Co-chairman Bennett moved that CS for HB 156 (Rules) am (ACT RELATING TO LEGISLATIVE CONTRACTS) be brought on for discussion. Senator Sturgulewski advised that HB 156 originally dealt only with legislative contracts. During prior committee discussion, members expressed interest in having the Administration covered under the bill as well. HB 546 (introduced by the Governor) deals with state contracts. Although HB 546 has received much hearing, it is not advancing. Provisions from the bill have thus been included in a proposed SCS for CSHB 156 (Finance) (ACT RELATING TO PUBLIC CONTRACTS). Senator Sturgulewski noted that both Deputy Attorney General Lorensen and the Senator's Administrative Assistant, Glen Svendsen, were present to testify concerning the bill.

Questions were previously raised concerning inclusion of the Court System and the University. Although formerly included in the legislation, the Court System has been eliminated from the present draft because of constitutional issues--Court System regulations are actually tighter than provisions contained in the bill. The question concerning the University has never been fully resolved. The University is covered under the bill as a state agency.

Senator Sturgulewski directed committee attention to a draft SCS for CSHB 156 (Finance) dated 5/15/82, a sectional analysis, and

three fiscal notes (Administration 345.5, Legislative Affairs 30.0, and DOTPF 0). Costs included on the Legislative Affairs fiscal note would cover contract preparation, advertisement for bids, etc., general processing costs.

Senator Sturgulewski advised that under current procedures each department has guidelines for dealing with contracts. There are no statutes. In most instances, there are no officially adopted regulations. Current guidelines heretofore not available in standardized or statutory form are reflected in the SCS.

Ron Lorensen advised that provisions for legislative contract procedures contained in the SCS are, in most aspects, parallel to those proposed for the Administration, including the University of Alaska.

Mr. Lorensen spoke briefly to the constitutional issue of whether or not the legislature can impose administrative rules on the judicial branch. Although the House Judiciary Committee included the court system in its version of the bill, it was deleted from the current SCS since a constitutional provision gives the Alaska Supreme Court the power to adopt administrative rules for the court.

Mr. Lorensen next proceeded to conduct a sectional analysis of the SCS:

Sections 1 and 2 acknowledge that there is another procedure which may be used in letting state contracts--a new Chapter 36.98 is established by the SCS. This chapter deals with professional services contracts in executive branch agencies.

Section 3 establishes procedures by which legislative professional services contracts are let. These procedures are similar to those of the executive branch but differ in that the threshold for application of legislative procedures is \$10,000 while the threshold is \$25,000 for the Administration. Additionally, the 30 day publication requirement (consisting of three consecutive advertisements, three days apart) does not apply to legislative contracts while it does apply to Executive Agency contracts.

Section 4 deals with the Ombudsman and investigative contracts.

(Senator Ferguson arrived at the meeting at this time.)

Senator Sturgulewski noted that exemption from the publication requirement allows the legislature to move more quickly in letting contracts. Co-chairman Dankworth raised questions concerning provisions requiring solicitation of proposals from "at least six firms for contracts equal to or greater than \$100,000." He asked what would happen should only two qualified firms be available in state. Glen Svendsen responded that while acquisition of six proposals for contracts over \$100,000 and

three proposals for contracts under that amount represents the ideal, subsequent subsections provide that if sufficient qualified firms are not available, the contracting agency may ask for proposals from anyone applying for the contract. The foregoing language is currently contained in provisions applying to the Administration and should be added to legislative provisions.

Raising further questions regarding requests for proposals, Co-chairman Dankworth questioned exemption provisions whereby individual legislators can obtain an exemption from contract processing provisions by furnishing an affidavit detailing reasons for the exemption. Senator Sturgulewski responded that the legislature requires flexibility in order to fulfill its contracting needs. A sworn affidavit is not required for an exemption. A statement outlining why the legislator chose to use the exemption process is all that is required. Glen Svendsen advised of need to document reasons for letting sole source contracts. Co-chairman Dankworth asked if a financial limitation is attached to the exemption. Glen Svendsen responded that contracts which require solicitation of proposals (those over \$10,000 under the proposed SCS) would be covered by the exemption. Senator Sturgulewski added that funding for these contracts would have to receive prior legislative hearing, consideration, and approval. There is, thereof, legislative control as to the amount of money available for contracts. Co-chairman Dankworth noted concern that the exemption provides a loophole which might be abused. He added, however, that he had no alternative language or amendment to propose.

Senator Ferguson moved to delete Section 2 on Page 3 of the proposed SCS (the exemption provision), thus eliminating sole source contracting. At this time Co-chairman Bennett suggested that Senator Sturgulewski move to adopt SCS for CSHB 156 (Finance) (5/15/82) as the working documents for discussion purposes. She so moved. No objection to adoption of the working document having been raised, it was formally before committee. Senator Ferguson moved again to delete Section 2, on Page 3, the exemption clause. Co-chairman Dankworth objected for the purpose of further discussion. He voiced concern that elimination of the exemption might lock the legislature into a position whereby it could not accomplish necessary interim work. Glen Svendsen advised that the time required to obtain legislative proposals is so flexible that elimination of the exemption provision would not place an onerous burden on legislative contracting processes. Application for sole source contracts could still be processed through the committee system.

In summarizing procedures under the proposed SCS, Senator Sturgulewski advised that, at present, a legislative agency, legislative committee, or a member of the legislature can follow several contracting procedures--the RFP approach or sole source. By eliminating the exemption, the committee would remove an individual legislator's ability to "go sole source" based on written documentation as to why the sole source contract was let.

An individual member can still go through the RFP process as can a committee or agency.

Senator Sturgulewski stressed need to establish rules and then amend them if abuses occur. She voiced need for flexibility for individual members. Co-chairman Dankworth suggested that the amendment offered by Senator Ferguson be held in abeyance pending discussion of the remainder of the bill. Senator Ferguson withdrew his amendment, but noted potential for abuse under the amendment since minority members of the legislature will not have the ability to sole source contract.

At this time Mr. Lorensen continued his sectional review of the proposed SCS:

#### PREPARATION AND ACCEPTANCE OF PROPOSALS (Page 3)

This section sets out procedures and considerations applicable to legislative agencies in developing and evaluating RFP's.

#### AWARD OF CONTRACT

This section sets out procedures for awarding contracts. Contracts must be approved by a majority of the membership of a committee and approved as to form by the director of Legislative Affairs in conjunction with legislative finance and legal counsel. The contract must contain the amount of the contract, the date work should begin and conclude, a description of the services to be provided, and a certification that money is available for the contract.

#### EVALUATION

This section provides that project directors, or the committee contracting the services evaluate the contract upon completion. This evaluation is to be available for public inspection.

#### FILING

This section sets out requirements and procedures for filing contracts, requests for proposals, and responses to the request. These are available for public inspection. A difference exists between provisions for the Executive Branch and the Legislature in the treatment of proposals on file. Under Executive provisions, the request for proposals, the successful proposal, and names of unsuccessful bidders are on file. Under Legislative provisions all proposals (including unsuccessful bids) are placed on file. Glen Svendsen advised that provisions for filing all proposals were included in order that the audit division might compare the successful proposal with others submitted to determine if favoritism rather than the adequacy of the proposal influenced award of the contract.

Mr. Svendsen noted an exception at page 4, line 27 in the filing of proposals for the audit division. Audit reports are not required to be filed prior to public release in order that the subject of the audit will not be divulged until the report is available.

#### DEFINITION

This section defines "professional services," for the purposes of legislative contracting.

#### Sec. 4 - CONTRACT PROCEDURES

This section directs that the Ombudsman adopt provisions similar to those of the legislature for contracts under his control. These procedures shall be set forth by regulation.

Mr. Lorensen advised that remaining provisions in the bill relate to establishment a new Chapter 98 under Title 36 of the Alaska Statutes, setting forth professional contract provisions for Executive Branch agencies, including the University of Alaska.

The threshold set for Executive Agencies is \$25,000. Situations other than those under the established threshold which are exempt from the newly created chapter relate to employment of individuals to work on behalf of an agency, and instances whereby bids are let under the competitive bidding process established in AS 37.05.230.

Section 36.98.020 - PROFESSIONAL SERVICES CONTRACTORS REGISTER - requires establishment of a register for persons and firms interested in professional services contracts. The Commissioner of Transportation shall establish a list for DOT projects; the Commissioner of Administration shall establish a list of all other agencies.

Section 36.98.030 sets forth publication requirements and establishes criteria for information included in the publication notice. Senator Eliason raised questions regarding areas of the state which do not have general circulation newspapers. He noted that if the work is to be performed in a specific area, it should be advertised in that area. Mr. Lorensen agreed. Mr. Svendsen suggested additional language providing for publication in a newspaper in local circulation where the work is to be performed.

In addition to publication, this section requires that the agency review the professional contractors register for qualified providers of the service and send requests for proposals to these contractors. For contracts over \$100,000, agencies should attempt to secure at least six proposals. Lines 12 through 20 set forth procedures to be followed when an agency cannot secure the required number of proposals.

Responding to questions from Co-chairman Dankworth, Mr. Lorensen advised that the section includes exceptions to normal award procedures. These exceptions include sole source contracts and aware of contracts based on public need and necessity. Sole source contracts relate to instances where the required numbers of proposals cannot be obtained. Public need and necessity relates to instances where award of the contract must be quickly made, and time does not allow for 30 days' publication notice. Co-chairman Dankworth advised again of loopholes relating to these provisions, advising of numerous sole source contracts currently being awarded which should have gone to bid. Mr. Lorensen agreed that the language was open to abuse. He added, however, that the language by statute "makes it the commissioner's responsibility to make the determination" of public necessity. This is not currently existing in law. He stressed need for the legislature to enact a statute which agencies begin "living with and complying with." Abuses can be dealt with as they arise.

Co-chairman Bennett recessed the meeting in order that members might attend the Senate floor session.

RECESS - 10:00 a.m.

RECONVENE - 2:10 p.m.

Co-chairman Don Bennett reconvened the meeting at approximately 2:10 p.m.

#### PRESENT

All committee members were present with the exception of Senator Ferguson who arrived shortly after the meeting began, and Senator Stimson who did not attend. Most of the individuals present at the morning portion of the meeting also attended in the afternoon.

#### HB 156

Co-chairman Bennett announced that the committee would continue discussion of the earlier-adopted working draft for SCS for CSHB 156 (Finance) (ACT RELATING TO PUBLIC CONTRACTS).

Senator Sturgulewski distributed two amendments in response to questions raised by Senators Dankworth and Eliason during the earlier part of the meeting.

Mr. Lorensen continued his sectional review of the bill:

Pages 7 and 8 relate to exceptions to contract notice requirements. These exceptions include sole source, public necessity, and acquisition of services from another state agency, political subdivision, or federal agency.

Subsection (e) outlines publication criteria and provides for evaluation of proposals based on a system of points.

Subsection (f) represents a technical provision designed to deal with situations whereby statutory procedures might be interpreted as limitations upon agency ability to go beyond the register in seeking proposals. Agencies may do whatever appears appropriate to secure proposals from interested parties.

Sec. 36.98.040 sets forth procedures for award of the contract. This includes evaluation of proposals based on a point system, execution of the contract, and putting it into effect. The commissioner of either DOT or Administration must review and approve the contract before it becomes effective. Subsection (e) contains provisions for non-standard contracts. These must be reviewed and approved as to form by the Department of Law.

Sec. 36.98.050 pertains to contract administration. The contracting agency is responsible for monitoring and administering the contract as well as subsequent evaluation. The agency evaluation report is to be maintained on file for approximately seven years (the statute of limitations) by the Commissioner of Administration or DOT.

Sec. 36.98.060 relating to requirements for Executive Branch filing of contracts differs from legislative requirements in that it requires only the filing of names of unsuccessful proposers rather than the filing of the entire proposal.

Sec. 36.98.070 authorizes the Commissioner of Administration to adopt regulations under the Administrative Procedures Act which establish contract procedures as well as a review process for persons aggrieved under the new chapter.

Sec. 36.98.080 sets forth definitions for "Commissioner" (Commissioner of DOT or Administration), "professional services," "public necessity," "request for proposals," and "state agency," under the new chapter.

Remaining sections of the bill deal with contract provision under competitive bid procedures. Section 6 raises the present threshold after which competitive bids must be sought for goods and equipment from \$2,500 to \$5,000. The increase is attributed to inflation. It also removes restrictions on the Dept. of Administration's ability to go into the marketplace and seek the best price once a determination is made that full competitive bidding is not necessary for the needed goods and/or equipment.

Section 7, allows for cash purchase of goods up to \$500 (increased from \$300) on the open market.

Sec. 8 represents an amendment to the competitive bidding statute which ties professional services contracts to the provisions of AS 24.24 (legislative contracting) or AS 36.98 (executive agency contracting).

