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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Friday, December 7, 1979

Sheraton Anchorage Hotel

Anchorage, Alaska

VOLUME III

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1 couple of courses. You have to enter into a program and
2 name your major. That's ridiculous.

3 MR. ECKHOLM: I think that this is very interesting,
4 but let's limit it on community colleges to two or three
5 more questions, then we'll move on.

6 MS. SCHIRMER: I'd like to somehow put into our
7 recommendations that we do not wish this to be a monolithic
8 improvement in the university. We want them to continue to
9 attempt to spread throughout the State an opportunity for
10 higher education.

11 MR. MCGINNIS: Mr. Chairman, may I say one more thing?
12 It's terribly important. One of the best insurances in the
13 long run to assure quality at the community college level
14 would be if it does have a strong identification with the
15 university.

16 The problems over the country often have been
17 that there has been a dichotomy between the upper level and
18 graduate studies in the lower level so that very often
19 students go through two years only to discover that what
20 they did makes not much difference in building for the
21 upper division and graduate levels. If they are autonomous
22 and separate, that have a vital link with what the whole
23 continuum of higher education ought to be.

24 The other thing troubles me and insists that we
25 really begin to look at the importance of the quality of

1 the vocational programs in our community colleges. Why is
2 it, for example, that we spend \$30,000 or more a year to
3 prepare someone to repair our heart? Because it's important,
4 it has to be done, he has to be very, very good.

5 Yet, the man who fixed our airplane motor who has
6 300 people's hearts suspended up there, he had better be
7 good in knowing how to check all these things that are
8 indeed now life-and-death matters. But we have relegated
9 many of these vocational programs to second-third-fourth-
10 rate status, and we ought to begin to put a value on the
11 quality that is necessary for those people as well as the
12 one who is studying geology and metaphysics and teaching.
13 Those things. But be assured those who know most about
14 teaching can keep on in it.

15 I think the present system is terrible. But it's
16 not going to be better by separating it but by helping the
17 people to improve it, rather than to say we're going to
18 contribute to a further disintegration.

19 MR. NAUGHTON: The State constitution says that the
20 University of Alaska shall be governed by a board of
21 regents. So don't go to the legislature thinking that
22 you're going to change anything in the university.

23 Now, I've listened to all the reactions to the
24 proposed policy on community colleges, and I agree. You
25 have to think of higher education as an investment. And we

1 don't want to think of this thing as a monolith. But the
2 thing is, look at your populations. Where is Alaska's
3 stable population? Where is the population? If you invest
4 in it today, will it be here 20 years from now? It's not in
5 the urban centers. It's five years in, and get out.

6 So, if you build these monoliths here or in
7 Fairbanks and you don't pay attention to the only place
8 where higher education is delivered in the rural areas of
9 Alaska, you're going to miss that. You're going to invest
10 all your money in people who then will leave and you will
11 have done the Lower 48 a great service.

12 MR. ECKHOLM: Thank you, Ed.

13 MR. POMEROY: I have more confidence with respect to
14 where we can go with education than in many other things we
15 are doing. We have been going through a lot of growing
16 pains; we are very, very young. And I believe that the
17 university, actually, if our recommendation is taken as
18 well as it's stated, and I think it will rise to the
19 greatness we can have.

20 And problems that were in this and we are
21 concerned about getting worse will not get worse, they'll
22 get less.

23 THE MODERATOR: I'd like to get back to what Ed was
24 saying. I agree with you. That's right. The stable
25 population is out there. And the people you want educated

1 out there, I'm not sure I agree with Rosie, but I know what
2 she's saying. How do you come down on this? Are the
3 community colleges out in the bush going to be better if
4 they split?

5 Experience has instructed me that they will be
6 better off separate from the university. Because the
7 history is that the central administration goes in and
8 raises their budgets. And there's nothing we can do about
9 it as citizens, nothing the legislature can do about it.

10 THE MODERATOR: That's right. Can't the legislature do
11 something?

12 No, sir, the university is governed by the board of
13 regents.

14 MR. MCGINNIS: Mr. Chairman, I'd like to discuss this
15 one minute further.

16 MR. ECKHOLM: It's very important, I agree, so let's
17 it discuss it for just a little bit longer.

18 MR. MCGINNIS: The later few years I've seen a drastic
19 change in what the legislature can and in fact is now doing.
20 One example is we used to have medical assistance budgets.
21 There are five or six pieces under it. Now they are
22 appropriating by each title, separate, once they have said
23 this is where it's going. So there are options to the
24 legislature.

25 But the constitution does not say that the

1 Department of Social Health and Services shall be governed
2 by somebody other than the legislature. It says it will be
3 controlled by welfare. So they can control that budget. But
4 they cannot control the University of Alaska.

5 MR. MERDES: They do now.

6 The way they do it is they pretend they don't
7 know what the condition the books are. If you ask to see
8 them, they'll say the books are so screwed up.

9 MS. SIMONDS: I would like to have added to our
10 resolution on education funding for the literacy projects,
11 especially the one at Anchorage. It teaches basic English.

12 MR. ECKHOLM: Let's finish the university discussion.

13 MS. SIMONDS: I'm sorry. I didn't realize.

14 MR. MERDES: I think this is a most interesting
15 discussion so far. There's strong feelings about community
16 colleges and really people have convictions. I think
17 there's been a legal opinion. I think we ought to check it.
18 The constitution says there's a board of regents of the
19 University of Alaska. You may have a legal problem. You
20 should consider a constitutional amendment if you feel that
21 strong.

22 My feeling is this. I think we ought to have a strong
23 statement coming out of this board here to the effect that
24 community colleges are a vital and integral part of the
25 Alaska higher educational system.

1 In the past everybody ignored it in many respects,
2 especially in the rural areas, and that we urge the
3 legislature to give the highest possible priority to
4 community colleges and the work that community colleges do.
5 I don't think we ought to increase a severance, because you
6 lose the whole thing and cause all kinds of trouble. But I
7 absolutely agree with you.

8 MS. PORTER: Why not stick your neck in it?

9 MR. MERDES: I don't think it's legal. As a matter of
10 fact, Ed, I'd like to see you write something up, and you,
11 Rosie. I'll help you.

12 MS. PORTER: I can write it myself.

13 MR. MERDES: You're going to lose the whole damn thing,
14 because it's bitterly, bitterly fought.

15 MR. NASKE: I just don't think that we can build a
16 strong or a recognized university in a State of 410,000
17 people that consist of three urban campuses, 12 community
18 colleges and Heaven knows how many adult extensions centers.
19 It cannot be done. We have to make a decision one way or
20 the other. If we want to provide equal services, mediocre,
21 in every area of the State, then that's what we should
22 decide, or the recommendation we should make. If we want to
23 create excellence, that takes a lot of money, and you can't
24 do it in 20, 30 centers. You cannot build a reputation in
25 Bethel or Kodiak or Mat-Su Valley.

1 MS. PORTER: But you can provide needed education that
2 people are not going to get in the villages and in Bethel
3 and in 57 villages and an area the size of Oregon because
4 the university wants them on campus at Fairbanks and at
5 class taking correspondence courses or your own village.
6 That's a crime. We're preventing thousands of people from
7 getting higher education by not separating the community
8 colleges and the university.

9 MS. PILLIFANT: My children have to go to Fairbanks.

10 MR. NASKE: I graduated from high school in --

11 MR. MERDES: There were two possibilities. The
12 legislature didn't come to me and rush to me and say, "Claus
13 Naske, you graduated, you don't want to go to Fairbanks or
14 Seattle; we'll establish a community colleges for you here."

15 MR. NASKE: They want you because you're a warm body.

16 MS. PORTER: I think that's a dirty argument.

17 MR. NAUGHTON: If Dr. McGinnis hadn't got the Methodist
18 University to Anchorage, the university would only be in
19 Fairbanks today.

20 MS. PORTER: We're talking about teachers aides which
21 have gone on to get an A.A. in their own village. Women who
22 are married, who can't afford to live in Fairbanks. What
23 are they going to do? Drag their husbands and kids with
24 them?

25 MR. ECKHOLM: Is there any way we can guarantee the

1 status of the community colleges, give them equal footing?

2 MR. MERDES: I think they can. I agree with what she
3 said.

4 MR. POMEROY: We're going to get something or nothing
5 at all. I strongly urge Ed that we accept in good faith
6 what Ed Merdes said about adding something, wording there
7 that will give us some direction and get the big thing we
8 can get, which I hope will stimulate us in directions that
9 will improve everywhere.

10 THE MODERATOR: We're not addressing this bush
11 question, the community colleges.

12 MR. MCGINNIS: I think one of the greatest ways to
13 shortchange the student is to say he should be kept in the
14 community school, to fragment and scatter him unduly.
15 Surely it's more convenient to be nearby. But in the long
16 run, the student is going to lose.

17 Across the development of this nation and every
18 other nation in the world there have been centers of
19 learning. What makes good education are three things: Good
20 facilities, laboratories, good teachers, and good libraries.

21 MS. PORTER: I'm sorry.

22 MR. MCGINNIS: And to the extent that you try to
23 suffer from scatteration and have bad libraries and bad
24 laboratories and mediocre teachers, it's not the budget in
25 the State going to suffer, it's those students that will

1 suffer from education, and for their whole lives.

2 MS. PORTER: One example, the day they opened the
3 community colleges, it has been too full in Anchorage, and
4 it has been too full ever since. That isn't a great
5 university, but it is getting education to the people,
6 which is what it's all about. If you want to have a great
7 university in Fairbanks, fine, I have no argument about
8 that. Excellence is there.

9 But we're talking about common education for the
10 common person who needs it. Vocational training, artistic,
11 whatever they want. Academics they can get at the
12 university colleges. These are people who can't go to
13 Fairbanks that you're educating right here in Anchorage.
14 You have a more informed, more educated population. We'd
15 like to have that, too.

16 MR. ECKHOLM: Would you like to see a totally separate
17 thing put in the Department of Education?

18 MS. PORTER: No. Totally separate.

19 THE MODERATOR: Your argument seems to me to be, if
20 you get away from the junior colleges, you need more money.
21 Would it be a recommendation to give more money?

22 MS. PORTER: It's not a matter of money. A whole
23 administrative matter. Credits, as far as future education,
24 it's a whole philosophical thing with the university, that
25 they basically don't want people educated at a community

1 colleges.

2 MR. McCUTCHEN: Rosie, I disagree with you. When it
3 opened up, it was not full. The Anchorage Community College,
4 I don't know if anybody else was there, I was. I remember.
5 The standards that we had at that particular time are far
6 higher than the standards they have today in the community
7 colleges system.

8 MS. PORTER: What is that?

9 MR. McCUTCHEN: Anchorage Community colleges opened up
10 in West High.

11 MS. PORTER: I happened to be there.

12 MR. McCUTCHEN: What was the year?

13 MS. PORTER: 69, 70. I don't remember.

14 MR. McCUTCHEN: Long before 70. I was there, and I
15 don't remember seeing you. But the point I'm trying to make
16 here is that it's a question of the standards. We didn't
17 have any professional teachers. They went out to the
18 community and found people. The biologist came out of Dr.
19 Rauch's office at the Arctic Research Center. Mathematics
20 came from some engineering firm. All the way down the line.
21 They picked them off that way and these people, all they
22 could do is what did they remember when they were freshman
23 in some big school somewhere and they made it just as tough.
24 That's what counts. There's no entrance examination.

25 I think if you're going to get into it, somebody

1 who only needs two years, somebody who has screwed up and
2 has to have a easy way to get in to prove himself to master
3 the work. And you make that school just as tough a as
4 university.

5 MS. PORTER: I'm not saying we don't have to have
6 excellence in a community colleges. But I'm talking about
7 shining, royal excellence, at the beautiful university.

8 MR. McCUTCHEN: I'd like to retreat going back more
9 than most of you can go back in this room. That's back in
10 the period of time in the 30's and 40's, also before my
11 time. During the 30's and 40's, we built the best mining
12 engineering schools in the work. And we were broke. It was
13 sheer determination and guts that did it. And later on in
14 the 50's we excelled in geophysics as a result of the
15 mining engineering.