Sec. 9 is designed to allay difficulties resulting from implementation of competitive bidding procedures set out in AS 37.05.230. Additional language defines "responsible bidder," and sets forth guidelines for identifying responsible bidders. Enumerating the five qualifying conditions listed, Co-chairman Dankworth suggested that financial responsibility be added. He attested to instances where projects failed to be undertaken or completed because the successful bidder could not perform.

Senator Sackett supported Co-chairman Dankworth suggestion, and moved to add a new section 5 (renumber the existing section 5 as section 6):

Page 12, Line 19, after "and" insert new subsection 5:

(5) financial capability

Mr. Lorensen spoke briefly to remaining sections of the bill including provisions allowing purchasing agents to cancel solicitations for bids if cancellation is in the best interest of the state. Co-chairman Dankworth attested to substantial costs to the private sector in putting together a bid. He suggested that bidders should be financially protected against "last minute cancellations." Mr. Lorensen acknowledged the problem, but advised that a bidder always takes the chance that his bid won't be successful. A counter problem rests in difficulty involved in compensating all bidders for their costs when the state decides to cancel a bid. Mr. Lorensen suggested a two-tier approach to solving the problem. If the bid is cancelled within a certain number of days, there is no cost to the state. If it is cancelled a certain number of days before the opening, compensation would be made to bidders. Co-chairman Dankworth suggested that bidders involved in a cancelled bid be given "some priority" if the bid is reopened at a later time. Senator Sackett advised that the Ombudsman is currently investigating a cancelled bid situation in his, Sackett's, district. Co-chairman Dankworth stated that he would not offer amending language at this time, but suggested that the issue be examined next session. He further suggested that perhaps a review board should be established to deal with compensation for bidders, and directed Mr. Lorensen to work on the problem with the hope of amending the bill in the Rules Committee.

Responding to a hypothetical bid situation posed by Co-chairman Bennett, Glen Svendsen advised that a major distinction of the professional services approach is the fact that it is not a low bidder approach to contracting. The legislature would review various proposals and decide which best meets contract needs. Most professional services are based on a fixed price for the

service. The legislature must then select the contractor best qualified to undertake the project.

Senator Sturgulewski moved to adopt amending language at Page 3, Line 2, allowing an agency, committee, or member to solicit additional bids if the required number are not forthcoming. Senator Ferguson objected, advising that he wished to offer an amendment to the amendment. His amendment would strike "or member" from both Senator Sturgulewski's amendment and the proposed committee substitute. Discussion ensued concerning procedures under Senator Ferguson's amendment. Senator Sturgulewski withdrew her amendment, deferring to Senator Ferguson since his amendment was broader. Senator Ferguson restated his motion to delete all reference to "or member" from the SCS for CSHB 156 (Finance). Upon a show of hands, the motion was adopted.

Senator Sturgulewski reoffered her amendment at Page 3, Line 2 (taking into consideration Senator Ferguson's previous amendment, "or member" was deleted from the amendment). Upon a show of hands, the amendment was adopted.

Senator Sturgulewski offered an amendment at Page 6, Line 14, adding:

"and, where appropriate, in a newspaper in local circulation where the work is to be performed."

Upon a show of hands, the amendment was adopted.

Co-chairman Bennett moved to amend Page 2, Line 5, changing the legislative contract threshold from \$10,000 to \$25,000. Upon a show of hands, the amendment was adopted.

Co-chairman Dankworth moved to amend Page 7, Line 28, limiting authority for sole source and public necessity exemptions to commissioners and deputy commissioners. He moved to delete "his designee" and insert "a deputy commissioner" at Line 28. Upon a show of hands, the amendment was adopted.

Senator Eliason moved to delete subsection (2) at Page 3, Line 13, relating to legislative sole source exemptions. Glen Svendsen advised that as a result of Senator Ferguson's prior amendment, subsection (2) would be eliminated.

Co-chairman Dankworth advised that he wished the record to show that he voted for the above amendments with the understanding that he would further review their implications and possibly make changes on the floor.

Mr. Lorensen suggested that the immediate effective date be eliminated in order to allow for a 90-day implementation period. Senator Sturgulewski moved to delete the effective date at Page 13, Line 19 (Section 11). Co-chairman Dankworth objected, advising that the 90-day implementation period represents the

whole construction season. Senator Ferguson supported Co-chairman Dankworth in his preference for retaining the immediate effective date. Upon a show of hands, the immediate effective date was retained.

Senator Sturgulewski moved that SCS for HB 156 (Finance) with incorporated amendments and fiscal notes pass from committee with individual recommendations. Upon a show of hands the motion carried. SCS for HB 156 (Finance) thus passed from committee-- Senators Bennett, Sackett, Eliason, and Ferguson signing no recommendation; Senator Sturgulewski signing do pass.

Co-chairman Bennett moved that the meeting recess for approximately five minutes.

RECESS - 3:00 p.m.

RECONVENE - 3:10 p.m.

Co-chairman Bennett reconvened the meeting at approximately 3:10 p.m.

#### HB 643

Senator Sackett moved that CS for HB 643 (Finance) am (ACT REPEALING AND AMENDING CERTAIN APPROPRIATIONS MADE IN 1981 REAPPROPRIATING A 1980 APPROPRIATION FOR THE KASAAN DOCK, MAKING AN APPROPRIATION TO THE LEGISLATIVE FINANCE DIVISION FOR A BRISTOL BAY DEVELOPMENT STUDY) be brought on for discussion. He further moved for adoption of the latest SCS for CS for HB 643 (Finance) (5/17/82) (ACT REPEALING, AMENDING, MAKING, AND EXTENDING LAPSE DATES ON APPROPRIATIONS) for discussion purposes. Senator Sackett noted need for two amendments. The first amendment was previously presented to committee by Senator Gilman. It would update funding set forth in Sections 236 and 241. The second amendment deletes the sum of \$450,000 at Page 5, Line 27, inserting \$15,000 instead. The difference between these sums, \$435,000, would be appropriated in two new sections:

Sec. 23. The sum of \$428,000 is appropriated from the general fund for payment as a grant to the City of Bethel for a water and sewer vehicle maintenance facility.

Sec. 24 The sum of \$7,000 is appropriated from the general fund for payment as a grant to the City of Togiak for combined facility planning.

Senator Sackett advised that the current work draft encompasses all of Senator Sturgulewski's prior amendments, and several amendments offered by Senator Ferguson. Other changes in the bill include deletion of \$125,000 from the Dept. of Transportation for Holy Cross, and deletion of \$57,000 for the Ruby Health Clinic.

Senator Sturgulewski raised questions concerning a previous amendment for \$35,000 for forest management relating to clean up operations resulting from a recent timber sale. Senator Ferguson advised that the amendment was laid aside.

Directing committee attention to a memorandum from Fiscal Analyst Elmer Lindstrom, Senator Sturgulewski advised that the \$2.5 million taken from the Division of Business Loans for alternative energy/energy conservation loans is also deleted in SB 322 (currently in conference committee). The \$2.5 million has thus been removed twice. Senator Sackett responded that in such a situation, the last bill to pass prevails.

Senator Kelly appeared before committee proposing an amendment to Section 130, Page 19, Line 15:

After the period following Department, add: "This appropriation is contingent upon the South Fork area forming a fire service district."

South Fork is on the Anchorage side of Eagle River. Residents wish to form a volunteer fire department. This can legally be done by working through the Anchorage Assembly to establish South Fork as a fire service district. Legislative representatives are willing to assist the district with capital funds if residents will pay operational costs through taxes on the service district.

Senator Sackett moved for adoption of the amendment. Upon a show of hands, the amendment was adopted.

Senator Sackett moved that SCS for CS for HB 643 (Finance) pass from committee with individual recommendation.

Senator Eliason objected, raising questions concerning additions and deletions between Senator Sturgulewski's earlier draft and the present bill. Senator Sackett responded that the current version includes Senator Sturgulewski's version plus amendments previously adopted by committee.

Senator Sturgulewski expressed concern for funding for power projects, advising of her feeling that hydro legislation is so important it should be funded in separate legislation or attached to the capital budget. She expressed further concern that time does not permit determination of whether or not the reappropriation bill funds viable projects at a reasonable level and meets needs statewide. She further questioned operating expenditures of approximately \$21 million included in the bill. What impact will this have on the operating budget for future years?

Co-chairman Bennett moved to amend Page 32, Line 27, in order that "Illinois" remain as one of the three streets listed rather than deleting it as indicated by the brackets in the draft bill. No objection to the motion having been raised, the amendment was adopted.

Senator Sackett renewed his motion for passage of SCS for CS for  
Hb 643 (Finance) with individual recommendations. Senator  
Sturgulewski asked that her objection be noted. Upon a show of  
hands, the bill passed from committee--Senators Sackett,  
Dankworth, and Ferguson signing do pass; Senator Eliason signing  
no recommendation; Senator Sturgulewski signing do not pass; and  
Senator Bennett signing as Chairman.

ADJOURNMENT

The meeting was adjourned at approximately 3:30 p.m.

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SFC-82 #31, Side 1 (449-end)  
SFC-82 #31, Side 2 (000-end)  
SFC-82 #32, Side 1 (000-748)

## SENATE FINANCE COMMITTEE

May 18, 1982

9:10 a.m.

(Tape SFC 82, # 32, Side 2, 000-805)

CALL TO ORDER

Co-chairman Bennett called the meeting to order at 9:10 a.m.

PRESENT

All members were present with the exception of Senators Stimson and Sackett. Also in attendance were Senator Parr; Natalie Gottstein, Executive Director of the Alaska Mental Health Association; Senator Kerttula; Laura Davis, Assistant Attorney General; and Sherry Shelley, Executive Director of the Alaska Employees Association.

SB 710

Co-chairman Bennett stated the first bill for consideration was CS SB 710 (Resources) (AN ACT RELATING TO THE MENTAL HEALTH TRUST FUND AND ITS ADMINISTRATION; AND PROVIDING FOR AN EFFECTIVE DATE). He requested that Senator Parr come forward to explain the legislation to the committee.

Senator Parr referred to a sectional analysis of CS SB 710 (Resources) that was in a memo from Richard Bradley to Senator Sturgulewski dated 4/6/82. He also referred to a memo of 4/12/82 from Mr. Bradley about the mental health trust. He proceeded with a background for the members. In Territorial days, the federal government gave the state a lot of land so that the revenues could be used for mental health purposes. The land was being administered by the Division of Lands as though it was general grant land - the situation wasn't good. In 1978 a comprehensive revision of the administration of the land went through the Legislature. At one point it was said that the mental health trust lands grant would be replaced with a money grant. The money was to be 1 1/2% of the oil revenues. Unfortunately, there were two bills passed that same session - the Revisor of Statutes adopted the latest of the two bills. The first bill would have had the Commissioner of Revenue simply put the money directly into the fund without a need for appropriation. The second bill, however, did not do that. So, no money went into the fund from 1978 to the present. So, the question now was, has the Legislature kept its faith as trustee - had the original purpose of the federal land grant been kept? He did not feel the trust had been honored either in revenues from the lands, or by a money grant to replace it. He said CS SB 710 (Resources) would re-establish that in a form that would direct that the revenues be placed by the Commissioner into the fund immediately so that it wouldn't need to be appropriated each

year. The amount of money that would take care of 1978 to the present was about \$84 million (found in SB 711 which was not referred to Senate Finance), but there was a fiscal note in the file for this bill indicating that the amount for the forthcoming fiscal year would be \$16.2 million. He said there were two key factors: 1) the Legislature has a moral, ethical and legal obligation to honor its duties as trustee; and 2) the Alaska Mental Health Association plans to take action if nothing happens this session. He said that Natalie Gottstein, Executive Director of the Association was present to speak to that subject.

Senator Eliason asked how this would relate to dedicated funds. Senator Parr responded that there would be no constitutional problems with the legislation. Opinions had been received from the Attorney General as well as from Legislative Legal Counsel.

Senator Sturgulewski stated that Laura Davis was present from the Attorney General's Office and could comment further on the subject. She said that since this was established prior to statehood, there would be no need to appropriate. Funds could be taken directly from the treasury, as long as the amount doesn't exceed the value of the land. And, the funds could be used for other purposes after mental health needs had been met.

Senator Kerttula said he thought Senator Parr could not be more in error when he said Alaska has a legal responsibility to take care of mental health problems in Alaska. He said he was a member of the committee that accepted Alaska Psychiatric Institute (API). He said he was the "key" vote because he didn't want to embarrass Senator Bartlett who had already begun construction on the facility. He said the lands issue was an issue pre-dating statehood, and was very complex. He said those were methods for conveying lands to the state for dozens of purposes. He said that though the balance of funds could be used for other purposes, he was certain that "self-serving people in any bureaucracy will make certain there isn't any balance". And he thought there were other needs in this state besides mental health needs. He said he would admit that mental health needs should be met more than they had been, but he did not think Alaska had a legal responsibility to convey these lands to mental health. He said Alaska did however, have moral and ethical responsibilities to help with mental health problems in Alaska.

Senator Parr responded that it was his understanding that, after reading memos from the Attorney General and from Legislative Affairs, Alaska did have a legal responsibility. He said it was open to debate as to when the mental health needs of the state had been met so that remaining money could be used for other purposes. He said CS SB 710 (Resources) would provide for that kind of assessment. He said by any objective assessment, he was sure the mental health needs of the state had not yet been met. Senator Kerttula asked "compared to what?" Senator Parr responded "compared to the needs, sir - the needs can be defined".

Senator Sturgulewski stated again that Natalie Gottstein, Executive Director of the Alaska Mental Health Association, was present to testify before the committee. She informed the committee that in earlier conversations they realized the amount of funding was not available to establish this, even though the Legislature might want to. She said that though all the Capital Budget had been vetoed, there was \$100.0 to conduct this kind of assessment that would answer some of these questions.

Ms. Gottstein stated that the Alaska Mental Health Association had come to the conclusion that it was absolutely essential that the mental health land grant trust be established. She said despite Senator Kerrtula's statements about API, there were two parts to that grant. The first was the establishment of funding sources for the building and furnishing of a mental hospital in the Territory at that time as there were no services at all then. She said there was still, in a sense, traveling back and forth for services in the lower 48 states that are not provided in Alaska. The second part was the land grant. She said there was an obligation on the part of the state to manage those lands in trust to provide first for the needs of mental health in Alaska. Beyond provision of those services, the remaining money could be used for any other public purpose. She said this was a unique grant - a unique way of providing necessary services to the people of the state. She said that this land grant was reconfirmed in Section 10 of the Statehood Act.

Ms. Gottstein went on to discuss staffing and capacity problems at API, and some of the difficulties arising from those situations. She related the recent Meech murders to an overcrowding problem. She said the community support services were almost completely lacking at API. She said there were at least 40 people in API who don't need to be there, but there are no transitional facilities for them. He said there is an obligation - the lands are supposed to have provided funding. She said there was no other way to look at it - the trust has not been set up as was originally decided. She said it was extremely important that the state meet the needs of a particularly vulnerable segment of the population. She said these people are entitled to this legacy that was left them - and it has not yet been provided.

Discussion ensued on subjects such as other land issues, interim study into the problem, the possibility of a lawsuit, and overcrowding at API. Senator Ferguson asked why 32% of the population at API was native, while only 10% of the population of Alaska was native. Ms. Gottstein responded that she thought most of the reason was because the caucasian population was more able to afford private services. Senator Ferguson thought Alaska natives were accepted too readily so that API would have more justification for staff and money.

Co-chairman Bennett asked that Laura Davis, Assistant Attorney General, come forward to discuss the legal aspects of the legislation. Senator Ferguson asked what would happen if the

bill was not passed. Ms. Davis responded that Natalie Gottstein was the proponent of a lawsuit that the Alaska Mental Health Association intended to bring against the state if action was not taken this session. She said the Department of Law position on the bill was that they thought there were deficiencies in the present statute which were not being corrected by this bill. One of those things was the question of dedicated funds. She said there was a recent decision by the Alaska Supreme Court involving regional aquaculture associations in which the court adopted the view expressed by the Attorney General over the last few years that the Constitution prohibits the dedication of any state revenues - not just taxes or licenses. They thought the exception for pre-existing dedicated funds or federally required dedicated funds would permit this fund to exist only as it was provided for by federal law. That means the Legislature should retain control over any money in the fund, and also should retain the power to use it for public purposes other than mental health. She said under the present statute, the Legislature does not have that power - once the money is put into the fund the principal may only be re-invested (though the income may be spent for public purposes other than mental health). That restriction on the principal was not a requirement of the federal trust, and would "lock" up a large amount of money. She said that was a problem with the bill as well as the existing statute. So, taking no action on the bill would not effect that problem; however, if the Legislature does take action, the Department of Law thought it would be best to make the state trust match the provisions which were in the original federal law.

Senator Sturgulewski asked how the aquaculture lawsuit related to this. Ms. Davis stated that with this decision, the Supreme Court was taking the view that the dedicated fund prohibition applies to all state incomes, while that issue was in doubt before. Senator Sturgulewski requested a letter from the Attorney General based on the aquaculture settlement and how it would relate to the bill before the committee.

Co-chairman Bennett asked for further testimony. Sherry Shelly, Executive Director of the Alaska Employees Association, came forward and stated that as a representative of the employees at API, API was probably the most volatile work situation in Alaska far exceeding problems at the correctional institutions. She said the problems were basically due to employee injuries and understaffing. Co-chairman Bennett stated the bill would be returned to the file until a later time.

#### ADJOURNMENT

The meeting adjourned at 10:00 a.m.

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(Tape SFC 82, # 32, Side 2, 000-805)

## SENATE FINANCE COMMITTEE

May 19, 1982

9:00 a.m.

SFC-82 #33, Side 1 (000-301)

CALL TO ORDER

Co-chairman Don Bennett convened the meeting at approximately 9:00 a.m.

PRESENT

All committee members were present with the exception of Senator Sackett. Also attending were Jim Stey and Gary Bader from Budget & Management; Fred Muller, Deputy Commissioner of Administration; Cherie Shelley and Robin Souze, representing the Alaska Public Employees Association; Fiscal Analyst Garrey Peska; and administrative assistant to Senate Finance Judy Johnston.

HB 684

Co-chairman Bennett moved that HB 684 am (ACT RELATING TO THE COMPENSATION AND CLASSIFICATION OF PUBLIC OFFICERS AND EMPLOYEES) be brought on for discussion.

Senator Ferguson said that although he had prepared a Finance Committee Substitute for the bill, at this time he would recommend adoption of the original House version rather than his substitute or the Senate Commerce Committee Substitute since the House bill stands a better chance of passage.

HB 685

Co-chairman Bennett moved that 2d CSHB 685 (Finance) (ACT MAKING APPROPRIATIONS TO THE OFFICE OF THE GOVERNOR AND TO THE LEGISLATIVE AFFAIRS AGENCY TO PAY ADDITIONAL COSTS OF SALARIES AND BENEFITS FOR FISCAL YEAR 1982) be brought on for hearing with HB 684 am.

Senators Sturgulewski and Dankworth raised questions concerning the approximate \$1 million difference between the House version of HB 685 and the substitute offered by the Senate Labor & Commerce Committee. Jim Stey appeared before committee advising that Budget & Management submitted a bill in February or March based on a rough estimate of appropriations for various bargaining units. Since that time these estimates have been refined. Budget and Management figures were thus reduced from the \$17,224,700 shown on the Commerce Committee Substitute to the \$16,569,000 contained on the House bill. The Senate Commerce Committee adopted Budget & Management's original estimate with the understanding that adjustments would be made in Senate Finance. Mr. Stey concluded his remarks advising that the House bill contains the more exact figure.

Co-chairman Bennett stated that he was advised by the Governor's office to attempt to concur in the bill as it passed the House.

Senator Ferguson moved that 2d CSHB 685 (Finance) pass from committee with individual recommendations. Upon a show of hands, the motion passed, and 2d CSHB 685 (Finance) passed from committee--all senators present signing do pass with the exception of Co-chairman Dankworth who signed no recommendation. (Senator Sackett arrived as the meeting was adjourning and signed the committee report).

Senator Ferguson next moved that HB 684 am pass from committee with individual recommendations. No objection having been raised, the bill passed from committee--all committee members signing do pass with the exception of Co-chairman Dankworth who signed no recommendation. (Senator Sackett also signed the committee report.)

#### BILL ASSIGNMENTS

Co-chairman Bennett made the following bill assignments:

|                       |                       |
|-----------------------|-----------------------|
| SB 207 - Bennett      | HB 41 - Sackett       |
| SB 673 - Eliason      | HB 159 - Dankworth    |
| SB 685 - Eliason      | HB 304 - Ferguson     |
| SB 710 - Sturgulewski | HB 313 - Eliason      |
| SB 747 - Eliason      | HB 548 - Dankworth    |
| SB 754 - Eliason      | HB 649 - Sturgulewski |
| SB 758 - Dankworth    | HB 651 - Ferguson     |
| SB 791 - Stimson      | HB 675 - Dankworth    |
| SB 799 - Sackett      | HB 684 - Ferguson     |
| SB 858 - Eliason      | HB 685 - Ferguson     |
| SB 863 - Ferguson     | HB 694 - Sturgulewski |
| SB 868 - Sackett      | HB 812 - Sackett      |
| SB 894 - Sackett      | HB 848 - Ferguson     |
| SB 895 - Bennett      |                       |

|                      |                       |
|----------------------|-----------------------|
| SR 26 - Sturgulewski | SCR 36 - Bennett      |
| SR 27 - Dankworth    | SCR 55 - Sturgulewski |
| SJR 50 - Ferguson    |                       |

#### ADJOURNMENT

Co-chairman Bennett adjourned the meeting at approximately 9:25 a.m.

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SFC-82 #33, Side 1 (000-301)

SENATE FINANCE COMMITTEE

May 20, 1982

2:15 p.m.

(Tape SFC 82, # 33, Side 1, 205-272)

CALL TO ORDER

Co-chairman Bennett called the meeting to order at 2:15 p.m.

PRESENT

All members of the committee were present with the exception of Senators Dankworth and Ferguson. Also in attendance were Judy Johnston, Administrative Assistant to Co-chairman Bennett; and a member of the press, David Ramseur.

Hb 216

Co-chairman Bennett stated the committee would consider SCS CS HB 216 (Finance) (AN ACT AUTHORIZING THE EXPENDITURE OF MORE THAN \$1,000,000 FROM THE DISASTER RELIEF FUND FOR FLOOD RELIEF; AND PROVIDING FOR AN EFFECTIVE DATE), and requested that Senator Sackett present the legislation to the committee.

Senator Sackett stated that he had prepared this SCS with regard to the present flooding at Fort Yukon. He said the law presently says (the Alaska Disaster Act) that the Governor has to have Legislative approval for anything over \$1 million. That was passed about 8-10 years ago. He said Emergency Services in Military Affairs as well as the City of Fort Yukon both agree that the damages in Fort Yukon were in excess of \$1 million. In order for the Governor to spend more than \$1 million, the Legislature must give authorization. He said the question was raised as to whether or not the authorization should be raised to \$2 million. The reason he did not propose that was because he wanted the bill to pass rapidly to take care of current problems. He would take that issue up separately.

Senator Sturgulewski stated that "emergency" was already defined and the Governor would have to meet the intent of that statute, so the Legislature would be protected. Senator Sackett stated that the language had come from the Governor's Office - he had been working with Mike Whitehead in the Governor's Office on the SCS.

Senator Eliason noted that "Fort Yukon" had been crossed out of the language in the work draft. Senator Sackett stated that it had been crossed out because there might be other floods very soon (possibly in Galena), and he didn't want to have to pass another Act to cover that. He added that about 20 homes had been lost in Fort Yukon as well as two or three civic buildings, and the losses were estimated to be between \$1.2 and \$1.7 million.

Senator Sackett moved and asked unanimous consent that SCS CS HB 216 (Finance) be passed from committee with individual recommendations. There being no objection, it was so ordered, and all members present signed "do pass".

ADJOURNMENT

The meeting adjourned at 2:20 p.m.

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(Tape SFC 82, # 33, Side 1, 205-272)

SF0521820905

SENATE FINANCE COMMITTEE

May 21, 1982

9:05 a.m.

SFC-82 #33, Side 1 (573-end)

SFC-82 #33, Side 2 (000-411)

CALL TO ORDER

Co-chairman Ed Dankworth convened the meeting at approximately 9:05 a.m.

PRESENT

All committee members were present with the exception of Senators Eliason and Ferguson. Also attending were Senators Kerttula and Gilman; Allen Korhonen, Deputy Commissioner of Health & Social Services; Steve Hole, representing the Dept. of Education; John Bates, Deputy Commissioner of Dept. of Transportation; Ginny Chitwood, representing the Alaska Municipal League; Lee Sharo, Attorney for the City and Borough of Juneau; Bill Miles, representing the Anchorage School District; Fiscal Analyst Alison Elgee; and administrative assistant to Senate Finance Judy Johnston.

HB 279

Co-chairman Dankworth moved that CS for HB 279 (Finance) am (ACT RELATING TO SCHOOL CONSTRUCTION AND TRANSFERRING THE ADMINISTRATION OF THE SCHOOL CONSTRUCTION GRANT PROGRAM FROM THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES TO THE DEPARTMENT OF EDUCATION) be brought on for discussion.