16 And so I just ask one thing: Don't throw money in
17 it. That's what screwed up our school now.

18 MR. POMEROY: We must remember that we can't have all
19 we want of everything for everyone everywhere. That's a
20 problem that is with us continuously. We have 400,000
21 people spread over 327 million acres all the way from
22 Ketchikan to Kotzebue. And I think that we would be
23 screwing ourselves up in an opportunity we have upon this
24 occasion of our being here these three days if we don't go
25 ahead with the main proposition with Ed adding what he

1 thinks might help as an indication to the legislature.

2 THE MODERATOR: Perhaps the thing to do, then, is take
3 up Rosie's recommendation, which is to divide the community
4 colleges from the senior colleges and dispose of that. If
5 you want to do that.

6 MR. ECKHOLM: Well, that's part of the recommendations.
7 We'll come back to it. It's been a well fought battle and
8 there's things to be said for both sides, and get a
9 compromise approach, if we lose this.

10 Are there any other recommendations relating to
11 the university?

12 MS. PORTER: Not to the university.

13 MR. ECKHOLM: Anything else relating to the university
14 or community colleges systems?

15 Do you want to go back and ratify these
16 universities ones?

17 MR. NASKE: One concern, and that's I just don't
18 believe that even with the plethora of money we have right
19 now that we'll be able to build 30 or 40 institutions that
20 excell. It just ain't possible.

21 MS. PORTER: Maybe educate, not excell.

22 MR. NASKE: There's a difference, I suppose. You can
23 adequately educate.

24 MR. ECKHOLM: Rosie, do you have another
25 recommendation?

1 MS. PORTER: You have a continued support by the
2 legislature for the expansion of community education, which
3 is different again.

4 MS. STRASSBURG: Adult education?

5 MS. PORTER: You've got it here in all your schools.

6 MS. SIMONDS: Community school.

7 MS. PORTER: Community school. Legislature funds it
8 through the local schools. Very important part of the --

9 MR. HARTLE: Did you say continued support? I'd like
10 to make that a little bit stronger and say continued
11 support and expansion.

12 MS. PORTER: I did say that.

13 MR. MERDES: I think you ought to distinguish it
14 because most people will be confused in addition to
15 community college. You got the word "community" in there.

16 MR. ECKHOLM: You have the specific community schools.

17 Other recommendations related to education?

18 MS. SPARCK: I think the State ought to do something
19 about the pathetic high school, rural high schools. It's
20 really pathetic. There are two teachers for the whole
21 four-year high schools, and the quality is just really poor.
22 The State ought to do something about that.

23 MR. ECKHOLM: What would you like to do?

24 MR. MERDES: Where is this?

25 MS. SPARCK: Village high school.

1 MR. MERDES: Any particular one? Is it all of them?
2 What village are you talking about? Some of them are good.

3 MS. SPARCK: Hooper Bay, Chevak, Nunapitchuk, Kipnuk,
4 Nelson Island.

5 MR. ECKHOLM: Are there some particular things that
6 you perceive as being the biggest problems?

7 MS. SPARCK: There's no teachers. There's no teachers.
8 The teachers that go out there teach whatever they can,
9 even if it's not in their fields.

10 MS. SIMONDS: What's the population of the high school?

11 MS. SPARCK: What do you mean the population?

12 MS. SIMONDS: Of any, the smallest or the largest? In
13 general.

14 MS. SCHIRMER: Under 15?

15 MS. SPARCK: Under 15.

16 MR. NASKE: I have a recommendation.

17 MS. SPARCK: What difference does that make? The
18 quality has to be there if the high school is in existence.

19 MS. SCHIRMER: You can't very well have 12 teachers for
20 12 kids.

21 MS. SPARCK: Well, something ought to be done. I was
22 saying telecommunications system to be utilized to telecast
23 religious or whatever quality. But something should be done.

24 MR. NASKE: I'd like to put that in the form of a
25 recommendation, that the legislature pursue methods of

1 fully utilizing telecommunications in the educational
2 system, meaning from grade school through graduate school.

3 MS. PORTER: Where?

4 MR. NASKE: In the State.

5 MR. ECKHOLM: Go over that again, please?

6 MR. NASKE: That the legislature pursue the possibility
7 of fully utilizing telecommunications in the educational
8 system from grade school through graduate school.

9 MS. SCHIRMER: Down in Southeast where we have a lot of
10 very small high schools. That I see quite closely, I think
11 they're doing some really excellent things. Very often
12 only one teacher for a high school, small high school group,
13 that they're using a lot of packaged materials where the
14 kids have stuff on a video tape deal and follow through the
15 directions and come back and go on forward with it that are
16 working very well.

17 MS. PORTER: That may work just beautifully in
18 Anchorage, Fairbanks and Juneau. But in the rural areas of
19 the State --

20 MS. SCHIRMER: I'm talking about Prince of Wales.

21 MS. PORTER: That's wonderful, because you all speak a
22 lot of English down there. But I think if the State is
23 going to enter into the program of educational T.V., that
24 it must be regionalized, that it must not come out of one
25 source.

1 MS. SCHIRMER: This is why I brought this thing up is
2 because I think it's much more adapted to the two or three
3 kids in the small place than a T.V. thing, where everybody
4 has to get together at the same time in various places.

5 MS. PORTER: We have an incredible valuable resource in
6 our hands. We must never fool ourselves that the television
7 is going to replace the one-to-one of a teacher,
8 particularly in a small classroom. Once in a while it's
9 nice, but as far as pouring millions of dollars into it as
10 the State has already spent, you realize five point some
11 million dollars and then the State kicked in -- from the
12 Feds, the State kicked \$600,000 a couple of years ago to do
13 an educational thing for the rural areas. 23 villages.
14 There was no bilingual programming. We've got many, many
15 scattered spoken every day by students in all the rural
16 areas of Alaska and there was no consideration given to
17 that at all or regionalizing them in any way. I think
18 that's just a dead loss.

19 THE MODERATOR: I think the way Claus has worded his,
20 though, it would include what you're saying.

21 MR. NASKE: It's a very broad mandate, really.

22 MR. ECKHOLM: I think that Rose's point is very
23 important. I'm personally fairly involved in this field.
24 And I think there are ways you can go about it, but I don't
25 think we're talking specifically about T.V.

1 telecommunications, computer-assisted program. And the
2 point is what you would be doing is you've still got the
3 teacher there, but you're adding to the ability of that
4 teacher to turn on the kids.

5 MS. PORTER: That's fine, we can use computers.

6 MR. ECKHOLM: It amounts to about 60 villages now.

7 MS. PORTER: Two or three villages in our area, about
8 50 villages.

9 MS. PORTER: That are getting the television
10 demonstration projects. Unless it's going to be huge
11 capital outlay and continued support for that --

12 MR. ECKHOLM: They're doing one experiment now at
13 Northwest Labs that does a direct computer individualized
14 program.

15 What I'm saying is that I agree with you in that
16 in order for it to work it has to be purchased by a
17 district, the district has to say, yes, this is good for
18 our kids. I don't think the State should ever come in and
19 mandate and say this is a program that every kid has to use
20 it. They have to be good enough so they want to use them.

21 MS. PORTER: If the State has money to do that, I
22 submit it will be much more human, better educationally to
23 give the school district the money with the purpose of
24 hiring traveling teachers, go out one on one, experts in
25 math, the arts, English, whatever, science, to work with

1 the kids, to bring their experiments and do it throughly,
2 where they can camp with the kids and the kids can ask them
3 questions.

4 MR. ECKHOLM: There is no replacement for the warm
5 body, but there is an opportunity through
6 telecommunications to give that teacher more information
7 and more resources. When you're out and you can see the
8 evening news, that increases your understanding in the
9 world and that is something that that teacher cannot give
10 you.

11 MS. PORTER: That's true. Right up until the moment it
12 fuzzes up on you.

13 MR. MORGAN: Can I address the concern the little lady
14 has over here. And it's one of geography. You're apt to get
15 a better degree from the University of Chicago than you are
16 at Slippery Rock. You're apt to get a better high school
17 education in Anchorage than you are in Delta Junction, for
18 instance, not necessarily, but chances are.

19 One thing that has caused the quality of
20 education in the bush schools to be not as good as it can
21 be is that geographic fact. It's a little school a long way
22 off. I came from a school where our graduating class was 12.
23 And I never overcame that. And we have that until you get
24 to the point where mechanically you can put, as the lady
25 says here, 12 teachers for 12 students.

1 But in addition to the physical disadvantage, you
2 have also a cross-cultural disadvantage. If you started to
3 school in the first grade and everyone there spoke German,
4 and you had to learn German automatically and scramble to
5 get going to find out what was really going on, it would
6 shake you up. And that is the case for many, many young
7 native students.

8 MS. SPARCK: We also don't have -- today, like
9 probably in your day, your teacher was more versed to teach
10 in that setting than today. They're so specialized, like
11 one teacher will be specialized in English, they're not
12 really well versed to teach in all subjects.

13 MR. ECKHOLM: More recommendations on education?

14 MS. SIMONDS: Now? I'm way down at the other end, the
15 bottom core of the monolith. It's a project to help people
16 who do not read who are functionally illiterate. This
17 Anchorage literacy project has basic education tutors, and
18 there's English as a second language tutors.

19 And it's a one-to-one, and there are supposedly
20 ten percent of the people on the national level are nonreaders.

21 So if you transfer that to Anchorage, it's maybe
22 about 10,000 people. But even if you have that, it's 5,000.
23 There are a lot of natives who come into the community and
24 this would help with urban survival, to help with the
25 reading if they needed English as a second language.

1 And a lot of people are Orientals, Hispanics, and
2 they also can be helped. We had 100 requests for tutoring
3 English as a second language which we had to turn out
4 because we did not have enough tutors. What we need is
5 funds. The tutors do it voluntarily. We have 45 basic
6 English, but we do not have administrative help to go out
7 and recruit. We should be getting to the prisons, battered
8 wives establishment, halfway houses, McLaughlin Youth
9 Center. We should be contacting counselors. One of my
10 students is a high school graduate from an Anchorage high
11 school, third grade reading level. There are many that we
12 should be finding and helping to read.

13 MR. ECKHOLM: Would you like to make a specific
14 recommendation?

15 MS. SIMONDS: Yes. I would like funding for this
16 project.

17 MR. ECKHOLM: Just that one project?

18 MS. SIMONDS: This is what I'm involved with. I think
19 literacy is a line item funding.

20 A VOICE: Where is it?

21 MS. SIMONDS: This one is in town, but there are others
22 in the State. But I'm not familiar with those, but this one
23 I feel we could do a lot more if we had funding.

24 MR. HARTLE: I'm familiar with the same sort of
25 program, Literacy Council in Fairbanks, and I just know

1 that they're doing a tremendous job and one of these places
2 it's a very small program, very inexpensive, they use all
3 volunteer labor except for a very small staff in Fairbanks.
4 The staff is three persons, and they're just doing a
5 tremendous service to the community and it could definitely
6 be expanded. And the fact that they use volunteer labor,
7 it's like leveraging your money.

8 Secondly, this would meet with Representative
9 Meekins' priority that he mentioned yesterday when he spoke.
10 He said that when he writes the house version of the State
11 budget, he prefers to start with the smallest projects
12 first, then go to the larger ones. I mean, we've talked
13 about buying into the gas pipeline, and all these --

14 MR. ECKHOLM: Would you like to make a recommendation?

15 MR. HARTLE: I'm making a recommendation that we fund
16 as a priority in the State educational system these type of
17 reading programs.

18 MS. SIMONDS: They are not taken care of anywhere else.
19 ABE doesn't do it. Nobody else will take care of them if we
20 don't.

21 MR. ECKHOLM: Ma'am, do you have your hand up?

22 MS. SPARCK: No. Are we getting ready to vote on this?

23 THE MODERATOR: It won't be called the Anchorage
24 Literary Project, it will be called reading program, as he
25 said?