Senator Stimson directed committee attention to a proposed SCS for CS HB 279 (Finance) (AN ACT RELATING TO SCHOOL CONSTRUCTION AND TRANSFERRING THE ADMINISTRATION OF SCHOOL OR EDUCATION-RELATED FACILITY CONSTRUCTION FROM THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES TO THE DEPARTMENT OF EDUCATION). Responding to questions from Co-chairman Dankworth concerning Section 3, Senator Stimson stated that the intention is to allow municipal, city or borough school districts, access to the Governor's capital budget. At present the only schools able to come to the legislature through the budgeting process are REAA's. This bill would develop a process whereby all school districts have access to the capital budget. The section is permissive in that a school district does not have to use this budgetary process, yet it is available should the district decide to take this route. Small school districts incapable of bonding need a process which allows them access to this budget.

Senator Stimson acknowledged that the Anchorage School District "has concerns" regarding the legislation. He added that he had attempted to address those concerns in the proposed SCS. He concluded, however, that the legislation could not be "stretched"

much further without doing disservice to other districts statewide.

John Bates and Steve Hole jointly appeared before committee. Mr. Hole advised that at this time the only access to the Governor's capital budget is through Chapter 8 of Title 14 which speaks specifically to REAA's. There is no statutory provision for municipalities to gain access to this budget for public school construction other than through Section 8 (the debt retirement section) of the proposed SCS. Any municipality, however, through its legislator can get into a capital budget. Districts cannot, however, get into the capital budget the Governor submits to the legislature.

Co-chairman Dankworth raised questions concerning priority ranking provisions contained on page 2 of the proposed bill. Mr. Hole responded that the ranking process gives the Department of Education a list of education construction projects based on critical need. When funding resources are limited, the most critical needs can be met first. Co-chairman Dankworth asked if the process would create a master statewide list of school construction needs. Mr. Hole responded that to the extent that school districts choose to submit requests under the bill a master list would be compiled. He added, however, that some REAA's and municipalities might not submit requests. As an example, Senator Sturgulewski stated that Anchorage, which just offered \$70 million in bonds, would not need to be involved in a priority listing unless it chose to do so since it enjoys local autonomy in its bonding capability. Should Anchorage choose to become involved in the priority listing and seek state funding, it can do so. She attested to the fact that priority lists are viewed as guidelines and the political process generally takes over when projects are actually funded. There is nothing mandatory about the list. Senator Kerttula advised that in his experience, political control goes to the urban areas. At that stage, priority lists never include rural areas. In effect, the list works against rural needs. Senator Sturgulewski stated that the Anchorage School Board is concerned that the list would have the opposite effect. Senator Stimson advised that ranking will be accomplished based strictly on educational criteria. Co-chairman Dankworth expressed concern that the priority list might encroach upon legislative authority to appropriate school funding. Mr. Hole responded that at the present time the Governor could prepare a priority listing. The Department feels extremely comfortable with the list since it gives the Department "clear legislative policy direction . . . ." He acknowledged that the larger municipalities (Anchorage, Fairbanks, Mat-su) can take care of themselves. Actual need for the list is evidenced through the inability of Nenana, Kake, Klawock, Hoonah, Galena--small communities--to gain access to the list for rural areas. Once the list is submitted to the legislature, the legislature does as it chooses. The list simply provides clear executive recommendations based on educational criteria.

Senator Stimson requested that Messrs. Bates and Hole address transfer provisions of the bill. John Bates stated that at present the Dept. of Transportation handles REAA construction grants. Mr. Bates added that last year's funding for this function was RSA'd to the Dept. of Education. DOT now wishes to formalize the process by transferring the grant process to DOE in order that REAA's will not have to deal with both departments. This transfer relates to the granting process only. The four REAA's still requesting the state to build projects for them would continue to work with DOT for construction of their projects.

Senator Kerttula asked Senator Sackett if he (Sackett) was satisfied that REAA's are better cared for under the proposed bill. Senator Sackett responded, "Yes."

Directing committee attention to Page 1, Line 19 of the proposed draft, Senator Stimson advised that Senator Ferguson had requested the date be changed from July 1, 1978 to July 1, 1982. Mr. Bates advised that DOT has no problem with the date change. Senator Stimson moved to make the change. Senator Gilman advised that the prior date relates to the time when DOE began regulating payments on a square foot per student basis. Some school districts built facilities which are not eligible for repayment. If the date is changed to 1982, any school built after July 1, 1978, which does not meet department approval, would be "grandfathered in" and repaid. Mr. Hole advised that no loophole is created by the date change since Department regulations remain in effect under either date. Regulations affecting entitlement at the time of construction remain in effect. Senator Stimson stated that the request for the date change came from Senator Ferguson at the request of one of his constituents. Co-chairman Dankworth suggested that in Senator Ferguson's absence the change not be made, and Senator Ferguson given the latitude of offering such an amendment on the Senate floor.

Senator Stimson moved for adoption of the following technical amendments:

Page 3, Line 5, delete "ordinance" and insert "resolution."

Page 4, Line 2, delete "three" and insert "two."

No objection to the foregoing amendments having been raised, they were adopted.

Referring to Section 8, Senator Kerttula asked if local districts (from their own resources) must contribute toward school construction projects. Do they definitely have to pay their 10% raised from local tax levies? Senator Stimson advised of his understanding that such a requirement is not absolutely clear in the proposed bill. Steve Hole advised of his understanding that there is nothing in the proposed bill or Title 43 to guarantee that what is contributed by the municipality comes from a local tax. Co-chairman Dankworth suggested adding language requiring

that no more than 30% of the project could be constructed with state funds. Senator Gilman attested to difficulties involved in tracing the source of municipal moneys. Steve Hole advised that the Department's concern is not who pays the 10% but rather limitation on "Taj Mahal" construction. Department regulations stipulate that the state will pay a portion of construction costs based on the number of students and the square footage needed to provide for them. A school district could build a 100,000 square foot school, but if the student population only entitled the district to 20,000 square feet, the state would only participate up to and authorize reimbursement for 20,000 square feet.

Senator Gilman noted that the bonding capacity of individual municipalities also limits the size of school construction. The more school bonds sold, the less available for sewer and water and other needs. This serves as an internal limitation on oversized construction.

Senator Sturgulewski suggested that the committee not attempt to address the foregoing in the current session. The legislature has discussed revenue sharing and municipal assistance. One of the intents in the municipal assistance program is to use state money to reduce local taxes. Local taxes included debt service.

Bill Miles, representing the Anchorage School Board, next appeared before committee. He stated that Anchorage has concerns regarding the proposed statewide master list. Nothing currently prohibits the Administration from creating such a list should it choose to do so. The proposed SCS adds another layer of bureaucracy with which districts must comply. Additionally, creation of a statewide list based on standardized criteria, reduces the legislature's ability to fund projects not on the list. A future governor may be heavy handed and use the list to cut legislative projects. Anchorage finds itself in a "Catch-22" position. If the district requests a particular project be put on the list, more than likely, because of evaluation criteria, it will appear very low on the list. If the district does not request that the project be put on the list, when negotiations begin concerning school projects to be funded, the district will be left out because it's not listed.

Mr. Miles suggested that Commissioner Lind's proposed study of operational expenses of school districts be expanded to include methods of capital appropriation.

Ginny Chitwood, representing the Alaska Municipal League, next appeared before committee, advising that while the Municipal League did not request provisions relating to a master list, it does not object to such language. Municipal school districts other than Anchorage do not view the list as a threat. Larger school districts which have bonding capacity are willing to put up their 10% share and comply with procedures in Section 8, whereby the district bonds and is then reimbursed by the state. Smaller school districts which do not have bonding capacity would have another opportunity to obtain funding under the proposed

legislation. Mrs. Chitwood advised that she had spoken with "some people from Anchorage" and determined that the position represented by Mr. Miles is not unanimous.

Senator Stimson directed committee attention to the fiscal note for \$13466.4 dated April 1, 1982. Senator Gilman stated that although the fiscal note was prepared before the municipalities actually sold their bonds and represents Department estimates of bond payments, actual sale costs to this date result in essentially the same figures as listed on the note. Total costs will not be known until all bonds have closed (approximately July 15). Although there may be need for adjustment or proration over the first year, Senator Gilman recommended the committee adopt the Department fiscal note. Senator Sturgulewski moved for adoption of the April 1, 1982, fiscal note.

Senator Stimson moved for passage of the proposed SCS for CSHB 279 (Finance) with individual recommendations and the April 1, 1982, fiscal note. Upon a show of hands, the bill passed from committee--all members present signing do pass.

#### ADJOURNMENT

There being no further matters to come before committee at this time, Co-chairman Dankworth announced that the committee would convene at 2:00 p.m. to consider HB 148 (the Senate Budget). The meeting was adjourned at approximately 10:00 a.m.

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SFC-82 #33, Side 1 (573-end)  
SFC-82 #33, Side 2 (000-411)

SENATE FINANCE COMMITTEE

May 21, 1982

2:15 p.m.

SFC-82 #34, Side 1 (000-523)

CALL TO ORDER

Co-chairman Don Bennett convened the meeting at approximately 2:15 p.m.

PRESENT

All committee members were present with the exception of Senators Stimson and Ferguson. Representatives from a number of state agencies attended the meeting. These individuals are listed on the attendance sheet attached to these minutes. Also present were Senator Kerttula; Representatives Anderson, Hayes, Halford, and Chuckwuk; Ron Lind and John Bates from the Dept. of Transportation; Jim Stey from Budget and Management; Steve Hole from the Dept. of Education; Commissioner Tom Williams and Phil Wall from the Dept. of Revenue; Keith Specking, Legislative Assistant to the Governor; Fiscal Analysts, Elmer Lindstrom, Garrey Peska, Alison Farnan, Alison Elgee, Bob Schroeder, and Bob Grogan; administrative assistants to Senate Finance, Judy Johnston, Sandy Nusbaum, and David Rogers; and representatives from the press.

HB 148

Co-chairman Bennett moved that HB 148 (ACT MAKING A SUPPLEMENTAL APPROPRIATION TO THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FOR THE REAL ESTATE COMMISSION) be brought on for discussion, directing committee attention to SCS for HB 148 (Finance) (ACT APPROPRIATING FOR THE OPERATING AND CAPITAL EXPENSES OF THE STATE GOVERNMENT; MAKING, AMENDING, REPEALING, AND EXTENDING LAPSE DATES ON APPROPRIATIONS; AND PROVIDING FOR AN EFFECTIVE DATE). He further moved for adoption of the SCS as the working document before committee. Upon a show of hands, the SCS was adopted. Co-chairman Bennett advised that the committee substitute contains the Senate's operating and capital budgets.

Co-chairman Dankworth moved to adopt as part of the SCS the House capital budget "identical to SB 150" which was vetoed by the Governor. Upon a show of hands, the House capital budget was adopted.

Directing committee attention to page 42, of the operating budget, Senator Sackett moved for deletion of \$2730.4 in funding for Legislative Finance, and insertion of "Legislative Finance, Senate \$1365.2--Legislative Finance, House \$1365.2. Upon a show of hands, the motion was adopted.

At this time Co-chairman Bennett requested that Ron Lehr, Director of Budget and Management appear before committee. Prior to Mr. Lehr's comments, Co-chairman Dankworth offered an amendment to the capital budget under the Dept. of Natural Resources, page 56, line 18. He moved to add \$500.0 as a grant to the Municipality of Anchorage for engineering and design of the Southeast Anchorage Sewer Interceptor to Potter Valley. He advised that the funding would provide start-up money for a \$7.5 million bond project. Upon a show of hands, the motion carried and the funding was added to the budget.

Ron Lehr came before committee providing background concerning the Governor's budget. The Governor originally submitted an operating budget of \$181,200,000.00. After revenue projections dropped substantially, the Senate requested that the Governor prepare a revised budget. The administration revised the budget, cutting in excess of \$11,000,000.00. When making cuts, the administration talked with all state commissioners concerning where reductions could be made in department budgets which would be least disruptive to the public. Although individual departments will have less funding under the revised budget, they should still be able to provide an adequate level of service throughout the year. The administration was especially concerned that it not "artificially create a supplemental position." The administration feels it can "live" with the Governor's amended budget and Senate changes to that budget.

Senator Sturgulewski asked if intent language had changed in the revised budget. Co-chairman Bennett advised that "the 40% on the WICHE students was removed." Ron Lehr added that \$500.0 in federal funds has been used for the Board of Fish & Game and Subsistence BRU's. Because these federal funds will be received in FY 82 as reimbursement for expenditures, but the funding will actually be spent in FY 83, intent was added to allow for expenditure of '82 funds in '83.

Co-chairman Dankworth asked if the current budget contains the lobby intent language from last year. Co-chairman Bennett advised that the language was not included in the proposed budget. Co-chairman Dankworth moved that identical lobby language from last year's budget be included in the FY 83 budget. Upon a show of hands, the motion carried and the intent language was adopted.

Senator Sturgulewski asked if the budget includes funding for retention of 15 state troopers to patrol Alaska's highways, checking for unsafe or overweight vehicles. Senator Sackett advised that funding for the positions was included.

Co-chairman Bennett announced that the committee would recess for approximately fifteen minutes while awaiting receipt of the front pages of the budget document.

RECESS - 2:30 p.m.

RECONVENE - 3:35 p.m.

Upon reconvening Co-chairman Bennett directed committee attention to front pages of the budget bill containing Sections 1 through 78.

Co-chairman Dankworth moved to rescind prior committee action adopting the House capital budget contained in SB 150 (vetoed by the Governor). Upon a show of hands, prior committee action was rescinded. Co-chairman Dankworth then moved to adopt the House capital budget dated 10:44 a.m., 5/17/82, in the sum of \$115400.0. Upon a show of hands, the motion carried and the House capital budget was adopted.

Co-chairman Dankworth next read into the record specific lobby intent language previously moved for inclusion in the budget:

Commissioners shall ensure 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.

Co-chairman Bennett called for questions concerning Sections 1 through 78. None were voiced.

Co-chairman Dankworth polled those in attendance asking that persons not on the state payroll or compensated by state funds indicate their presence. Four individuals responded.

Responding to a question from Senator Sturgulewski relating to Section 74 through 78, Ron Lehr advised that the sections refer to lapse dates and depend upon whether the appropriations are '82 supplementals or '83 budget items.

Directing committee attention to Section 24, page 7, line 8, Ron Lehr noted that both numbers should be minus figures (-335.5 and -435.5). Co-chairman Bennett moved that minus signs be inserted as indicated. Upon a show of hands, the motion carried, and the indicated corrections were made in the budget document.

Senator Sturgulewski moved for adoption of intent language similar to that included last year, requesting that the FY 84 budget include CIP positions showing appropriate program receipts as the source of funding. Upon a show of hand, the motion carried, and the intent language was included in the Senate budget.

Co-chairman Dankworth moved that SCS for HB 148 (Finance) pass from committee with individual recommendations. Upon a show of hands the motion carried, and SCS for HB 148 (Finance) passed from committee--all members present signing do pass.

ADJOURNMENT

The meeting was adjourned at approximately 3:45 p.m.

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SFC-82 #34, Side 1 (000-523)

PLEASE SIGN YOUR NAME, TITLE, AND AGENCY FOR THE RECORD  
AND RETURN THE LIST TO THE SECRETARY. THANK YOU.

| NAME               | TITLE            | AGENCY                    |
|--------------------|------------------|---------------------------|
| DICK PEAVES        | Dir., Rom. Spec. | LAW                       |
| BOB JUDSON         | Admin Officer    | LAW                       |
| KERRY ROMESBURG    | EXEC. DIRECTOR   | POSTSECONDARY EDUC. COMM. |
| PAUL GULYAS        | DIR. OF ADMIN.   | ACPE                      |
| Jana Varrati       |                  | Ac. Network on DIES       |
| Carol Robinson     | EXEC. Director   | AWARE Inc.                |
| Jo's maswanath     | Asst. Director   | Perthie Safety            |
| W.R. NIX           | Commissioner     | DPS                       |
| AT Snouden         | ADMIN DIR.       | Courts                    |
| Ron Wehn           | Director         | Budget & Manag            |
| David A. Line      | Spec. Asst.      | Revenue                   |
| Thomas R. Williams | Commissioner     | Revenue                   |
| JEFF HATHILL       | DEP COMM         | DNR                       |
| Tom Bergstrom      | Dir - Admin.     | DNR                       |
| Nancy Slayce       | Budget Analyst   | C&RA                      |
| Bob Rehfeld        | Dir - Admin      | C&RA                      |
| John Lundell       | Dep Comm.        | DOL                       |
| Judy Knight        | Spec. Asst.      | DOL                       |
| Paula Madden       | Admin Dir.       | DOE                       |
| Ally Hill          | Dep Com          | Dept of Admin             |
| Robert J. Statuaka | Finance Office   | Dept. of Admin.           |

Please sign your name, title & Agency  
for the record. Thank you.

| NAME           | TITLE                  | AGENCY                      |
|----------------|------------------------|-----------------------------|
| Joanne Clark   | Program Budget Analyst | Dept. of Health & Soc. Sec. |
| Ellen Korhonen | Deputy Comm.           | DHSS                        |
| Richard Smith  | Deputy Comm.           | Dept of Admin               |
| Kenneth Ryals  | Director               | Dep. Admin.                 |
| Mr. Blum       | Deputy Comm            | ADP & L                     |
| Beverly Leanne | Director, Div of Admin | ADP & L                     |
| Lisa Zafarwan  | Special Assistant      | ADP & G                     |
| JOAN AKINS     | Deputy COMM.           | DEC                         |
| Joan Brown     |                        | Commerce                    |
| Lisa Cook      | Admin Director         | Commerce                    |

SENATE FINANCE COMMITTEE

May 24, 1982

3:05 p.m.

(Tape SFC 82, # 35, Side 1, 000-060)

CALL TO ORDER

Co-chairman Bennett called the meeting to order at 3:05 p.m.

PRESENT

All members of the committee were present with the exception of Senators Stimson and Dankworth. Also in attendance were Judy Johnston, Administrative Assistant to Co-chairman Bennett; and Ron Lehr, Director of Division of Budget and Management.

SB 895

Co-chairman Bennett stated the first order of business was consideration of SB 895 (AN ACT MAKING SUPPLEMENTAL APPROPRIATIONS TO THE DEPARTMENT OF PUBLIC SAFETY FOR SALARIES AND BENEFITS; AND PROVIDING FOR AN EFFECTIVE DATE), and asked if anyone present wished to testify on the legislation.

Senator Sturgulewski asked why this hadn't been included in the other related legislation. Co-chairman Bennett stated it was because the other legislation was for the Alaska Public Employees Association, and this bill was for negotiations for the Teamsters.

Mr. Lehr, Director of Division of Budget and Management, came forward and stated this bill was submitted separately because it was arbitrated. In the past they had tried to "roll together" all the ones done on collective bargaining, but kept the arbitration ones separate. He stated the administration supported passage of the bill.

Senator Sackett moved and asked unanimous consent that SB 895 be passed from committee with individual recommendations. Senator Sturgulewski objected and asked what the percentage of increase was. Mr. Lehr responded it was 7.1%. Senator Sturgulewski removed her objection. There being no further objection, it was so ordered, and all members present signed the committee report "do pass".

ADJOURNMENT

The meeting adjourned at 3:10 p.m.

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(Tape SFC 82, # 35, Side 1, 000-060)

## SENATE FINANCE COMMITTEE

May 27, 1982

2:35 p.m.

(Tape SFC 82, # 35, Side 1, 062-146)

CALL TO ORDER

Co-chairman Bennett called the meeting to order at 2:35 p.m.

PRESENT

All members of the committee were present with the exception of Senators Stimson and Co-chairman Dankworth. Also in attendance were Judy Johnston, Administrative Assistant to Co-chairman Bennett; and Ron Lind, Deputy Commissioner of Administration of Department of Transportation and Public Facilities.

HB 848

Co-chairman Bennett stated the committee would consider HB 848 (AN ACT REENACTING THE LAW RELATING TO THE MARITAL DEDUCTION IN TESTAMENTARY TRANSFERS; AND PROVIDING FOR AN EFFECTIVE DATE). He said this bill had been announced as a House priority.

Senator Eliason moved and asked unanimous consent that HB 848 be passed from committee with individual recommendations. There being no objection, it was so ordered, and the committee report was signed "do pass" by Senators Sturgulewski, Eliason and Ferguson, and "no recommendation" by Senator Sackett and Co-chairman Bennett.

HB 649

Co-chairman Bennett stated the next order of business was consideration of CS HB 649 (Transportation) am (AN ACT RELATING TO REGIONS IN THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES; PRESCRIBING THE DUTIES OF REGIONAL TRANSPORTATION AND PUBLIC FACILITIES DIRECTORS). He stated this was also a House priority.

Chairman Sturgulewski stated she realized the bill would have to go to the floor, but she was planning to vote "do not pass". Senator Ferguson stated that next year there would be a new Governor and he thought that would be a more appropriate time to reorganize DOTPF; however, he had no objections to sending the bill along. Senator Sturgulewski agreed, adding that the bill had come into committee late. Senator Eliason agreed also.

Senator Eliason moved and asked unanimous consent that CS HB 649 (Transportation) amended be passed from committee with individual recommendations. There being no objection, it was so ordered. The committee report was signed "do not pass" by Senator

Sturgulewski, and "no recommendation" by Senators Ferguson, Eliason, Sackett and Co-chairman Bennett.

ADJOURNMENT

The meeting adjourned at 2:40 p.m.

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(Tape SFC 82, # 35, Side 1, 062-146)

## SENATE FINANCE COMMITTEE

June 3, 1982

9:45 a.m.

(Tape SFC 82, # 35, Side 1, 160-204)

CALL TO ORDER

Co-chairman Bennett called the meeting to order at 9:45 a.m.

PRESENT

All members of the committee were present with the exception of Senators Stimson and Eliason.

HB 888

Co-chairman Bennett stated the first order of business was consideration of HB 888 (AN ACT RELATING TO THE SALE OF ROYALTY OIL BY THE STATE OF ALASKA TO THE TESORO ALASKA PETROLEUM COMPANY; AND PROVIDING FOR AN EFFECTIVE DATE).

Senator Ferguson moved and asked unanimous consent that HB 888 be passed from committee with individual recommendations. There being no objection, it was so ordered, and the committee report was signed "do pass" by all members present.

HB 889

Co-chairman Bennett stated the next order of business was consideration of CS HB 889 (Finance) (AN ACT RELATING TO THE SALE OF ROYALTY OIL BY THE STATE OF ALASKA TO DOYON, LTD.; AND PROVIDING FOR AN EFFECTIVE DATE).

Senator Ferguson moved and asked unanimous consent that CS HB 889 (Finance) be passed from committee with individual recommendations. Senator Sackett moved and asked unanimous consent that he be allowed not to vote on the bill. The committee members objected to his motion, and it failed.

There being no objection to Senator Ferguson's motion, it was so ordered, and the committee report was signed "do pass" by all members present.

ADJOURNMENT

The meeting adjourned at 9:50 a.m.

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(Tape SFC 82, # 35, Side 1, 160-204)

SENATE FINANCE COMMITTEE

June 3, 1982

11:20 a.m.

(Tape SFC 82, # 35, Side 1, 204-859)

CALL TO ORDER

Co-chairman Bennett called the meeting to order at 11:20 a.m.

PRESENT

All members of the committee were present; Senator Stimson arrived at 11:35 a.m. Also in attendance were Sandy Nusbaum, Administrative Assistant to Co-chairman Bennett; Attorney General Will Condon; Jim Baldwin, Assistant Attorney General; Legislative Finance Fiscal Analysts Elmer Lindstrom, Alison Elgee and Alison Farnun; and members of the press Bob Roark, Joe Sonneman, David Ramseur and John Matthews.

COMMITTEE BILL REVIEW FOR FLOOR RECOMMENDATIONS

Co-chairman Bennett stated that the Senate Finance Committee had been referred several bills for review and subsequent recommendation to the Senate body. He said that since the House had already adjourned, none of the bills could be changed, so they could only recommend that the Senate concur or not concur.

SB 835

Co-chairman Bennett stated the first bill to be considered was CS SB 835 (Fin) am H (ESTABLISHING A NATIONAL PETROLEUM RESERVE, ALASKA, SPECIAL REVENUE FUND; EFFECTIVE DATE), and asked for member comment.

Senator Sturgulewski stated that the only House amendment was to add "every year following the passage of the Act" on page 2, line 4, and she thought it was an appropriate amendment. She moved that the Senate Finance Committee recommend to the Senate body to concur in CS SB 835 (Finance) am H. There being no objection, it was so ordered.

SB 746

Co-chairman Bennett stated the next bill for consideration was CS SB 746 (Finance) am H (AN ACT MAKING SPECIAL AND SUPPLEMENTAL APPROPRIATIONS, EXTENDING LAPSE DATES; AND PROVIDING FOR AN EFFECTIVE DATE).

Senator Sackett moved that the Senate Finance Committee recommend to the Senate body to concur in CS SB 746 (Finance) am H. Co-chairman Dankworth stated he wished to discuss the House amendments first.

Senator Sturgulewski said that item 10 on page 44 dealt with HB 649 relating to regions in DOTPF, and asked if that would automatically drop out since HB 649 did not pass. Senator Sackett stated it would automatically drop out.