1 MR. ECKHOLM: Funds to support basic literacy projects
2 in Alaska?

3 MS. SIMONDS: Yes. You could do that. That's fine. All
4 nonreaders. I'm happy to help.

5 MR. HARTLE: I have another recommendation that the
6 State consider extending -- how do I say it? Lowering the
7 minimum age at which we fund education. Right now we start
8 with kindergarten. The child is five, we provide for all
9 these kids; if the child is four years, 364 days, we don't
10 provide for them. I think the State should look into
11 funding pre-school education on a voluntary basis. I want
12 to stress that.

13 MR. ECKHOLM: Any other recommendations?

14 MS. SPARCK: I have got one more. I would like for the
15 State to consider funding some exchange programs for high
16 school and to rural community colleges for their students
17 to expose them to urban life, because they don't.

18 MR. ECKHOLM: This would be a transfer. So we should
19 send some urban kids out to the bush, too?

20 MS. SPARCK: Right. Both exchange.

21 THE MODERATOR: I heard the other day, my wife was on
22 the advisory board for the university, that she came home
23 with the information that the highest number of drop-outs,
24 first year at the university are native kids. Does that
25 surprise you? I'm not sure it's true, but I think it's

1 what she said.

2 MS. SPARCK: I've heard it's true.

3 MS. SIMONDS: They do have a Denali Project now that's
4 very flexible for native students. And it's really kind of
5 tailored to their easing them into the educational system.

6 MR. ECKHOLM: It's still not just education. I think
7 that's a very excellent suggestion, but I think that living
8 in a small village in Alaska and living in a big city is
9 worlds apart for many of us who have had the luxury of
10 going to visit and seeing and understanding a little bit of
11 both. There are many people in cities and villages who have
12 no comprehension of the other world. So I think sending
13 city kids out to the villages is just as important.

14 MS. SPARCK: I think it's a good survival kind of a
15 thing, too. It has to be well constructed, though.

16 MS. STRASSBURG: Are we into right here the financial
17 aspects of the student in education?

18 MR. ECKHOLM: Go.

19 MS. STRASSBURG: Because if we are, Ed is going to be
20 mad at me. We talked, or I heard him speak the other day
21 about free tuition for Alaskan students in the university.
22 Personally, I would rather see a lowered tuition fee for
23 those students who live in Alaska with a very liberal loan
24 program so that they actually pay back the minimum amount
25 of their tuition rather than giving it to them free. People

1 do not appreciate things they don't earn.

2 And simply living here is not earning it. This is
3 a feeling that I have. And I really would like to throw it
4 out to you, because it isn't that I want to take things
5 away from someone who wants to learn, but normally the
6 person who wants to learn, if he really has to earn the
7 privilege he's much more apt to make a good use of his
8 education.

9 MR. MERDES: I'd like to respond to that because I
10 absolutely, as far as you go, express and feel the same way.
11 But I want to go one step further. That's the reason I made
12 the recommendation.

13 First of all, you're talking about a matter of
14 \$5,000,000 that the State gets now for tuition from kids.
15 Now, let's figure out what the expenses are to a university.

16 Probably the least expensive thing is tuition.

17 MS. STRASSBURG: This I agree.

18 MR. MERDES: Let me tell you why my reason is. Food,
19 books, the dorm. What you're doing when you waive simple
20 tuition, which is pretty low anyway, you're telling every
21 family in Alaska you're getting a special thing from the
22 oil revenues. You still are sacrificing because you got to
23 pay for the most expensive stuff. What it is is a round-
24 about way to motivate Alaskan families to send their kids
25 to the university in the first instance for economic

1 reasons.

2 Let me tell you, I talked to these kids, they say,
3 "My goodness, just think, we can save \$600, but we still
4 got to pay for those books."

5 MS. STRASSBURG: If you may loan him enough money so
6 he can afford to go and pay his board and room and pay it
7 back later after he has acquired the ability to pay it back.

8 MR. MERDES: That's your argument.

9 MS. STRASSBURG: By the time of kid gets out of high
10 school, if this is a low income or very low little income,
11 the parent may have been able to struggle and beat his
12 brains out and support this kid until he gets out of high
13 school. He may be a brilliant child, but the parent cannot
14 afford to support him any longer. He really needs to get
15 out in the economic world and pay for his own way. I think
16 a very low cost, very flexible loan program that would even
17 help support him until he gets out into the working world
18 and can pay it back.

19 MS. SHROYER: If I may say something, I'm a student at
20 the university and we already have a very flexible loan
21 program and it does cover room and board where I live on
22 campus. It covers travel expenses, and I only have to pay
23 back 60 percent of that loan because I'm over 20. I've
24 been here over 20 years. I think our loan programs are
25 already set as they are. But I still agree with Mr. Merdes.

1 Books even cost more than tuition. I pay \$20 for one book,
2 for one class.

3 I think that it's a good idea, because just get
4 that little bit more incentive, I don't have to have an
5 extra \$600. Actually, it's really less than that for
6 residents. I don't have to pay that extra little bit for
7 tuition when I've got health to worry about and I've got
8 books and room and board and travel expenses, and the
9 necessary recreational expenses for the university students.
10 I think it's a good idea.

11 MS. STRASSBURG: I was willing to listen, but I also
12 want to put in the fact that I personally think people are
13 much more appreciative of things they have to earn.

14 MR. MERDES: Don't imply we're not against that, see.

15 MR. HARTLE: I'm wondering if anybody knows how much
16 this would cost. Just so that we're all aware of this, the
17 University of Alaska has the ninth lowest in the nation as
18 far as tuition. So we're already almost doing that. We
19 certainly subsidize it to a degree.

20 MR. MERDES: I was one of 13 kids. There are a lot of
21 people in this State who are poor. There's a lot of people
22 in this State folks don't work. You're going to give the
23 poorest kids and the kids that may not have a chance that
24 one little thing that will make him go to the university.
25 That's why I'm for that. It's also a human dimension, and

1 that's my point.

2 MS. STRASSBURG: I didn't understand.

3 MR. MCGINNIS: I'm concerned about some of the things
4 that have been spoken of here. I wonder if there is a
5 mechanism by which we can create the sense of
6 responsibility. If the University of Alaska ever moved to
7 free tuition, I would hope that the mechanism by which it
8 could be accomplished is that a check equal to the amount
9 of tuition would be made out to that student and to the
10 university, cashable by both so that student would know
11 that somebody put up that money.

12 Education is not free. It is enormously expensive.
13 I would even say equal to the full cost of his education
14 would be transmitted to him or to her and the university.
15 So they would have to endorse the check for \$20,000 of
16 taxpayer's money over to the university. It's a lot of
17 paperwork, but at least it would say to that student, "what
18 I'm getting is extremely costly. Somebody is paying, and I
19 better appreciate it. And I better make good."

20 MS. SIMONDS: You might do that with a lot of things we
21 do around the State. Put a price tag on everything.

22 MS. SPARCK: I have a question in my mind who is going
23 to take over, like, say, you see Alaskan citizens for free
24 tuition. And in order to be an Alaska citizen, all you need
25 to do is stay, what, one month?

1 MR. MERDES: They have requirements right now at the
2 university. They have regulations on that.

3 MS. SHROYER: It's 12 consecutive months.

4 MS. SPARCK: All right.

5 MR. MERDES: That's already pretty well established.

6 MS. SHROYER: I would also reemphasize the free
7 tuition. My mother is a universit employee, so I have half
8 of my tuition. If I did not have that privilege, I would
9 not be able to afford to go to colleges because my mother
10 doesn't make enough to support four kids by herself, which
11 is what she's doing. And there's a lot of other families in
12 the same kind of condition. I would not be able to afford
13 that if I did did not work at the university.

14 THE MODERATOR: We're getting to the point where we've
15 got to wrap up education and get to other things that I
16 might want to say, and then we've got to go down this list,
17 the finance, the first one, go through that, probably go
18 through the others hurriedly in probably an hour.

19 MS. SIMONDS: There's one here that sounds very odd
20 printed out.

21 MR. ECKHOLM: Any other recommendations on education?

22 I have one. We talked about excellence at the
23 university. I think that the public school system promotes
24 mediocrity in our kids from the age of five and that
25 getting to the university and keeping a good brain is a

1 very difficult task. I think we ought to look at the small
2 percentage of kids that are gifted and bright and devoting
3 a lot of money to keep them bright.

4 MR. POMEROY: What has been done by the rest of these?

5 MR. ECKHOLM: They're written down as recommendations.
6 We've got to go back.

7 MR. POMEROY: Go back and okay them?

8 MR. ECKHOLM: Do you want to take a little short break?.

9 THE MODERATOR: Do people want to take a five-minute
10 break?

11 (A recess was taken.)

12 MR. ECKHOLM: What we hope to do now as quickly
13 as possible is go over the education ones and we're going
14 to go back to the wish list that we had the first day and
15 that would be the final round of recommendations so that
16 we'll go over that wish list, and if we haven't handled
17 them, come up with a recommendations, any recommendation on
18 any topic.

19 MS. PORTER: We're not going to go through
20 transportation and communications?

21 MR. ECKHOLM: No. Make it then.

22 THE MODERATOR: Eric wants tomorrow to clean up
23 language. If you go along here and want to clean it up, we
24 can.

25 MR. ECKHOLM: We'll have it done by 8:00 so --

1 hopefully we'll have it for ready for you at 8:00. If you
2 want to come in and look at the recommendations, I'll have
3 them ready for you.

4 MS. SIMONDS: I'll trust you.

5 MR. ECKHOLM: Education. The first recommendation we
6 had in education was to adopt Senator Merdes' opening
7 remarks, including the free tuition for residents, and he
8 was going to have that worked up for us in a form of a
9 recommendation by 8:00 o'clock tomorrow morning.

10 MR. MERDES: You're sure putting the heat on us. By 8:00
11 o'clock tomorrow morning? I guess so.

12 MR. POMEROY: I move the adoption by unanimous
13 consent.

14 MS. SIMONDS: Does it have to be printed up?

15 MR. ECKHOLM: No. We can type it. If you could give it
16 to us so we have a chance to put it together.

17 THE MODERATOR: You've heard the motion. Unanimous
18 consent has been asked. Is there any objection?

19 MR. ECKHOLM: The second recommendation was if the
20 federal government abandons NARL, the State should consider
21 adding that as a facility of the university.

22 MR. NASKE: Sounds good.

23 MR. ECKHOLM: Any objections?

24 Third was the separation of the community
25 colleges from the University of Alaska.

1 MS. PORTER: Could I just change the words to grant
2 autonomy to the community colleges system?

3 MR. ECKHOLM: Okay.

4 MS. SIMONDS: I think the community colleges people are
5 working on it.

6 MS. SCHIRMER: Let's vote on that one.

7 MR. ECKHOLM: This is the biggest vote we got. The
8 motion is to grant autonomy for the community colleges
9 system.

10 THE MODERATOR: All those in favor.

11 It didn't pass.

12 MR. ECKHOLM: If you'd like to develop a minority
13 report and submit that into the record, we'll put it into
14 the record.

15 MS. PORTER: An extreme minority.

16 MR. ECKHOLM: Fourth recommendation, to develop
17 excellence in vocational education as a basic function of
18 the university system; to develop excellence in vocational
19 education as a basic function of the university system.

20 MR. MERDES: It should be vocation and technical.

21 MS. SIMONDS: Wasn't that the university system?

22 MR. ECKHOLM: They're both the same, aren't they?

23 MS. SIMONDS: They are separate functions anyhow. They
24 may be under a different board of regents.

25 MR. ECKHOLM: If it is all based, develop technical

1 education as a basis.

2 Any objections?

3 THE MODERATOR: That's all right.

4 MR. ECKHOLM: Five. Continued support for expansion of
5 community education.

6 MR. POMEROY: Say that again?

7 MR. ECKHOLM: Continued support for expansion of
8 community education. That's really not the right wording.

9 THE MODERATOR: Community schools.

10 MR. MERDES: See, I told you there would be confusion.

11 MS. SIMONDS: Say community school.

12 MR. ECKHOLM: Community school programs.

13 MS. PORTER: The system in itself as established by the
14 legislature is an expanding program. In my original remarks
15 I said continued support by the legislature for the
16 expansion of community education.

17 MR. ECKHOLM: How about continued support and
18 expansion of the community school program? We'll work on it.

19 Six: Legislature pursue methods of utilizing
20 telecommunications in all phases of education, especially
21 to support the rural school programs.