Co-chairman Bennett noted that SB 252 was not listed, and he wondered if the House adjournment had caused the loss of \$20 - \$30 million for water and sewer as a result of raising the percentage from 50% to 70%. Senator Ferguson said that was correct, and he knew of no way to add it back on. He said that SB 252 had carried a fiscal note and explained that it had been put on the fiscal note for the bonds, and the bonds fiscal note was taken off. It was determined that the funding had been lost.

Senator Sturgulewski asked about the \$7 million to Community and Regional Affairs for a supplemental housing grant fund. Senator Sackett responded it was Representative Vaska's amendment, adding that last year a supplemental was passed on a housing program for water and sewer (community eligibility).

There being no further discussion or objection following Senator Sackett's motion, it was so ordered.

#### HB 643

Co-chairman Bennett stated the next bill to be considered was SCS CS HB 643 (Finance) (REPEALING, AMENDING, MAKING AND EXTENDING LAPSE DATES ON APPROPRIATIONS; EFFECTIVE DATE), with the House recommendation that the Senate rescind its earlier action in adopting Sections 72, 140 and 142 of the bill.

Co-chairman Dankworth gave a short history of the bill, saying that the House had adopted the Senate version with some exceptions. He said that consequently, the bill was in jeopardy. He asked Attorney General Condon for his opinion.

Attorney General Condon stated that he could not guarantee that there would ultimately be a bill because of the action taken by the House. However, he said if the Senate wished to try to salvage the legislation, his advice was to rescind earlier Senate action with respect to those three sections in which the House did not concur. That way, the argument could be made that the same bill did in fact pass both Houses of the Legislature. He could not guarantee that he could be successful in defending that position, but otherwise he did not think there would be a bill at all.

Co-chairman Dankworth asked Attorney General Condon if this situation had arisen in the past. The Attorney General responded that he had been told the previous evening that it had happened in 1978, but the example could not be found upon searching through all the 1978 opinions.

Senator Sturgulewski asked Attorney General Condon if he was prepared to write an opinion that would sustain the bill, and if

so, would a possible challenge come from "outside". Attorney General Condon responded to the affirmative, saying he believed his opinion was defensible.

Co-chairman Dankworth moved that the Senate Finance Committee recommend to the Senate body that a motion be made on the floor to rescind its earlier action in adopting Sections 72, 140 and 142 in which the House did not concur, and that the Senate concur in the bill otherwise. Senator Sturgulewski objected. Upon a show of hands, the motion passed.

#### SB 525

Co-chairman Bennett stated the next bill for consideration was HCS SB 525 (Finance) am H (RELATING TO SALE AND LEASE OF STATE LAND).

Senator Stimson moved that the bill be passed out with individual recommendations. Senator Sackett objected, saying that was an incorrect motion.

Senator Ferguson moved that the bill be held in committee, saying he objected to the homesteading portion of the bill. Senator Sturgulewski objected. Senators Dankworth, Ferguson, Eliason, Sackett and Bennett concurred with the motion.

Senator Stimson stated that if Senator Ferguson would ask the committee to rescind its action in adopting his motion, he (Senator Stimson) would restate his earlier motion correctly. Senator Ferguson asked unanimous consent that the committee rescind its action in adopting his motion. There being no objection, it was so ordered, and Senator Ferguson's motion was removed. Co-chairman Bennett asked that Senator Stimson be aware that he would be pulling a bill from the Senate Finance Committee.

Senator Stimson moved that the Senate Finance Committee recommend to the Senate body to concur in the House amendments. Upon a show of hands, those in favor of the motion were Senators Stimson and Sturgulewski. Those not in favor were Senators Dankworth, Ferguson, Eliason, Sackett and Bennett. The motion failed.

Senator Ferguson moved that HCS SB 525 (Finance) am H be held in Senate Finance Committee. All members were in favor of the motion with the exception of Senators Stimson and Sturgulewski. The motion passed, and the bill was held in committee.

#### SB 121

Co-chairman Bennett stated the next bill for consideration was HCS CS SB 121 (Finance) am H (AN ACT RELATING TO TEACHERS', JUDICIAL, NATIONAL GUARD, AND PUBLIC EMPLOYEES' BENEFITS; CREATING THE PUBLIC EMPLOYEES' AND TEACHERS' DISABILITY REVIEW BOARD; AND PROVIDING FOR AN EFFECTIVE DATE).

Senator Sturgulewski distributed a fiscal note which she had requested as the one applying to the above version. Senator Sackett stated he wanted the Attorney General's opinion on this version.

Senator Ferguson stated he understood that in this version, the House had gone back to the original language. Co-chairman Dankworth stated he wished to have the Attorney General's opinion also.

Co-chairman Bennett referred to the proposed Letter of Intent by Senator Ray in file:

It is the intent of the Senate to adopt whichever version of HCS CS SB 121 (Finance) am H the Attorney General determines is correct.

Co-chairman Dankworth was unsure about the meaning as well as the scope of the Letter of Intent. Senator Sackett stated he was not sure which bill was actually before the committee. Co-chairman Bennett asked that the Attorney General be called before the committee. Co-chairman Dankworth stated that the administration wanted this bill very much, and he was not inclined to allow the Attorney General make a legislative decision. Senator Eliason agreed as well as Senator Sturgulewski, who also asked for an Attorney General's opinion on the version actually before the committee.

#### RECESS

The committee recessed at 11:45 a.m., and reconvened at 11:55 a.m. when Attorney General Condon was present.

Co-chairman Bennett asked that the Attorney General come forward. Co-chairman Dankworth asked the Attorney General to comment on the proposed Letter of Intent by Senator Ray.

Attorney General Condon urged the committee not to adopt such a Letter of Intent as it would raise a lot of questions about delegating Legislative power to the Administration, which they are not entitled to receive. His advice on SB 121, purely from a lawyer's perspective, was to do nothing. That way any possible lawsuit would be avoided. However, he realized in terms of a policy, that advice would not be acceptable. So, it was his view that it was more probable than not that version # 2 (the version not including Representative Miller's amendment) was the version actually before the committee. He said he thought it was important that the Senate decide for themselves which version was actually before them. And if the Senate decided to concur in that version, someone should raise a point of order and make a statement on the record as to precisely what they thought they were doing, as well as which version they thought they had before them. He said considerable weight would be given by any court as to the Senate's interpretation of its own rules.

Upon questioning by Senator Sturgulewski on the two versions, Attorney General Condon stated that the House had originally passed the bill with the Miller amendment. Then they noted in the Journal that they were transmitting the bill to the Senate. Then they rescinded their action in the Journal so that it would reflect that they did not transmit the bill to the Senate. They then took up the bill and receded from the adoption of the Miller amendment, and then they transmitted the bill to the Senate. Those were the facts, and that was why the Attorney General thought they could do what they did.

Senator Sturgulewski asked if there was a possibility that once the House had acted on the bill and transmitted it to the Senate, it was no longer in their possession. Attorney General Condon agreed that it was possible that a court would make that decision, ruling that once the action is noted in the Journal, the bill is legally gone from that House. He did not think that would be the answer, but it was a close question.

Senator Ferguson noted that it was normal procedure for either the Senate or the House to send a bill back at the request of the other body, so he thought the House still had control of SB 121.

Senator Ferguson moved that the Senate Finance Committee recommend to the Senate body to concur in Version # 2, without the Miller amendment, and without the proposed Letter of Intent by Senator Ray.

Senator Sturgulewski asked what kind of a statement should be made on the record that would make it very clear that the Senate thought the House still had control of the bill. Attorney General Condon advised that someone restate what had actually transpired in the House and why the Senate believed the House still had control. It was made clear that version # 2, without the Miller amendment, contained the original Senate language.

Discussion ensued on the various versions in the file.

#### RECESS

The meeting recessed at 12:05 p.m. so that the members could determine exactly which bill they would be making recommendations on. The meeting reconvened at 12:25 p.m., with all members present.

Co-chairman Dankworth stated that during the recess it was the consensus that HCS CS SB 121 (Finance) am H was the version that was actually transmitted to the Senate. He said there were some amendments on the House floor, but they did not include the Miller amendment. The House amendments dealt with 1) BIA, 2) S&S, and 3) one year extension for legislators.

Attorney General Condon added that the version containing the Miller amendment was never printed, so version # 2 (HCS CS SB 121 (Finance) am H) did not contain the Miller amendment. He said

that was the bill he believed was properly transmitted to the Senate. He again urged that when the bill came up on the Senate floor, that it be made clear on the record which version the Senate was acting on.

Senator Ferguson moved to withdraw his earlier motion. Then he moved that the Senate Finance Committee recommend to the Senate body to concur in HCS CS SB 121 (Finance) am H, without the adoption of the proposed Letter of Intent. All members were in favor of the motion, and it passed.

#### ADJOURNMENT

There being no further business before the committee, the meeting adjourned at 12:30 p.m.

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(Tape SFC 32, # 35, Side 1, 204-859)



From The  
**SENATE  
FINANCE COMMITTEE**

COMMITTEE MEMBERS

SENATOR DON BENNETT AND SENATOR  
ED DANKWORTH, CO-CHAIRMEN

MEMBERS

SENATOR JOHN SACKETT  
SENATOR TERRY STIMSON  
SENATOR ARLISS STURGULEWSKI  
SENATOR DICK ELIASON  
SENATOR FRANK FERGUSON

assignbills

SENATE FINANCE COMMITTEE  
BILL ASSIGNMENTS

~~CONFIDENTIAL~~  
as of 6/03/82

SENATE BILLS

8 - Dankworth  
9 - Dankworth  
16 - Dankworth  
34 - Dankworth  
94 - Sturgulewski  
105 - Eliason  
106 - Eliason  
108 - Sackett  
127 - Sackett  
132 - Stimson  
136 - Eliason  
138 - Dankworth  
144 - Eliason  
149 - Sackett  
166 - Sackett  
170 - Eliason  
182 - Ferguson  
187 - Ferguson  
189 - Ferguson  
192 - Dankworth  
195 - Sackett  
200 - Eliason  
202 - Dankworth  
207 - Bennett  
208 - Eliason  
209 - Bennett  
211 - Sackett  
215 - Ferguson  
223 - Sackett  
227 - Sturgulewski  
229 - Dankworth  
231 - Stimson  
232 - Stimson  
233 - Stimson  
234 - Stimson  
235 - Stimson  
237 - Eliason  
248 - Eliason  
249 - Sturgulewski  
250 - Ferguson  
253 - Sackett  
254 - Ferguson  
255 - Ferguson  
258 - Sackett  
261 - Bennett  
263 - Dankworth  
264 - Ferguson  
267 - Eliason

274 - Eliason  
289 - Sturgulewski  
291 - Eliason  
292 - Bennett  
301 - Sturgulewski  
303 - Dankworth  
304 - Ferguson  
305 - Ferguson  
309 - Ferguson  
311 - Stimson  
312 - Stimson  
313 - Ferguson  
318 - Stimson  
326 - Stimson  
338 - Bennett  
339 - Bennett  
342 - Ferguson  
344 - Eliason  
352 - Bennett  
353 - Stimson  
354 - Stimson  
362 - Dankworth  
369 - Dankworth  
370 - Sackett  
373 - Eliason  
381 - Sackett  
382 - Dankworth  
383 - Dankworth  
386 - Dankworth  
388 - Sturgulewski  
389 - Sturgulewski  
396 - Bennett  
400 - Stimson  
401 - Sturgulewski  
404 - Stimson  
405 - Dankworth  
406 - Dankworth  
409 - Stimson  
410 - Stimson  
413 - Stimson  
420 - Sturgulewski  
423 - Sturgulewski  
430 - Sackett  
461 - Eliason  
465 - Sackett  
466 - Sackett  
477 - Sackett  
483 - Sackett  
486 - Ferguson  
496 - Stimson  
500 - Dankworth  
514 - Eliason  
518 - Eliason  
519 - Dankworth  
520 - Dankworth

521 - Bennett  
541 - Sturgulewski  
550 - Dankworth  
551 - Ferguson  
557 - Sackett  
558 - Bennett  
566 - Dankworth  
590 - Bennett  
597 - Dankworth  
608 - Dankworth  
615 - Bennett  
616 - Bennett  
617 - Dankworth  
620 - Sturgulewski  
627 - Stimson  
634 - Dankworth  
651 - Eliason  
653 - Stimson  
657 - Sturgulewski  
660 - Sackett  
663 - Sturgulewski  
665 - Ferguson  
669 - Ferguson  
670 - Ferguson  
672 - Bennett  
673 - Eliason  
676 - Sackett  
679 - Stimson  
680 - Ferguson  
685 - Eliason  
688 - Dankworth  
689 - Sturgulewski  
691 - Sackett  
695 - Sackett  
698 - Eliason  
699 - Bennett  
709 - Dankworth  
710 - Sturgulewski  
714 - Stimson  
720 - Sturgulewski  
721 - Sturgulewski  
722 - Sturgulewski  
728 - Ferguson  
738 - Stimson  
739 - Dankworth  
743 - Dankworth  
745 - Stimson  
747 - Eliason  
754 - Eliason  
758 - Dankworth  
781 - Bennett  
783 - Sturgulewski  
784 - Dankworth  
791 - Stimson  
795 - Eliason

799 - Sackett  
802 - Sturgulewski  
804 - Sackett  
813 - Stimson  
814 - Dankworth  
818 - Sturgulewski  
820 - Sturgulewski  
825 - Dankworth  
828 - Dankworth  
837 - Stimson  
838 - Bennett  
839 - Eliason  
840 - Ferguson  
845 - Stimson  
850 - Sturgulewski  
851 - Eliason  
853 - Sturgulewski  
854 - Sturgulewski  
858 - Eliason  
863 - Ferguson  
865 - Sturgulewski  
868 - Sackett  
882 - Eliason  
884 - Ferguson  
889 - Unassigned  
890 - Unassigned  
891 - Unassigned  
892 - Unassigned  
893 - Unassigned  
894 - Sackett  
896 - Dankworth

HOUSE BILLS

6 - Ferguson  
28 - Sackett  
41 - Sackett  
64 - Eliason  
83 - Eliason  
304 - Ferguson  
313 - Eliason  
421 - Sturgulewski  
457 - Sturgulewski  
489 - Bennett  
509 - Sackett  
514 - Eliason  
535 - Sackett  
548 - Dankworth  
608 - Ferguson  
651 - Ferguson  
666 - Bennett  
675 - Dankworth  
694 - Sturgulewski  
696 - Stimson  
812 - Sackett

SENATE RESOLUTIONS

SR 8 - Eliason  
SCR 15 - Sackett  
SCR 18 - Stimson  
SR 20 - Sackett  
SJR 20 - Sturgulewski  
SCR 21 - Dankworth  
SR 23 - Sackett  
SR 27 - Dankworth  
SCR 33 - Sturgulewski  
SCR 45 - Sturgulewski  
SJR 50 - Ferguson  
SCR 55 - Sturgulewski  
SJR 56 - Sturgulewski  
SJR 65 - Dankworth

HOUSE RESOLUTIONS

HCR 1 - Sackett  
HJR 41 - Unassigned



SENATE FINANCE COMMITTEE  
BILL ASSIGNMENTS

~~1982-83 Passed from Committee~~  
as of 6/03/82

SENATE BILLS

3 - Eliason  
4 - Sturgulewski  
6 - Bennett  
17 - Dankworth  
18 - Stimson  
23 - Ferguson  
25 - Dankworth  
26 - Dankworth  
36 - Stimson  
37 - Stimson  
45 - SFC referral waived  
48 - Eliason  
54 - Sackett  
57 - Dankworth  
64 - Stimson  
69 - Ferguson  
84 - SFC referral waived  
86 - Stimson  
87 - Stimson  
88 - Unassigned  
100 - Sturgulewski  
103 - Eliason  
111 - Ferguson  
113 - Sackett  
114 - Stimson  
120 - Bennett  
121 - Eliason  
124 - Sturgulewski  
125 - Unassigned  
133 - Eliason  
134 - Eliason  
135 - Sackett  
137 - Sturgulewski  
139 - Bennett  
140 - Eliason  
141 - Eliason  
146 - Bennett  
148 - Ferguson  
150 - Bennett  
155 - Bennett  
162 - Sackett  
164 - Eliason  
168 - Sturgulewski  
174 - Ferguson  
178 - Sackett  
180 - SFC referral waived  
185 - Dankworth  
200 - SFC referral waived  
203 - Dankworth

205 - Dankworth  
214 - Bennett  
222 - Sackett  
226 - Bennett  
236 - Sturgulewski  
238 - Eliason  
240 - Sturgulewski  
242 - Stimson  
243 - Stimson  
244 - Unassigned  
252 - Ferguson  
275 - SFC referral waived  
276 - Dankworth  
278 - SFC referral waived  
282 - Sturgulewski  
286 - SFC referral waived  
298 - SFC referral waived  
307 - Bennett  
314 - SFC referral waived  
315 - Sturgulewski  
316 - Sturgulewski  
320 - Sturgulewski  
321 - Dankworth  
322 - Sackett  
323 - Ferguson  
325 - SFC referral waived  
329 - Sackett  
343 - Ferguson  
351 - Sturgulewski  
355 - Stimson  
366 - SFC referral waived  
368 - Sackett  
390 - Sturgulewski  
392 - SFC referral waived  
418 - Sackett  
422 - Sackett  
468 - Stimson  
489 - Stimson  
517 - Eliason  
524 - Unassigned  
525 - SFC referral waived  
532 - Bennett  
548 - Sturgulewski  
552 - Eliason  
559 - Ferguson  
560 - Bennett  
572 - Sackett  
576 - Unassigned  
593 - Unassigned  
607 - Unassigned (Spec. Session)  
612 - Sturgulewski  
621 - SFC referral waived  
629 - Stimson  
630 - SFC referral waived  
637 - SFC referral waived

649 - Stimson  
658 - Bennett  
659 - Dankworth  
666 - SFC referral waived  
684 - Sturgulewski  
686 - Dankworth  
693 - Bennett  
697 - Sturgulewski  
702 - Sackett  
704 - SFC referral waived  
705 - Eliason  
706 - Eliason  
719 - Sturgulewski  
732 - Sackett  
735 - Sturgulewski  
737 - Bennett  
741 - Eliason  
744 - Dankworth  
746 - Dankworth  
748 - Sackett  
750 - SFC referral waived  
768 - SFC referral waived  
769 - Dankworth  
772 - Unassigned  
777 - SFC referral waived  
794 - Dankworth  
796 - Unassigned  
817 - Ferguson  
826 - Dankworth  
830 - Dankworth  
835 - Ferguson  
836 - Dankworth  
842 - Sturgulewski  
843 - Dankworth  
855 - Eliason  
864 - Dankworth  
866 - Sackett  
871 - SFC referral waived  
875 - Stimson  
876 - Stimson  
880 - Sackett  
881 - Sackett  
885 - Bennett  
887 - Sackett  
894 - Unassigned  
895 - Bennett

#### HOUSE BILLS

1 - Dankworth  
2 - SFC referral waived  
9 - Dankworth  
12 - SFC referral waived  
17 - Sackett  
18 - Bennett  
26 - SFC referral waived

29 - Sackett  
31 - Unassigned  
43 - SFC referral waived  
50 - Unassigned  
91 - Eliason  
92 - Ferguson  
94 - Stimson  
101 - Unassigned  
110 - Bennett  
121 - Unassigned  
130 - Ferguson  
131 - Sturgulewski  
136 - Ferguson  
140 - Bennett  
146 - Stimson  
148 - Bennett  
150 - Stimson  
154 - Bennett  
156 - Sturgulewski  
159 - SFC referral waived  
173 - Dankworth  
174 - Sturgulewski  
176 - SFC referral waived  
177 - Bennett  
184 - Unassigned  
187 - Sackett  
188 - Eliason  
194 - Ferguson  
196 - Sturgulewski  
198 - Sackett  
201 - Dankworth  
216 - Sackett  
237 - Sackett  
262 - Dankworth  
263 - Unassigned  
272 - Unassigned  
279 - Stimson  
294 - Sackett  
296 - Unassigned  
297 - Stimson  
298 - SFC referral waived  
317 - Ferguson  
318 - Dankworth  
325 - Ferguson  
330 - Sackett  
334 - Sturgulewski  
344 - Dankworth  
348 - Bennett  
357 - SFC referral waived  
358 - Sturgulewski  
366 - Sackett  
394 - Bennett  
413 - Sturgulewski  
434 - Unassigned  
453 - Sackett

460 - Unassigned  
472 - Dankworth  
488 - Dankworth  
502 - Sackett  
503 - Sackett  
507 - Sturgulewski  
508 - Sturgulewski  
549 - Bennett  
565 - Unassigned  
586 - Unassigned  
590 - Sturgulewski  
591 - waived  
603 - Unassigned  
643 - Dankworth  
649 - Sturgulewski  
664 - Ferguson  
685 - Ferguson  
695 - Stimson  
708 - Sturgulewski  
756 - Bennett  
835 - SFC referral waived  
844 - Eliason  
848 - Ferguson  
849 - SFC referral waived  
876 - Sackett  
888 - Unassigned  
889 - Unassigned

#### SENATE RESOLUTIONS

SJR 4 - Sturgulewski  
SCR 9 - Eliason  
SCR 10 - Ferguson  
SK 11 - SFC referral waived  
SCR 16 - Ferguson  
SCR 17 - Sturgulewski  
SR 25 - Eliason  
SK 26 - SFC referral waived  
SCR 35 - SFC referral waived  
SCR 37 - SFC referral waived  
SJR 37 - Stimson  
SCR 44 - Bennett  
SCR 50 - SFC referral waived  
SCR 51 - SFC referral waived  
SJR 61 - Dankworth  
SCR 63 - SFC referral waived  
SJR 65 - SFC referral waived

#### HOUSE RESOLUTIONS

HCR 6 - SFC referral waived  
HCR 26 - Ferguson  
HCR 27 - Unassigned  
HJR 41 - SFC referral waived  
HJR 50 - SFC referral waived  
HJR 71 - Eliason

## STATE OF ALASKA

## OFFICE OF THE GOVERNOR

## BUDGET &amp; MANAGEMENT

March 12, 1982

JAY S. HAMMOND, GOVERNOR

POUCH AM  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2211

1  
The Honorable Don Bennett and Ed Dankworth  
Co-Chairmen, Senate Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senators Bennett and Dankworth:

The purpose of this letter is to transmit to the legislature, budget information on capital positions "authorized" or existing in all state agencies. This information excludes Department of Transportation and Public Facilities (DOT/PF) capital positions because they were included in the Governor's operating budget submission previously transmitted to you.

As noted in the attached binder this information is organized by agency. Agencies were requested to separately identify both direct charge and overhead capital positions on the CIP 1 forms, and to document all related line item detail on CIP 2 forms. (A copy of the Detail Budget Instructions relating to CIP positions is attached).

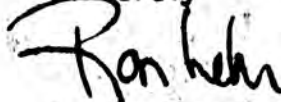
Those agencies which do not have capital positions have included a letter affirming that fact.

With the exception of DOT/PF, there are 308 existing PFT Capital positions which are anticipated to continue into FY83. A summary of this information, by agency, is provided in the front of the binder.

I hope this information contributes to your review of the FY83 budget. If you have any questions please call me.

Attachment

Sincerely

Dr. Ronald D. Lehr  
Director

cc: Representative Joe Hayes, Speaker  
Senator Jalmar Kerttula, President  
Jay Hogan, Legislative Finance  
Keith Specking, Legislative Assistant

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

### BUDGET & MANAGEMENT

March 12, 1982

SPE MEETING 5/17/82

JAY S. HAMMOND, GOVERNOR

POUCH AM  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2211

The Honorable Albert Adams  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Adams:

The purpose of this letter is to transmit to the legislature, budget information on capital positions "authorized" or existing in all state agencies. This information excludes Department of Transportation and Public Facilities (DOT/PF) capital positions because they were included in the Governor's operating budget submission previously transmitted to you.

As noted in the attached binder this information is organized by agency. Agencies were requested to separately identify both direct charge and overhead capital positions on the CIP 1 forms, and to document all related line item detail on CIP 2 forms. (A copy of the Detail Budget Instructions relating to CIP positions is attached).