22 MS. PORTER: Only if it's on a regional basis. I will
23 write a minority opinion on it.

24 MR. ECKHOLM: Can we incorporate that? How can we add
25 that? The districts have to buy it. Nobody has ever told

1 any school that they have to use any sort of education.
2 It's only provided at the request of the school district.
3 And I think that's basic to our educational system.

4 MS. PORTER: Nobody has ever -- in this case, maybe
5 not.

6 MR. ECKHOLM: That's a real basic tenet of our
7 education system is that the local people have full control
8 over the program. And there aren't any dictated programs,
9 as far as I know, from the State.

10 THE MODERATOR: She's talking regionalism, more
11 control, the language and the programs.

12 MR. ECKHOLM: That means if they've got control of
13 their systems that they're not going to buy it unless they
14 want it.

15 MS. SCHIRMER: Can't you put regional in there?

16 MR. ECKHOLM: How?

17 MS. SCHIRMER: Read the thing again.

18 DELEGATE: With regionalized programming.

19 MS. SCHIRMER: That's good.

20 MR. ECKHOLM: Pursue methods to fully utilize
21 telecommunications in all phases of education, especially
22 to support rural schools with regionalized programming. Is
23 there any objection?

24 Next, that the State appropriate funds to support
25 basic literacy projects in Alaska.

1 MS. PORTER: Could we add a word in there, not just
2 funds, so they don't give them three bucks. Some kind of
3 adequately funded.

4 MS. SHROYER: I have another amendment. I'd also like
5 to add bilingual so we will continue to support the native
6 language.

7 MS. SIMONDS: There is a separate program already.
8 There is one. This English as a second language is a
9 different concept.

10 MS. SHROYER: Thank you.

11 MR. ECKHOLM: Is there any objection to that? Okay.

12 Next. State provide funding for pre-school
13 programs.

14 MR. POMEROY: What does that mean?

15 MR. MCGINNIS: That's probably the most important
16 thing we've talked about here tonight. I'll simply make
17 this remark and shut up. More learning takes place between
18 the years of three and five than at any other time in the
19 learning career of the student. This is where we're
20 missing the boat and we're cheating our kids. Because we're
21 feeding them pabulum with some of the television without
22 substance. Whether he's an Einstein to an idiot, he learns
23 more from three to five than any other time in his life.

24 MR. MERDES: I agree with you, Fred, a thousand
25 percent.

1 MS. RICHCREEK: I would agree, but there is a problem
2 for us on a travel system. They have to travel 50 miles.

3 MS. SIMONDS: It's not compulsory. It's optional.

4 MS. PORTER: We have an enrichment program for early
5 childhood that's operating in our region right now. People
6 travel from home. Because early childhood even before three
7 is a very important time where they have stimulation.

8 MR. HARTLE: Could we make the wording pre-school
9 education so that that could include programs that came to
10 the home or telecommunications or whatever.

11 MR. ECKHOLM: State provide funding for pre-school
12 education programs. Any objections?

13 Nine: Provide exchange programs between urban
14 and rural students in Alaska.

15 MR. HARTLE: Could we go back it eight for a second. I
16 want to make sure it means that we expand any program that
17 we might have now.

18 MR. PARKER: You're spending a million-eight right now.

19 MR. HARTLE: I'd say as a high priority in our
20 educational system.

21 MS. STRASSBURG: I would only have one question there.
22 I'm afraid of this being -- and, granted, I agree with
23 you that they learn more from three to five years old.

24 But, are we providing a babysitting service for
25 mamma, who wants to go to the movie in the afternoon?

1 MR. ECKHOLM: Are we doing that in our public schools?

2 MS. STRASSBURG: No. What I'm saying is these little
3 youngsters, they need to learn, but they also need their
4 mother. This is something to think about.

5 MR. MERDES: I don't think potential abuses should be
6 a reason in the program.

7 MS. STRASSBURG: I don't think so, either.

8 MR. MERDES: Abuses are have been possible.

9 MR. ECKHOLM: State provide funding to expand
10 pre-school education programs as an educational priority.

11 Nine: Provide exchange programs between urban
12 and rural students in Alaska.

13 Ten: Support expansion of programs for the
14 exceptionally gifted students in Alaska.

15 That's it.

16 THE MODERATOR: For education.

17 Let me try this on you. Here's our wish list now. Let
18 me just read it to you quickly. You can hear these words
19 that you came up with. Remember, we are trying to spend
20 money. We just heard from Belden Daniels and Williams and
21 Russ Meekins. We said fishery loans, nonoil energy; money
22 available to local bank in small Alaskan businesses,
23 housing loans, stay away from big projects and support
24 small businesses, use private enterprise rather than
25 developing State programs with the money to compete with

1 private enterprise; reinvest in the veterans loan program,
2 enter into great transportation system, invest in resource
3 management, a rainy-day account for State government;
4 invest in public works, especially alternative energy ports
5 and harbors; lump sum liquidation of Alaskan native fund
6 paid for by the State, 400 million dollars, improve
7 communications, higher education and research, vocational
8 and trade education; tax credit for homeowners based on
9 energy use; direct distribution of funds based on residency,
10 \$100 per year from the age of 17 up to 50 years; don't
11 repeal State income tax; rehabilitation of correctional
12 system; money to develop the Capitol move; money spent on
13 ways to reduce government and make it more efficient;
14 tourism, massive national advertising; invest in the timber
15 industry; consider investing more in rural areas than in
16 urban areas; State sell lands for housing; invest in
17 programs that are cost effective rather than subsidies.

18 Those are the 26 items.

19 MS. SIMONDS: We should cross out the ones we've
20 already taken care of.

21 MR. ECKHOLM: Let's go from the top.

22 We've done fisheries loans, right? We've done nonoil
23 energy.

24 Money available to local banks for investment in
25 small Alaskan businesses.

1 MS. SIMONDS: I'd like to reconsider that. I think the
2 banks might make a lot of money and I'm not sure what
3 everyone else would end up with. They might give out a lot
4 of loans just to make money on them without being as
5 careful because it's not their money.

6 MS. SHROYER: I had the same kind of problem with it.
7 But I went and I talked to a couple of people who knew more
8 about local banks. And I believe that they would still
9 want to distribute those monies even with regulation
10 attached to them so that they wouldn't be able to have
11 outrageous interests and some of the interests would go
12 back into the State revenues. I don't know if you want to
13 work that into the recommendation or what.

14 THE MODERATOR: It was my recollection that people were
15 saying, but let's have the State direct where that money
16 goes to a point. In other words, not just give it to the
17 bank, but to tell the bank we want so much in this area, so
18 much in that area.

19 MR. POMEROY: It was maximum feasible utilization for
20 financial institution for the management of our loan funds,
21 is that not right?

22 THE MODERATOR: I think it's like Milton Lipton kept
23 saying, first make up your mind what you want to do before
24 you make that decision. What is it you want to accomplish
25 with your money, not the highest interest rate and the

1 security. That comes later. Make up your mind and then
2 protect yourself.

3 MR. HARTLE: One thing we covered, is just what it
4 says here, as small as Alaskan business is, I think that
5 was probably what we were trying to express. We want to
6 invest in small businesses. They provide the most benefit
7 as opposed to huge projects.

8 MR. MERDES: I'm always worried about that. Because
9 let me tell you the cost of this small business is enormous.

10 Natural growths that result from small businesses,
11 they may call them small businesses. Take, for example,
12 Matanuska Valley Co-op. They're everything. Is that a big
13 business or a small business? That's the point.

14 THE MODERATOR: My experience tells me that in order
15 to get into the Delta Barley Project or in order to get
16 into the fishing business or in order to be a small oil
17 operator up here you got to start at a half million and go
18 up.

19 MS. STRASSBURG: But those are taken care of under your
20 fisheries loans and under your other category, not under
21 the small business loans. My feeling when I suggested this,
22 go through the local banks, is not that that bank is going
23 to just wholesalely support every small business that comes
24 in and wants to borrow money. They're going to look at it
25 and say they want to borrow 100,000 and by the time they

1 get done this with loan the State and the bank together are
2 going to have a \$50,000 profit. This is what I'm thinking
3 about.

4 But the bank knows his local residents. He knows
5 the people in his town, maybe not personally, but he knows
6 their reputation, and knows whether the program that
7 they're proposing is going to be feasible.

8 He knows what the economic situation is in his
9 community better. If this man's banker is in Fairbanks or
10 Wasilla, Los Angeles, he knows the potential economic
11 feasibility of that project better than someone in Juneau.

12 THE MODERATOR: I think that was the philosophy. Use
13 the local banks but direct to use them for small business.

14 MR. ECKHOLM: Money available to local banks for
15 investment in small Alaskan businesses with specific
16 requirements from the State.

17 Is there any discussion on that? That's the first
18 one we've adopted on the wish list.

19 MR. HARTLE: What happened to one and two?

20 MR. ECKHOLM: We've already done them?

21 MR. HARTLE: Other places?

22 MR. ECKHOLM: Yes. Four. Housing loans.

23 MR. HARTLE: I think that we need to make some
24 stipulation on this. Some places in the State are totally
25 overbuilt, and putting our money into this wouldn't be cost

1 effective.

2 MS. SHROYER: What do you mean by overbuilt? Do you
3 think that Anchorage and Fairbanks should not have the
4 availability of monies for housing just because they have a
5 lot of people there?

6 MR. ECKHOLM: It would stimulate the housing industry
7 more.

8 MS. STRASSBURG: No. We've got empty places.

9 MR. MERDES: Temporarily.

10 MR. ECKHOLM: But if you make a lot of money available,
11 you're going to get more people building houses.

12 MS. STRASSBURG: With 60 percent of them sold last year
13 not built.

14 MR. PARKER: Mr. Chairman, the problem is not overbuilt,
15 but undersold.

16 THE MODERATOR: Now, the housing is a critical area.
17 Do we want to deal with it, or is it enough? Because we're
18 going to have to talk about it, if we do.

19 MS. SCHIRMER: I think it's appropriate to deal with it.

20 THE MODERATOR: Are we talking about housing for
21 everyone? Low, moderate income people?

22 MR. MERDES: For Alaskans. I like to get on the
23 pioneers and get everybody.

24 MS. SHROYER: I don't know about the rest of the State,
25 but our Fairbanks Borough just sold bonds to make loan

1 monies available for housing. I don't know if there's other
2 programs already in practice. Maybe it's just superfluous.

3 MR. ECKHOLM: There have been programs in the State,
4 but it is a big area and there are a lot of --

5 MS. SIMONDS: I think that the real estate people work
6 for this, so I don't think we have to do it, and that's
7 private enterprise. I think it will be taken care of
8 through the private channels.

9 MR. HARTLE: I agree with that. What we're doing here
10 is deciding our priorities for State monies, and that where
11 there are -- I think in some places housing loans are
12 tremendously valuable and needed and that where they are
13 and private enterprise is not now doing it, the State, it's
14 a legitimate reason for the State to do it. But in some
15 places in the State, this is too simple for me.

16 You need to say where it's needed.

17 MS. SCHIRMER: Where otherwise not available.

18 MS. SHROYER: I like that.

19 MS. SCHIRMER: Because there are places where you don't
20 have a sewer system and you don't have public power and
21 this and that and the other.

22 THE MODERATOR: Where private housing funds are not
23 available, the State should enter.

24 MR. POMEROY: This is a program. This matter of
25 housing is something that Russ Meekins is making a high

1 priority on his. And I think what you said earlier, or
2 somebody said, is important. What sort of purpose are you
3 going to serve?

4 One of the questions that's been raised is that
5 interest is too high. Are you going to give everybody low-
6 interest loans, or give them low-interest loans up to
7 \$100,000 houses or \$60,000 houses? I just don't think we
8 can handle it unless we have hours to discuss it.

9 THE MODERATOR: But if we say where private funds are
10 not available, the State should enter?

11 MR. POMEROY: Where private funds are available,
12 except for a very few rural areas, private funds are
13 available for a price.

14 MS. PORTER: They are not available in many, many rural
15 areas.

16 THE MODERATOR: At any price. Yes.

17 MR. HARTLE: I agree with your concern there. I just
18 don't think -- I want to be more specific than this, but
19 I want to be less specific than state the interest rate.
20 But I don't know what's going to happen in ten years with
21 interest rates. I think if we say housing loans where
22 otherwise limited and available or where otherwise not
23 available would cover it. If we want to cover all night
24 talking about housing.

25 MS. SCHIRMER: We're not making the law, we're just

1 giving some suggestions to the legislature.

2 MR. POMEROY: Suggesting that broad wouldn't give me
3 anything. Otherwise, where it isn't available, then you got
4 to figure out what interest rate is. If they're making
5 loans available here, because there is money available in
6 agricultural at 13 and a half percent, what are you going
7 to do in Bethel. You're going to decide it ought to be
8 seven and a half percent?

9 THE MODERATOR: Maybe.

10 MR. HARTLE: I don't know. I'm not an expert. I want
11 to leave it to the experts.

12 MR. ECKHOLM: We have a recommendation. Housing loans
13 where private housing funds are not available. Is there
14 objection?

15 MS. SHROYER: Yes. Private housing funds, if they're
16 by the Borough, then they're not private.

17 MR. ECKHOLM: Where other housing funds.

18 MS. SCHIRMER: That's better.

19 MR. ECKHOLM: Other.

20 DELEGATE: Other than what? Other than the State.

21 THE MODERATOR: But actually, the Borough money is
22 used to buy mortgages that are private.

23 MS. SHROYER: Right. There is a bond sale, but other
24 funds.

25 MR. ECKHOLM: Okay. Make State housing loans available

1 where other housing funds are not available. Objections?

2 That's adopted.

3 MR. POMEROY: But it's adopted just the same. Go ahead.

4 MR. ECKHOLM: Five. Stay away from big projects and
5 support small businesses.

6 MR. POMEROY: I don't like that.

7 MS. PORTER: That's an investment policy direction and
8 unless we're going to give them a list of investment policy
9 directions --

10 MR. ECKHOLM: It is a broad category and it could tell
11 the legislature a lot about where you're going to put the
12 money. Because they're going to be asked about going into a
13 couple billion dollars of projects.

14 MR. POMEROY: What Milt Lipton was talking about,
15 these great projects, they can get their money. You're not
16 going to have to worry about it. You're not going to have
17 to finance Gulkana.

18 MR. ECKHOLM: They might come to the State, because
19 they might figure they can get it cheaper.

20 MR. NASKE: It depends on the method of financing. Like
21 the Suisitna project. It's going to be tax exempt bonds.
22 But the State is going to sell those.

23 MR. ECKHOLM: There has been a motion to table this
24 one, to scratch it.

25 MR. MERDES: Don't vote it, just ignore it.

1 MR. ECKHOLM: Does anybody want to include it?

2 MS. SCHIRMER: Kind of. I really do. I think the
3 Suisitna project is a case in point. I would hate to see us
4 say go and take on the Suisitna project and not be able to
5 fund any of the other small hydroelectric things. I think
6 this would be a mistake. I think we've all sat here and we
7 heard a little bit about the Suisitna project in the
8 background and I think a lot of us are kind of feeling that
9 we kind of worried about it unless we know more than we do.

10 MS. SHROYER: I think that if something like that
11 would also preclude a recommendation we made earlier with
12 oil and gas, that if we want to be a partner in something
13 like the gas pipeline, that recommendation would exempt
14 that kind of investment. I also trust my State government,
15 my legislature to make good investments and good
16 expenditures with our monies. They haven't always, but for
17 the most part, with our public watchdogs or whatever, I
18 think we'd be just fine, I think.

19 MS. RICHCREEK: If we do anything, I'd say stay away
20 from corporations and support independent businesses.

21 MR. POMEROY: No.

22 MS. PORTER: Can I make a suggestion? That we just
23 table it until tomorrow morning, then we have a little bit
24 of time, we can do up a little philosophy on how we'd like
25 to see them invest the money, just on the investment

1 portfolio.

2 MR. ECKHOLM: Would you do that for us, until the
3 morning?

4 Six, use private enterprise rather than
5 developing State programs with the money to compete with
6 private enterprise.

7 THE MODERATOR: Adam Smith.

8 MR. ECKHOLM: Does anybody want to include it?

9 MS. SCHIRMER: Sure.

10 MS. SHROYER: Yes.

11 MR. ECKHOLM: Does anybody want to change it?

12 MR. RODERICH: Read it again.

13 MR. ECKHOLM: Use private enterprise rather than
14 developing State programs with the money to compete with
15 private enterprise.

16 MR. MERDES: That's absolutely ambiguous.

17 MR. POMEROY: We do have several directed like that.

18 MS. PORTER: I'm all for dumping it.

19 MR. POMEROY: Table it.

20 MR. ECKHOLM: Okay. Scratched.

21 Reinvest in the veterans loan program. Is
22 reinvest the right word?

23 MR. MERDES: Reinstate.

24 MR. POMEROY: Seven percent interest, because I'm a
25 veteran.

1 MS. SIMONDS: So am I.

2 MR. ECKHOLM: Is there any discussion about that?

3 MR. HARTLE: Somehow I'd like to at the same time

4 expand other loan programs that are available to nonveterans.

5 MR. MERDES: They're doing it.

6 MR. HARTLE: I don't want to fight this, I just want

7 to say that we need at the same time other programs.

8 Because veterans are a limited group and, you know, I don't

9 want it to be our policy to fund limited groups of the

10 population.

11 MS. SHROYER: I like the idea of the basic veterans

12 loan program, but I have the problem basically with the

13 young people who are not drafted. I'm not a veteran, I

14 never will be a veteran because I don't want to join. I

15 think, even though it's good to have the loan program

16 especially for our Viet Nam veterans, that there should be

17 an end.

18 MR. MERDES: That will end when you don't have any

19 more wars and the veterans go away.

20 MR. ECKHOLM: Good luck.

21 MR. ECKHOLM: Could we add to that and their surviving

22 spouse?

23 MR. MERDES: Veterans and their surviving spouse.

24 There could be male surviving spouses.

25 MR. ECKHOLM: That's right.

1 MR. ECKHOLM: Is there any further discussion? You can
2 make a motion later on other fund programs.

3 MR. MORGAN: In regards to the veterans loans, the
4 veterans loans were set up to somehow or another attempt in
5 some small measure to repay the sacrifices of the veterans
6 who fought for their glorious country. Now, to say everyone
7 now should have a loan because they are a human being, I
8 don't see anything wrong in giving a guy a chance to borrow
9 some money for just the reason that he's a veteran.

10 MR. ECKHOLM: And some of those people sacrificed
11 their prime earning money and made little money.

12 MS. SHROYER: My point earlier was for those people
13 who joined the Army and have not had to fight, got good GI
14 pensions. I'm serious. These people are not going to be
15 fighting.

16 MR. ECKHOLM: If you spend six years in the service
17 from age 20 to 26, --

18 THE MODERATOR: We're getting too much detail here.

19 MR. ECKHOLM: Is there any further discussion? Is
20 there any objection? It's worded fully reinstate and fund
21 the veteren's program including the surviving spouse.

22 MR. ECKHOLM: They closed it down. They closed all the
23 offices.

24 A VOICE: Alaskan Housing Finance Corporation? The Vet
25 State Loan Program. The provisions to accommodate the

1 veterans has been moved to Alaska housing finance
2 corporation.

3 MR. ECKHOLM: The corporation no longer has outside
4 funds.

5 MR. ECKHOLM: Let's move on. If it is existing it
6 won't matter anyway. If it isn't, it will do it.

7 MR. MERDES: Can I have one word reinstate and
8 retransfer back. He's right. One at a time.

9 MR. MERDES: He's right.

10 MR. ECKHOLM: They did transfer it over?

11 MR. MERDES: Yes. But they did it by words so let's
12 just put that word in.

13 MS. PORTER: And return to original whatever it was.

14 MR. MERDES: Right. Just say reinstate. They closed
15 all the offices.

16 MR. ECKHOLM: Reinstate does that. And fund.

17 MR. MERDES: I think that will do it.

18 MR. ECKHOLM: Fully reinstate.

19 MR. ECKHOLM: Eight, integrated transportation system.

20 MR. MERDES: What's that mean?

21 MR. ECKHOLM: That's so vague.

22 MS. PORTER: We are going to take up transportation,
23 right?

24 MR. ECKHOLM: This is it. Maybe you want to be
25 thinking about a specific recommendation.

1 MR. NASKE: I'm the one who proposed that. What I mean
2 by that, really, is we should look at the whole State and
3 think beyond roads to see if maybe in some areas air
4 transportation is the only feasible way, or trails, roads,
5 maybe barges on the big rivers ought to be considered again,
6 maybe railroad. But we should get away from thinking about
7 just, you know, putting roads everywhere. What I mean by
8 integrated is try to adopt the system of transportation
9 suited to the particular locality.

10 MR. ECKHOLM: Move on. Invest in resource management.
11 We've done that with the university. Is that what we were
12 talking about?

13 Ten, a rainy-day account for State government. I
14 think what we had there is equaling one year State
15 operating budget.

16 MS. SIMONDS: Russ Meekins suggested.

17 MR. MERDES: He'll do it anyway.

18 MS. SHROYER: I think that the permanent fund is
19 pretty much a rainy-day account.

20 MS. STRASSBURG: No.

21 MR. POMEROY: What the hell is a rainy-day account?

22 THE MODERATOR: In an emergency, in a crisis.

23 MR. ECKHOLM: Let's take a vote. All those of favor of
24 providing a rainy-day day account equalling one year budget
25 raise their hands.

1 All those opposed.

2 We got a split.

3 MR. ECKHOLM: Let's vote again.

4 MS. STRASSBURG: People are asking what that rainy-day
5 account was. Russ Meekins said in case of the break in the
6 pipeline, the income from the pipeline were to immediately
7 stop, that pipeline oil money is what is providing some of
8 these services. And those services cannot continue without
9 the income from the pipeline. So we need a 12-month backlog
10 just like you're supposed to have a savings account that
11 would feed you for six months if you're being smart.

12 What they're talking about in the rainy-day thing
13 where we could use it in case of an emergency, where the
14 permanent fund, we can't touch it.

15 MR. MCGINNIS: Constitutional provision states every
16 appropriation shall lapse at the end of the year into the
17 treasury.

18 MR. POMEROY: That doesn't impress me a bit. We're
19 going to have \$4,000 per capita per year from the pipeline
20 for about the next ten years. And if we haven't saved money
21 and saved a lot more than goes by the constitution into a
22 permanent fund, then God help us. I don't think we need an
23 additional thing.

24 MR. MCGINNIS: The thing is, in case of an emergency,
25 the worst that can happen, you'd have to convene the

1 legislature. And I've thought of worse things.

2 MR. ECKHOLM: One final statement, then take another
3 vote.

4 MR. HARTLE: As a procedural matter with a vote this
5 close, we should table it. It's obviously not the group's
6 recommendation. I voted for it, but I'll change my vote.

7 MR. ECKHOLM: Scratch it.

8 Invest in public works, finish.

9 MS. SIMONDS: We've already done that.

10 MR. ECKHOLM: All the national energy, ports and
11 harbors.

12 MR. MERDES: I guarantee you're going to do that.

13 MR. ECKHOLM: 12: Lump sum liquidation paid for by
14 the State immediately.

15 MS. STRASSBURG: That is when we owe on leases, et
16 cetera.

17 MS. PORTER: When is that deadline?

18 MR. MERDES: Two percent override.

19 MR. HARTLE: I'm afraid we need an expert on this.

20 MR. ECKHOLM: I just wanted to add I heard the same
21 thing discussed in another group. They said there were
22 payments already being made.

23 MR. ECKHOLM: They wanted to speed this up. Does
24 anybody want to vote on it? We don't consider that.

25 THE MODERATOR: Harold?

1 MR. POMEROY: Mr. Samuelson was here, he said he had
2 all the back up material.

3 MR. ECKHOLM: He gave it me to give to Russ.

4 MR. PARKER: The idea behind speeding it up would be
5 simply to put more money quicker in the corporations during
6 a period of recession. That was the basic thought behind it.