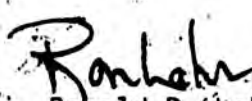
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Attachment

Sincerely

  
Dr. Ronald D. Lehr  
Director

cc: Representative Joe Hayes, Speaker  
Senator Jalmar Kerttula, President  
Jay Hogan, Legislative Finance  
Keith Specking, Legislative Assistant

**FY83 CIP POSITION & LINE ITEM DETAIL SUMMARY**  
(\$ in thousands)

| <u>AGENCY</u>                                            | <u>PFT<br/>POSITIONS</u> | <u>LINE<br/>100</u> | <u>OTHER<br/>LINE ITEMS</u> | <u>TOTAL</u> |
|----------------------------------------------------------|--------------------------|---------------------|-----------------------------|--------------|
| <b><u>OFFICE OF THE GOVERNOR</u></b>                     |                          |                     |                             |              |
| Overhead                                                 | NONE                     | \$ 0.0              | \$ 0.0                      | \$ 0.0       |
| Direct Charge                                            | NONE                     | 0.0                 | 0.0                         | 0.0          |
| <b><u>DEPARTMENT OF ADMINISTRATION</u></b>               |                          |                     |                             |              |
| Overhead                                                 | NONE                     | \$ 0.0              | \$ 0.0                      | \$ 0.0       |
| Direct Charge <sup>1</sup>                               | 14.0                     | 454.4               | 137.5                       | 591.9        |
| <b><u>DEPARTMENT OF LAW</u></b>                          |                          |                     |                             |              |
| Overhead                                                 | NONE                     | \$ 0.0              | \$ 0.0                      | \$ 0.0       |
| Direct Charge                                            | NONE                     | 0.0                 | 0.0                         | 0.0          |
| <b><u>DEPARTMENT OF REVENUE</u></b>                      |                          |                     |                             |              |
| Overhead                                                 | NONE                     | \$ 0.0              | \$ 0.0                      | \$ 0.0       |
| Direct Charge                                            | NONE                     | 0.0                 | 0.0                         | 0.0          |
| <b><u>DEPARTMENT OF EDUCATION</u></b>                    |                          |                     |                             |              |
| Overhead                                                 | 5.0                      | \$ 204.9            | \$ 118.8                    | \$ 323.7     |
| Direct Charge                                            | NONE                     | 0.0                 | 0.0                         | 0.0          |
| <b><u>DEPARTMENT OF HEALTH &amp; SOCIAL SERVICES</u></b> |                          |                     |                             |              |
| Overhead <sup>2</sup>                                    | 4.0                      | \$ 185.3            | \$ 79.0                     | \$ 264.3     |
| Direct Charge                                            | 1.0                      | 64.7                | 0.0                         | 64.7         |
| <b><u>DEPARTMENT OF LABOR</u></b>                        |                          |                     |                             |              |
| Overhead                                                 | NONE                     | \$ 0.0              | \$ 0.0                      | \$ 0.0       |
| Direct Charge                                            | NONE                     | 0.0                 | 0.0                         | 0.0          |

<sup>1</sup> Anchorage Data Center has 12.0 PFT CIP positions in FY82 which are being converted to operating positions in FY83 and are not included in the above figures.

<sup>2</sup> 1.0 PPT Overhead Position.

| <u>AGENCY</u>                          | <u>PFT<br/>POSITIONS</u> | <u>LINE<br/>100</u> | <u>OTHER<br/>LINE ITEMS</u> | <u>TOTAL</u> |
|----------------------------------------|--------------------------|---------------------|-----------------------------|--------------|
| <u>DEPARTMENT OF COMMERCE</u>          |                          |                     |                             |              |
| Overhead                               | NONE                     | \$ 0.0              | \$ 0.0                      | \$ 0.0       |
| Direct Charge                          | 8.0                      | 320.7               | 583.7                       | 904.4        |
| ALASKA POWER AUTH                      |                          |                     |                             |              |
| Overhead                               | NONE                     | \$ 0.0              | \$ 0.0                      | \$ 0.0       |
| Direct Charge <sup>3</sup>             | 19.0                     | 1349.9              | 153.4                       | 1503.3       |
| <u>DEPARTMENT OF MILITARY AFFAIRS</u>  |                          |                     |                             |              |
| Overhead                               | NONE                     | \$ 0.0              | \$ 0.0                      | \$ 0.0       |
| Direct Charge                          | NONE                     | 0.0                 | 0.0                         | 0.0          |
| <u>DEPARTMENT OF NATURAL RESOURCES</u> |                          |                     |                             |              |
| PARKS                                  |                          |                     |                             |              |
| Overhead                               | 12.0                     | \$ 314.5            | \$ 59.8                     | \$ 374.3     |
| Direct Charge                          | 60.0                     | 1273.2              | 601.5                       | 1874.7       |
| OTHER DNR                              |                          |                     |                             |              |
| Overhead                               | 10.0                     | \$ 300.8            | \$ 0.0                      | \$ 300.8     |
| Direct Charge <sup>4</sup>             | 49.0                     | 1766.0              | 0.0                         | 1766.0       |
| <u>DEPARTMENT OF FISH &amp; GAME</u>   |                          |                     |                             |              |
| Overhead                               | 4.0                      | \$ 104.6            | \$ 46.0                     | \$ 150.6     |
| Direct Charge <sup>5</sup>             | 92.0                     | 5872.6              | 929.6                       | 5802.2       |

<sup>3</sup> 8.0 PPT Direct Charge Positions.

<sup>4</sup> DNR has also identified 18.0 PPT Direct Charge Positions for FY82 which are being converted to operating positions in FY83 (Information Records Management), and are not included in the above figures.

<sup>5</sup> 75.0 Permanent Seasonal Direct Charge Positions. See Appendix A, attached for itemization of PPT as Permanent Seasonal Positions by Division.

| <u>AGENCY</u>                                         | <u>PFT<br/>POSITIONS</u>                   | <u>LINE<br/>100</u> | <u>OTHER<br/>LINE ITEMS</u> | <u>TOTAL</u>     |
|-------------------------------------------------------|--------------------------------------------|---------------------|-----------------------------|------------------|
| <u>DEPARTMENT OF PUBLIC SAFETY<sup>6</sup></u>        |                                            |                     |                             |                  |
| Overhead                                              | NONE                                       | \$ 0.0              | \$ 0.0                      | \$ 0.0           |
| Direct Charge                                         | NONE                                       | 0.0                 | 0.0                         | 0.0              |
| <u>DEPARTMENT OF ENVIRONMENTAL CONSERVATION</u>       |                                            |                     |                             |                  |
| Overhead                                              | 2.0                                        | \$ 59.0             | \$ 4.0                      | \$ 63.0          |
| Direct Charge                                         | 4.0                                        | 207.7               | 86.1                        | 293.8            |
| <u>DEPARTMENT OF COMMUNITY &amp; REGIONAL AFFAIRS</u> |                                            |                     |                             |                  |
| Overhead                                              | NONE                                       | \$ 0.0 -            | \$ 0.0                      | \$ 0.0           |
| Direct Charge                                         | NONE                                       | 0.0                 | 0.0                         | 0.0              |
| <u>DEPARTMENT OF TRANSPORTATION</u>                   |                                            |                     |                             |                  |
| Overhead                                              | Included in agency's FY83 Operating Budget |                     |                             |                  |
| Direct Charge                                         | Included in agency's FY83 Operating Budget |                     |                             |                  |
| <u>UNIVERSITY OF ALASKA</u>                           |                                            |                     |                             |                  |
| Overhead                                              | NONE                                       | \$ 0.0              | \$ 0.0                      | \$ 0.0           |
| Direct Charge                                         | 24.0                                       | 1091.7              | 201.9                       | 1293.6           |
| <u>SUB-TOTAL</u>                                      |                                            |                     |                             |                  |
| Overhead                                              | 37.0                                       | \$1169.1            | \$ 307.6                    | \$1476.7         |
| Direct Charge                                         | <u>271.0</u>                               | <u>11400.9</u>      | <u>2693.7</u>               | <u>14094.6</u>   |
| <u>GRAND TOTAL</u>                                    | <u>308.0</u>                               | <u>\$12570.0</u>    | <u>\$3001.3</u>             | <u>\$15571.3</u> |

<sup>6</sup> Public Safety has identified 6.0 FY82 CIP Positions and related line items, not included above. They anticipate no CIP positions in FY83.

APPENDIX A-CIP POSITION SUMMARY

|                                    | <u>PERMANENT<br/>SEASONAL<br/>POSITIONS</u> | <u>ASSOCIATED<br/>LINE 100</u> | <u>PFT<br/>POSITIONS</u> | <u>TOTAL<br/>LINE 100</u> |
|------------------------------------|---------------------------------------------|--------------------------------|--------------------------|---------------------------|
| <u>DEPARTMENT OF FISH AND GAME</u> |                                             |                                |                          |                           |
| Habitat                            | 9.0                                         | \$ 116.3                       | 43.0                     | \$ 1852.1                 |
| Sport Fish                         | 23.0                                        | 774.2                          | 14.0                     | 1338.9                    |
| Commercial Fish                    | 31.0                                        | 191.3                          | 2.0                      | 267.0                     |
| F.R.E.D.                           | 7.0                                         | 89.4                           | 11.0                     | 565.2                     |
| Subsistence                        | 0.0                                         | 0.0                            | 12.0                     | 452.6                     |
| Game                               | <u>5.0</u>                                  | <u>52.2</u>                    | <u>10.0</u>              | <u>397.2</u>              |
| TOTAL                              | 75.0                                        | \$ 1223.4                      | 92.0                     | \$ 4873.0                 |

S.F.C. Meeting 2/25/82

## APPROPRIATED PERSONNEL BUDGET REPORT - VACANCY REPORT

\* POSITIONS VACANT MORE THAN ONE YEAR \*

RUN DATE 02/19/82

|                                                        |                    | 1                         | 2                         | 3              | 4           |
|--------------------------------------------------------|--------------------|---------------------------|---------------------------|----------------|-------------|
| DEPT.                                                  | POSITION TYPE      | NUMBER<br>OF<br>POSITIONS | ANNUAL<br>SALARY<br>RANGE | TOTAL<br>(26%) | NOTES       |
| <u>OFFICE OF THE GOVERNOR (01)</u>                     |                    |                           |                           |                |             |
|                                                        | FULL TIME BUDGETED | 33                        | 1,118.688                 | 1,409.546      |             |
|                                                        | FULL TIME REVISED  | 7                         | 261.900                   | 329.994        |             |
|                                                        | PART TIME BUDGETED | 4                         | 115.596                   | 145.650        |             |
|                                                        | TOTALS             | 44                        | 1,496.184                 | 1,885.190      |             |
| <u>DEPARTMENT OF ADMINISTRATION (02)</u>               |                    |                           |                           |                |             |
|                                                        | FULL TIME BUDGETED | 17                        | 482.364                   | 607.778        |             |
|                                                        | FULL TIME REVISED  | 5                         | 84.744                    | 106.777        |             |
|                                                        | PART TIME BUDGETED | 1                         | 17.082                    | 21.523         |             |
|                                                        | TOTALS             | 23                        | 584.190                   | 736.078        |             |
| <u>DEPARTMENT OF LAW (03)</u>                          |                    |                           |                           |                |             |
|                                                        | FULL TIME BUDGETED | 2                         | 78.240                    | 98.582         |             |
|                                                        | FULL TIME REVISED  | 1                         | 19.356                    | 24.388         |             |
|                                                        | TOTALS             | 3                         | 97.596                    | 122.970        |             |
| <u>DEPARTMENT OF REVENUE (04)</u>                      |                    |                           |                           |                |             |
|                                                        | FULL TIME BUDGETED | 17                        | 369.468                   | 465.529        |             |
|                                                        | FULL TIME REVISED  | 1                         | 17.196                    | 21.666         |             |
|                                                        | SEASONAL BUDGETED  | 13                        | 242.196                   | 305.166        |             |
|                                                        | TOTALS             | 31                        | 628.860                   | 792.361        |             |
| <u>DEPARTMENT OF EDUCATION (05)</u>                    |                    |                           |                           |                |             |
|                                                        | FULL TIME BUDGETED | 11                        | 356.880                   | 449.668        |             |
|                                                        | FULL TIME REVISED  | 4                         | 116.052                   | 146.225        |             |
|                                                        | SEASONAL BUDGETED  | 1                         | 20.496                    | 25.824         |             |
|                                                        | PART TIME BUDGETED | 2                         | 33.444                    | 42.139         |             |
|                                                        | PART TIME REVISED  | 1                         | 16.248                    | 20.472         |             |
|                                                        | TOTALS             | 19                        | 543.120                   | 684.328        |             |
| <u>DEPARTMENT OF HEALTH &amp; SOCIAL SERVICES (06)</u> |                    |                           |                           |                |             |
|                                                        | FULL TIME BUDGETED | 77                        | 2,022.816                 | 2,548.748      | 3- New App. |
|                                                        | FULL TIME REVISED  | 45                        | 1,141.272                 | 1,438.002      | 1- New App. |
|                                                        | SEASONAL BUDGETED  | 2                         | 46.524                    | 58.620         |             |
|                                                        | PART TIME BUDGETED | 5                         | 119.856                   | 151.018        |             |
|                                                        | PART TIME REVISED  | 1                         | 17.196                    | 21.666         |             |
|                                                        | OTHER              | 9                         | 182.184                   | 229.551        |             |
|                                                        | TOTALS             | 139                       | 3,529.848                 | 4,447.605      |             |
| <u>DEPARTMENT OF LABOR (07)</u>                        |                    |                           |                           |                |             |
|                                                        | FULL TIME BUDGETED | 58                        | 1,443.834                 | 1,819.230      |             |
|                                                        | FULL TIME REVISED  | 1                         | -                         | -              | 1- New App. |
|                                                        | SEASONAL BUDGETED  | 45                        | 988.616                   | 1,235.576      | 1- New App. |
|                                                        | PART TIME BUDGETED | 1                         | 16.248                    | 20.472         |             |
|                                                        | TOTALS             | 105                       | 2,448.698                 | 3,075.278      |             |