7 THE MODERATOR: You pump 400 million through the 12 or
8 13 corporations invited into the economy, is the theory. If
9 we've got this excess, would it not be wise to pump 400
10 million right in?

11 MR. POMEROY: No, it wouldn't.

12 MR. MORGAN: If it's a good business deal.

13 THE MODERATOR: We owe it.

14 MR. MORGAN: Some kind of discount or something.

15 MR. ECKHOLM: The comment I heard today was they were
16 making payments in advance.

17 THE MODERATOR: Not in advance. I don't think they can
18 do that under the law, but they are making payments.

19 MR. ECKHOLM: Would anyone like to take a vote on this,
20 or consider it.

21 A VOICE: Yes.

22 MR. ECKHOLM: All those in favor, raise your hands, of
23 lump sum liquidation of Alaska Native Fund.

24 MR. HARTLE: It would benefit the corporations, I
25 believe.

1 MR. NASKE: And the local economies. For Christ sake --

2 MS. SHROYER: We're voting.

3 MR. ECKHOLM: All those in favor raises your hands.

4 All those opposed?

5 It passes.

6 13, improve communications. We dealt with
7 education a little bit. We got Walt Parker telling us, but
8 do we want to deal with it?

9 MS. PORTER: Yeah. I've got a couple recommendations.
10 Number 1 is regionalization of the telecommunications
11 system. That means uplinks and downlinks. If the system is
12 going to be expanded, then it should be regionalized.

13 MR. ECKHOLM: You mean uplinks?

14 MS. PORTER: I mean full regionalization of the
15 telecommunications so that, as an example, Nome, if they
16 had a television station, could broadcast so that the
17 villages surrounding them or whatever local program. Bethel
18 could go into the same thing. Dillingham, et cetera.

19 My second recommendation is the
20 telecommunications office should set as a first priority
21 the installation of emergency and medical communications
22 system. We've delayed that too many years and it's just a
23 critical need in the rural areas. In fact, the whole thing
24 is touted as a communication system. This is what is needed
25 first.

1 MR. ECKHOLM: I would like to consider that as a
2 recommendation that you'll draft better and give to me but
3 we'll vote on it as a concept. I didn't write it down. Did
4 you write it down?

5 MS. PORTER: I'll rewrite it.

6 MR. HARTLE: I am speaking in total support of the
7 idea. I think that Alaska should have and especially now
8 that we can finally afford it, the best communications
9 system in the world. In many areas of the State we're very
10 lacking in this regard, as I'm sure all of us know. Now we
11 can afford it and it's a high priority.

12 MS. PORTER: I think you best beware. Can we afford to
13 maintain and it pay the line charges. We can't. The
14 villages don't have the pay the bucks to pay the line
15 charges. They just can't do it. The State had a program in
16 an increasing amount the villages would pick it up every
17 year. We have to tread very carefully with that.

18 MR. PARKER: Mr. Chairman, that's why I recommended in
19 the paper the concept of the single toll area. Only by
20 spreading the costs across the whole State that you're
21 going to be able to let the villages can afford it.
22 Otherwise, you're right. The charges will be such that, as
23 now, it will take 25 percent of most people's cash bubbling
24 jet to do a reasonable amount of telephoning.

25 MS. SCHIRMER: I think the idea of a single-zone or

1 whatever, that he wrote about would do more for connecting
2 the people in the State than almost anything I can think of.
3 Because you sit in the small community and when you are
4 thinking it's got to go through long distance and how much
5 is it going to cost per minute, you don't make as many
6 telephoning calls as you ought to. And talking to people
7 just makes so much difference in how quickly you can get
8 things done and you don't do it when you're at the end of a
9 long distance line.

10 MR. ECKHOLM: How would you word that as a
11 recommendation? Create a single toll zone for the entire
12 State?

13 MR. PARKER: Yes. Single toll area.

14 A VOICE: I'd like to know your objection.

15 MS. RICHCREEK: My objection is being a small business
16 relatively close, but yet we're paying a long-distance
17 charge. Let's say you lived in Kotzebue. How many
18 construction businesses are out there that have no choice?
19 There's only one way to get an answer to your question
20 whether you're going to bid a job or finding materials or
21 finding something. How many businesses are there out there
22 versus, say, Mat-Su Valley, Valdez, accident those closer
23 areas.

24 MR. ECKHOLM: We are as Alaska receiving the same
25 -- we receive 50 million dollars a year subsidy from the

1 Lower 48 for our phone calls. We don't pay the rate that
2 we call 48, the people outside are supporting us.

3 MS. RICHCREEK: But we're paying more than we would.
4 I heard RCA talking the other night.

5 MR. ECKHOLM: Walt, is there any other discussion on
6 that?

7 MR. PARKER: No. The cost of spreading it by
8 eliminating a lot of Alascom's bookkeeping charges and what
9 have you, why, there should be real savings to each
10 individual and the only person who would be suffering would
11 be the person who makes no long distance calls at all. And
12 I doubt that there are very many of those.

13 MR. ECKHOLM: Recommendations to create a single toll
14 area for the entire State.

15 MR. POMEROY: How is that?

16 MR. ECKHOLM: Create a single toll area for the entire
17 State for telephoning communications.

18 MS. STRASSBURG: Are we saying, Walt, say now it costs
19 45 cents to call Houston into Anchorage for three minutes.
20 Then it would cost 80 cents to call Anchorage.

21 MR. PARKER: You're saying no long distance charges.
22 You've got half the population in the State in a single
23 toll area now in Anchorage. You're doing is putting the
24 other 200,000 people into the same toll area, which 400,000
25 people is a very small toll area. Satellite communications

1 makes meaningless the concept of the line charges in any
2 case, because they're all going 22,000 up and 22,000 back.
3 So you're just funding -- you're just putting the kind of
4 rate that should have been put in to begin with.

5 MR. ECKHOLM: Is there objection to the recommendation?

6 MS. STRASSBURG: No. I think that's great. My
7 telephoning bill will be \$55 a month instead of some months
8 it's 150.

9 MR. ECKHOLM: Without objection, it's adopted.

10 Higher education and research we've covered.

11 Vocational and trade education we've covered.

12 Tax credit for homeowners based on energy use
13 we've covered, I believe, haven't we?

14 MS. SHROYER: Yes.

15 MR. ECKHOLM: Direct distribution of funds based on
16 residency, \$100 per year from the age of 18 up to a maximum
17 of 50 years.

18 MS. SIMONDS: I don't remember that one.

19 THE MODERATOR: I don't remember that one.

20 MR. ECKHOLM: That was the guy who --

21 MS. PORTER: That was McCutchen. And he wanted it.

22 MR. NASKE: Let's vote on that.

23 MS. SHROYER: I have a question first. What is the
24 longevity bonus plan?

25 MR. ECKHOLM: You have to be here before statehood and

1 how much do you get?

2 MS. SIMONDS: You have to be 55 years of age.

3 MR. HARTLE: And 25-year resident.

4 MR. ECKHOLM: All those in favor of this, direct
5 distribution of funds based on residency \$100 per year from
6 the age of 18 up to the a maximum of 15 years.

7 THE MODERATOR: Anyone in favor?

8 MR. ECKHOLM: All those in favor raise your hand.

9 18. Don't repeal the State income tax.

10 MR. NASKE: No objection.

11 MS. STRASSBURG: I'm totally in favor of don't.

12 MR. ECKHOLM: Is there anybody who objects to this
13 motion? Adopted.

14 19. Rehabilitation of the correctional system.

15 MS. SIMONDS: We covered that in the health and welfare.

16 MR. ECKHOLM: 20. Money to develop the capitol dome.

17 MS. STRASSBURG: No. Let me make a recommendation and
18 let you look at it.

19 We recommend that the Capitol Site Planning
20 Commission be reactivated. This was in the initiative.
21 The Capitol Site Planning Commission be reactivated with an
22 appropriation of \$100,000 to consider a central
23 co-relocation plan to the Willow site, retaining regional
24 offices in Juneau, Fairbanks and Anchorage. That's what
25 we've been talking about. Evaluate the administrative

311

1 savings in travel, per diem, telephoning and communications,
2 which is included in this paper that gives you the
3 information we need. This is not saying that we're going to
4 move it tomorrow. This is saying that it was a part of the
5 initiative that there would be a capitol planning
6 commission and it has been allowed to semi-die. It still
7 has six people, but there is not enough to do anything.

8 MR. POMEROY: I'd like to add -- discussion before
9 voting?

10 MR. ECKHOLM: I don't want to open up a great big ball.
11 We have two items here, 20 and 21, monies spent on ways to
12 reduce government and make it more efficient. And I think
13 that the two topics can be combined under the auspices of
14 the capitol site planning commission to evaluate these
15 things.

16 Now, we're talking about whether the capitol is
17 relocated to anywhere. And I'm sure that everyone is
18 familiar with the present circumstances in Juneau. We are
19 leasing about 37 buildings from a lot of different private
20 sources there. And in fact the Frank initiative does
21 address that a commission should be formed to evaluate the
22 relocation expenditures, and does not even stipulate to the
23 willow site. But I am saying that in Juneau, if another
24 building is constructed in Mendenhall Valley or whatever,
25 this is still relocation and expansion in that area.

1 MR. ECKHOLM: Can we take a vote on it.

2 MR. NASKE: It's just a divisive issue and has been
3 voted up and down so many times. I would like to have a
4 ruling.

5 MR. ECKHOLM: I agree.

6 MR. ECKHOLM: the thing I would like to add at this
7 point is you've been talking about funding a lot of other
8 things here, including 400 million dollars is due now to
9 the natives, which they're entitled to it, I feel they are
10 entitled to it. I do feel that something as important as
11 our State government through this is next ten years to fund
12 a committee that will evaluate this, and I don't mean the
13 legislature as a political football or the governor with a
14 personal opinion or anyone else here with a personal
15 opinion, rather that a R an independent committee may
16 evaluate a responsible study, \$100,000.

17 MR. NASKE: They've got studies up the kazoo.

18 MR. ECKHOLM: Let me say this: That if the planning
19 committee evaluates and approves, say, the relocating of
20 the central core of government, this can be implemented
21 either by the State and presented to the voters for a
22 bonding issue, not the billion dollar thing that was turned
23 out. We're not talking about a city of 30,000. But then
24 even the Mat-Su Borough could go ahead and implement this
25 move under their own responsibility at absolutely no cost

1 to the State. Or are you saying that 30,000 people should
2 be moved from Juneau?

3 MR. ECKHOLM: Let's call for the question. This
4 discussion has been debated off and on. I think you
5 presented a good case.

6 MR. ECKHOLM: One more thing.

7 DELEGATE: No.

8 MS. SHROYER: Let's vote.

9 MR. ECKHOLM: The question is to adopt Pearlle's.

10 MR. ECKHOLM: I do have one more thing to say.

11 There has been an engineered report, and this is
12 based on a report that was commissioned by the State
13 administration. And in the report it clearly shows that
14 the continuing capitol expanding costs will be much greater
15 in Juneau than they will even with relocation. And I think
16 it's only fair, unless you say we want to close our minds,
17 we don't care how much it costs to keep it there, then
18 you're not interested in financial responsibility.

19 MR. NASKE: Other parts of the State have a right to
20 live also.

21 MR. ECKHOLM: The question is to adopt Pearlle's
22 recommendation.

23 MS. STRASSBURG: The campus site planning commission to
24 be reactivated with an appropriation of \$100,000, to
25 consider a central core relocation to the Willow Burough,

1 retaining other offices in Juneau, Fairbanks and Anchorage,
 2 which would not damage these offices. Administrative
 3 savings in travel, per diem, telephoning and communications.
 4 This is in the realm of you're trying to save money on
 5 State government.

6 MR. ECKHOLM: All of those in favor --

7 MR. POMEROY: May I make a suggestion to you, a very
 8 simple one. Wouldn't it be simple and more direct simply
 9 to recommend that the State capitol relocation commission
 10 be reestablished and that the legislature, without delay in
 11 accordance with the provisions of law with respect to the
 12 move of the capitol?

13 MS. STRASSBURG: Absolutely.

14 MS. SHROYER: It was never dissolved. It's still
 15 there.

16 MR. POMEROY: Reactivate.

17 MR. ECKHOLM: The commission cannot act without funds,
 18 and without the remaining two or three seats being
 19 appointed.

20 THE MODERATOR: I think what Harold is trying to say
 21 rather than the details, the concept is you want to get
 22 this thing back on the road.

23 MS. STRASSBURG: As according to law.

24 THE MODERATOR: That's what we're talking about.

25 MR. POMEROY: As provided for, as required by law to

1 proceed.

2 MR. ECKHOLM: That is right.

3 MR. POMEROY: Connection of relocation of capitol,
4 period.

5 MR. MERDES: Would that provide for the Frank King
6 (phonetic) Provision?

7 THE MODERATOR: So we're voting on the concept shall we
8 get the capitol site selection reactivated again.

9 MS. SHROYER: In the rewording is the dollar figure
10 still there?

11 MR. ECKHOLM: No.

12 MS. SHROYER: As long as that 100,000 is out.

13 MR. ECKHOLM: Let's restate it again.

14 MR. POMEROY: That the capitol State commission be
15 reactivated and the legislature without delay proceed with
16 all of the requirements under the law for the relocation of
17 the capitol.

18 MR. ECKHOLM: Capitol site planning committee.

19 THE MODERATOR: Everyone understand the gist of that?

20 MR. ECKHOLM: All those in favor of the motion raise
21 your hands.

22 All those opposed.

23 The motion passes.

24 21: Monies spent on ways to reduce government
25 and make it more efficient.

1 MS. STRASSBURG: This is a part of that thing that we
2 were trying to get through.

3 MR. MORGAN: May I remark on something the lady said
4 regarding giving the natives 400 million dollars.

5 We're not giving the natives. The idea here was
6 either pay off or not pay off.

7 MR. ECKHOLM: We already accomplished that.

8 MR. MORGAN: I know that. I just want to --

9 MR. ECKHOLM: 22: Tourism. Massive national
10 advertising. I think that's pretty clear.

11 MS. PORTER: I object to that. I think we've done a
12 lot of massive advertising the last year.

13 MS. RICHCREEK: Do we want to quit?

14 MS. SCHIRMER: This thing insinuates what they've done
15 isn't massive.

16 MS. PORTER: If I may suggest that --

17 MR. POMEROY: When do we come to the matter of money?

18 MR. ECKHOLM: Whenever you'd like to. Did you want to
19 say something?

20 MS. RICHCREEK: I just said that I was the one who put
21 that in and my meaning behind it was continue, not that I
22 had thought it had stopped or anything like that. Just
23 continue the advertising.

24 MS. PORTER: Maybe we should say continue an aggressive
25 tourist advertising campaign.

1 MS. SCHIRMER: That's better.

2 MS. STRASSBURG: Could I have just a little bit here, I
3 presented a paper to Mr. Meekins and in that paper I
4 suggested that we expand our ferry system to the point
5 where maybe we put on one more ferry, maybe put on two
6 ferries. But when the ferry gets to Ketchikan, you have a
7 six-day lay-over with tours because there are no buses
8 there so you can go out and see the City of Ketchikan. If
9 they were in a hurry, they'd fly. So they get to
10 Petersburg and Wrangell.

11 Since Ketchikan is a unique Alaskan city, those
12 people coming up on the ferries should have four- to
13 eight-hour layovers so they can see those things. And this
14 goes along with your tourism promotion. But otherwise
15 they're never going to see them unless you do something
16 through the marine highway system. You're not going to see
17 these uniquely Alaskan cities by coming up the Alcan.

18 MR. MCGINNIS: I thought those Ketchikaners were
19 clever enough to develop tours companies.

20 MS. SCHIRMER: They do. But she says making the ferris
21 stay long enough.

22 MR. NASKE: They can catch the next one.

23 MS. STRASSBURG: No, they can't, because they have to
24 have a reservation eight months in advance before you can
25 get on in Seattle. You have to have a reservation in

1 February to get on in August.

2 MR. POMEROY: I don't think we're capable here of
3 saying cost effective and economically feasible.

4 MR. ECKHOLM: We have a motion before us on tourism to
5 continue an aggressive national advertising campaign to
6 promote tourism.

7 Any objection to that? Would you like to make a
8 motion to expand the ferry system?

9 MS. STRASSBURG: Yes, I would. I don't believe the
10 ferry system was ever intended to be a profit making thing.
11 I think it was intended to be a service to the people of
12 Alaska.

13 MR. ECKHOLM: Is there any objection to expanding the
14 ferry system to stimulate tourism.

15 MR. MERDES: For example, having fast food lines and
16 just lowering the quality. It should be expanded and raise
17 the quality of service.

18 MS. STRASSBURG: Yes.

19 MR. ECKHOLM: Expanded and upgrade.

20 MR. MERDES: Upgrade the quality of service.

21 MR. POMEROY: Here's something we know so little about
22 and how much it's going to cost. I can't see --

23 MS. STRASSBURG: We can recommend the legislature
24 investigate the possibility of the expansion and upgrading
25 of the system.

1 MR. ECKHOLM: Is the motion for the legislature to
2 investigate the possibility of expanding and upgrading of
3 the ferry system.

4 MS. SHROYER: I don't think we need to say tourist and
5 to increase traffic.

6 MS. SCHIRMER: And maybe in Bristol Bay.

7 MR. ECKHOLM: The motion is to investigate the
8 expansion and to upgrade the State ferry system. Any
9 objection to that?

10 MR. POMEROY: Yes.

11 MR. ECKHOLM: Let's take a vote. All those in favor
12 raise your hand.

13 All those opposed?

14 Consider investing more in rural areas than in
15 urban areas.

16 MS. PORTER: I think that's poorly put.

17 MR. ECKHOLM: Invest in the timber industry. We've
18 done that in timber.

19 24, consider investing more in rural areas than in
20 urban areas.

21 MR. POMEROY: That's too vague and meaningless, drop
22 it.

23 MS. SHROYER: What was that again, please?

24 MR. ECKHOLM: Consider investing more in rural areas
25 than in urban areas.

1 MR. MCGINNIS: Drop it.

2 MS. SHROYER: Drop it.

3 MS. PORTER: What was that?

4 MR. ECKHOLM: Sell State lands for housing

5 These are concepts that if you want to rework, the wording
6 is bad.

7 MS. RICHCREEK: That was mine, too. What it is is
8 land that is -- think a minute. There's no such thing in
9 our area, but land that you can get to, let me put it that
10 way, accessible.

11 MS. PORTER: I have an amendment to that, that where
12 the State does not own land in an area, as an example, in
13 the Calista region, the State doesn't own any land, so no
14 land is going to be made available to the people who choose
15 to live in that area for housing, that they should
16 negotiate with the natives corporations for maybe an
17 exchange of land. I'm sure Calista would like more land
18 for the valley, it may be they could exchange for liveable,
19 buildable land, not swamps or the sides of mountains.

20 MR. ECKHOLM: Could I here hear a recommendation?

21 MS. PORTER: That goes for the entire State.

22 MR. POMEROY: The State negotiates, and then what?

23 MS. PORTER: To exchange land.

24 MR. POMEROY: What do they do with the land?

25 MS. PORTER: Open it up for home sites just as they're

1 doing every place else in the State.

2 MS. SHROYER: How about a recommendation that the
3 State either make available it's own land or negotiate with
4 the natives corporations and the federal government, where
5 applicable, to make housing land available to Alaskan
6 residents.

7 MR. POMEROY: Holy smoke. We either have land or we
8 don't. And if we don't have land, and if I had a house on
9 the Kenai Peninsula, I buy a piece of land for it. I feel
10 pretty strongly about that. I'll be damned if I --

11 MS. SHROYER: You can't buy land that's owned by the
12 federal government. They won't sell to you.

13 MR. POMEROY: I'm talking about tens of thousands of
14 acres of land on the Kenai Peninsula privately owned.
15 Should we turn around and give it to me?

16 MS. SHROYER: I don't think anybody is saying give it
17 to people.

18 MS. PORTER: You understand that the State has just had
19 the land lottery and they've offered many, many acres of
20 land all over the State to residents on a lottery basis.
21 No land, however, was opened up in a good portion of
22 western Alaska because the State simply does not have any
23 land there. Is it fair to those Alaskans, some life long
24 Alaskans, who may not get in on the lottery because there
25 is no land in that area?

1 THE MODERATOR: Let's be careful. We're talking about
 2 land for residential. Now, when we're talking about
 3 swapping land, people need land where they live, right?

4 MS. PORTER: Well, in a general area, yes.

5 THE MODERATOR: Okay. If you --

6 MS. STRASSBURG: But if it's privately owned by the
 7 natives corporation, and they're not federal, can't we get
 8 the same thing there by just saying to the natives
 9 corporation, gee, I'd like to have five acres here, will
 10 you sell it?

11 MR. POMEROY: That's what they're doing in Cordova and
 12 various other places. They're selling land when there's a
 13 demand for land in the market.

14 MR. PARKER: I don't know of any corporation that's
 15 reluctant to sell land like you say where there's a market.
 16 It hasn't developed yet.

17 MS. RICHCREEK: Another thing is that our area is
 18 facing is University of Alaska. Copper Basin, not just
 19 Glennallen.

20 MR. POMEROY: We face a lot of problems in southeast
 21 Alaska where a lot of communities is surrounded by federal
 22 land and the State works all the time figuring out where
 23 they can get some land to monopolize sites for people to
 24 buy.

25 MS. RICHCREEK: How about adding the University of

1 Alaska?

2 MR. POMEROY: What do we trade them?

3 MS. STRASSBURG: There's a great deal of pressure by
4 the State board of realtors to get the State to let loose
5 of some of their own lands and put them on to public sales.
6 So I think maybe not in the Glennallen area right at this
7 point, but this is a program that is being implemented all
8 the time and the State board of realtors is pushing,
9 believe me, because they want it to get into private hands
10 instead of State owned. So I think basically this is being
11 implemented now.

12 MR. NASKE: That's my language.

13 MR. ECKHOLM: All those in favor of the motion raise
14 your hands. All those opposed.

15 26, another concept that might need to be
16 reworded a little bit. Invest in programs that are cost
17 effective rather than subsidies.

18 THE MODERATOR: We've been waiting for that one.

19 MR. MERDES: Other than the amount of the return, or
20 the security, because that will just be tricky. Maybe
21 times you will want to do something, like for example
22 fisheries or tourism, or vet loans.

23 MS. PORTER: Could we put that on our investment thing
24 and works it over in the morning?

25 THE MODERATOR: That's like number four. In the oil

1 and gas.

2 MR. ECKHOLM: Okay.

3 THE MODERATOR: That's it.

4 MS. PORTER: You're still open for areas that you
5 didn't cover.

6 MR. ECKHOLM: Did you write out the communications?
7 Ms. Sparks asked me to give you hers on transportation, and
8 that is runways for villages, safe under difficult weather
9 conditions, lighted with beacons and means of maintenance.

10 MR. NASKE: Wouldn't that be covered under the
11 integrated transportation system?

12 MS. SCHIRMER: What they're saying is they're really
13 urging upgrading of the small airports, with particular
14 attention to making sure that maintenance is available. I
15 think they would like, from what they're saying, to have
16 them be 24-hour airports.

17 MS. PORTER: Not 24 hour airports, maybe six-hour
18 airports. Right now in the middle of the winter, you take
19 off from one village, it gets out there in ten minutes.

20 MS. SCHIRMER: You're going to have to bring planes in
21 the dark. Isn't that what you're saying?

22 MS. PORTER: Dark, poor weather, it's sometimes
23 difficult on find the little runways.

24 MS. SCHIRMER: I realize this, but -- I don't know.

25 MR. ECKHOLM: How about something like upgrading of

1 State trunk airports to make them more fully operational?

2 MS. SCHIRMER: Not trunk.

3 MS. PORTER: We really don't have to adopt this because
4 it has to go to the division of airports, go to the
5 legislature, anyway. If you want to go ahead and support
6 it, fine.

7 MS. SCHIRMER: I think we should support it.

8 MR. PARKER: I don't think the division of aviation is
9 going to be that strong. I think you should support it.

10 MR. ECKHOLM: How should I define the airports? Small
11 airports --

12 MR. PARKER: Rural airports.

13 MS. RICHCREEK: You mean to support it clear down to
14 the lights itself? Lighting itself?

15 MS. SCHIRMER: They're trying to say just upgrade there.

16 MR. POMEROY: This has been too far. We've got a doggone
17 good Division of Airports, it's working all the time with
18 the hundreds of places all over the State to improve. For
19 us to works with this I don't think makes any sense. I've
20 got a homestead on our airport and it's lit and I've got
21 radio communication and I pay for it. Planes don't come in
22 if it's in the dark unless I put a lantern out.

23 MS. PORTER: I'm sure that people in California said
24 that about Anchorage, when they were first trying to get
25 planes down here, and you're saying what our outsiders said

1 to us then.

2 MR. POMEROY: I tell you what, I'm concerned somewhere
3 along the line we're going to find out we ain't got no
4 money.

5 THE MODERATOR: Let's listen to Walt here, that's
6 his field.

7 MR. PARKER: Rural airports haven't improved any
8 except since World War II, except for what the Division of
9 Aviation can accommodate with the fat funds. We get 17
10 million a year in fat funds and most of that gets spent on
11 the nonbonded airports and upgrading those. There's been a
12 couple million a year going out to the airports. But
13 that's the first time we've been able to afford them. I've
14 landed once every five years. Some of them don't change in
15 between. They're dangerous, and it's simply a question of
16 whether you want dangerous airports or not.

17 MR. MORGAN: I've landed on almost every village in
18 Alaska at one time or another over the past 20 years, and I
19 agree with you they are crude. We're not talking about a
20 luxury, we're talking about a life-endangering situation
21 where a plane can't get in to get a person out who is
22 mortally wounded.

23 MR. ECKHOLM: We're also talking economics, too.
24 rural airports, if you can go another 100 feet, you could
25 cut cost of transportation of foodstuffs which is real

1 expensive, and you can carry out planeloads of fish in
2 Bristol Bay.

3 MS. PORTER: That's my second recommendation, is that
4 major centers and fishing areas in rural areas should have
5 their runways expanded. This is a great economic need for
6 those areas. You heard about the Bristol Bay fish, two and
7 a half million fish dumped because the runways are not long
8 enough for a plane to get off.

9 MR. ECKHOLM: We should discuss about whether or
10 not if whoever can last the longest can recommend
11 everything at once. Because we may get to a point where we
12 can render not a group any more.

13 MR. HARTLE: On these small airports.

14 MR. ECKHOLM: Recommendation is to upgrade rural
15 airports to make them more fully operational.

16 MR. HARTLE: I want to speak in support of it. Many
17 places in the State we spend fortunes on roads, and it's
18 transportation, okay?

19 So, in rural there's a State, there aren't roads
20 to spend the same money. I mean, it's not like we're doing
21 something drastically radical by doing this.

22 MS. PORTER: Also we heavily subsidize the losing ferry
23 system, which distributes mail to southeastern. There's no
24 subsidy to western Alaska, nor transportation. We're
25 asking for a few safety measures.

1 B. Conditions, sun lighting, in the form of sunlight,
2 when it's possible. Reflectors and safe runways.

3 MS. RICHCREEK: I'd like to bring up one point, and
4 that is the safety, such as if there are other airports in
5 a situation similar to Valdez where there would be side
6 mountains, I don't feel we should put in lighting systems
7 there, and I tell you why. The pilot just put in their own
8 and supposedly the State ended up paying for it. But they
9 all know that they can go right into that mountain before
10 they'll ever land. And if we put the lighting system in,
11 the State does it, I would feel that the State is the one
12 that is held responsible in the long run. Maybe you're
13 wrong.

14 MR. ECKHOLM: The recommendation is upgrading of rural
15 airports.

16 MR. HARTLE: And safe? That would eliminate situations
17 that you're talking about.

18 MR. ECKHOLM: And safe. Is there objection to the
19 recommendation? It's adopted.

20 Rolling along, Rosemary?

21 MS. PORTER: Under government--

22 MR. ECKHOLM: Do you want to do something about
23 expanding airports?

24 MS. PORTER: Okay. I thought I gave you that one.

25 The legislature support the expansion of Kenai

1 fishing area rural airports so that large planes can carry
2 a full payload of fish or whatever to market.

3 MR. POMEROY: Is that a commercial thing or that --

4 MS. PORTER: All the time. They can't get off. It's
5 a short runway, it's in a bad spot and they cannot get off
6 the ground.

7 MR. POMEROY: Moving them regularly?

8 MS. PORTER: Oh, yes. Flying night and day.

9 MR. POMEROY: As a total method?

10 MS. PORTER: Not total. There are processors there.
11 But fly them out of Bethel and out of Saint Mary's and out
12 of Dillingham.

13 THE MODERATOR: Don't you think, Rosie, that that's
14 the keystone of almost all transportation in the bush,
15 expanding the airports? When you tie it to fishing, I
16 wonder if you're not defeating the purpose.

17 MS. PORTER: That's a multi-million dollar industry
18 right there in Bethel and Dillingham.

19 MR. PARKER: Fishing is kind of a special case now.
20 War is a good analogy, but normally the mind has the
21 equipment to put in its own strip

22 THE MODERATOR: I was thinking groceries and fuel. I
23 can see all these areas being supplied eventually by an
24 airplane.

25 MS. PORTER: Fuel of course is barged up. Fuel is a

1 really hum thing.

2 THE MODERATOR: I know it is now. I'm talking about
3 ten years.

4 MS. PORTER: But it is akin to the expansion of the
5 area. Still, cheaper, still eight cents a pound to barge
6 things up and it's 19 cents to fly things in.

7 THE MODERATOR: Is that a jet, instead of a little one?

8 MS. PORTER: No. This is a jet.

9 MR. PARKER: With the regular needs of villagers, you
10 can serve those with short runways with the next breed of
11 Stoll aircraft, they'll be carry 50, 60 passengers, but
12 with the fish you're talking about heavy operations.

13 MR. MORGAN: Other places where you wait around to
14 sigh if the pilot is going to make it before before you
15 leave. Yen has willows on his landing gear. They're
16 pressing that.

17 MR. ECKHOLM: Something like expanded Kenai fishing
18 area airports to --

19 MS. PORTER: Or Kenai trade centers.

20 MR. NASKE: Or commercial centers. Expanded Kenai
21 trading centers -- Kenai commercial

22 MS. PORTER: Expand the runways.

23 MR. ECKHOLM: Can I add a question about this rural
24 airways you're talking about some? Some airports that I can
25 think of that are not exactly -- they are definitely not

1 urban, but I'm not sure what's being classified as rural.

2 MS. PORTER: Under 50,000, isn't it? Who said that
3 earlier?

4 MR. ECKHOLM: The airways is such akin to the
5 transportation all over the State. I do a lot of flying.
6 And I hate to think of some little air strip being excluded
7 because you're just pointing certain areas.

8 MS. PORTER: We did one for rural.

9 MR. ECKHOLM: That's what I was questioning. What
10 would you classify as rural? What is the criteria of rural?
11 Not in a populated center?

12 MS. PORTER: We've got Kenai commercial centers, Bethel,
13 Dillingham, McGrath. And we've got rural like a rural
14 airport.

15 MR. ECKHOLM: I'm thinking of some areas that are
16 areas that are, say, maybe around the Copper Center area or
17 even in places further out in the Matanuska Valley.

18 MR. ECKHOLM: That's rural.

19 MR. ECKHOLM: We have a recommendation to expanded
20 Kenai commercial center airports to provide for more
21 economic transportation systems. Is there any objection to
22 that?

23 MR. HARTLE: Didn't you leave out in rural areas?

24 MR. ECKHOLM: There was no mention of rural areas in
25 that.

1 MR. HARTLE: Won't this just mean Anchorage and
2 Fairbanks?

3 MS. PORTER: Talking about Kenai commercial centers
4 within rural areas.

5 MR. ECKHOLM: Okay. Kenai rural.

6 MS. SCHIRMER: Some people might not --

7 MR. ECKHOLM: Expanded Kenai rural commercial center
8 airports to provide for more economical transportation
9 systems.

10 MR. POMEROY: As long as you include Bear Cove in that.

11 MR. ECKHOLM: Is there opposition to that? Without
12 opposition, that's adopted. Is anyone going to make a
13 motion to adjourn.

14 MS. PORTER: I've got another one.

15 On government, I think there was one specifically
16 on local government.

17 That the legislature delay any attempt to
18 organize the unorganized Borough and studies can be made of
19 the economic and geographic feasibility of that region.

20 MR. ECKHOLM: I didn't write that.

21 MS. PORTER: That the legislature delay any
22 attempt to organize --

23 MR. ECKHOLM: Why don't we just vote on it.

24 MR. POMEROY: The unorganized Borough there's one
25 unorganized area.

1 MR. ECKHOLM: In the unorganized Borough.

2 THE MODERATOR: Read the question back.

3 MS. PORTER: That the legislature delay any attempt to
4 organize the unorganized Borough until studies can be made
5 of the economic and geographical--

6 MR. MERDES: Social and cultural effect.

7 MS. PORTER: -- feasibility of that organization.
8 The State doesn't care too much about social and cultural.

9 MR. MERDES: I'm doing it for your benefit. I think
10 they should take into consideration cultural impact of
11 levying taxes and making boroughs out of the bush. You
12 don't have to put it in.

13 MR. ECKHOLM: What were your words?

14 MR. MERDES: If she doesn't want it, fine.

15 MS. PORTER: Until studies can be made of the economic
16 and geographic feasibility.

17 What they want to do is they want to make bush
18 Boroughs. Economic and geographic would put boroughs in
19 common social, cultural, economic areas that already have
20 established ties. That wouldn't be as large and
21 unmanageable.

22 MR. ECKHOLM: The motion is to delay any attempt to
23 organize the unorganized borough until studies are made of
24 the economic and geographic feasibility of that
25 organization.

1 MS. PORTER: You can add social and cultural.
2 MR. ECKHOLM: Is there any objection to that?
3 MR. POMEROY: I note that there is just one other
4 feature involved in it. The Borough wall provides that the
5 legislature may activate the unorganized Borough and itself
6 become the --
7 MR. ECKHOLM: They are the --
8 MR. POMEROY: Assembly. They are the assembly. It is
9 not organized now. They are doing nothing in it at all.
10 MR. ECKHOLM: Right. Is there any further discussion
11 of that? That has been adopted.
12 THE MODERATOR: Any others?
13 MS. PORTER: Yes. Under law. I'll just make it short.
14 Expand the magistrate system in rural Alaska.
15 MR. POMEROY: Do what?
16 MS. PORTER: Expand the magistrate system in rural
17 Alaska.
18 MR. MERDES: You mean appoint more magistrates? Don't
19 you want to upgrade the quality of the magistrates? Some
20 of them are horrible.
21 MS. PORTER: And improve.
22 MR. ECKHOLM: Expanded and improve the magistrate
23 system in rural Alaska.
24 MR. MERDES: Improve, upgrade the quality. Improve
25 MR. ECKHOLM: We already said expanded.

1 MR. ECKHOLM: Is there objection?
2 MR. POMEROY: What else you got? I got one.
3 MR. PARKER: I'm not sure that --
4 MR. ECKHOLM: Pardon me?
5 THE MODERATOR: Come on, now. It's 11:30. Going on 12:00.
6 MR. POMEROY: What else you got? Anything?
7 MS. RICHCREEK: I have one. Bring the highways and
8 roads up to decent standards.
9 MS. STRASSBURG: Isn't this taken care of in our
10 improved network transportation throughout the State.
11 MS. RICHCREEK: It was passed by a moment ago.
12 MR. ECKHOLM: That was eliminated because it was too
13 vague. So what is the recommendation? Ma'am?
14 MS. RICHCREEK: Bring the highways up to a decent
15 standard.
16 MR. POMEROY: Do you mean provide better maintenance
17 and upgrading existing highways system?
18 MR. RICHCREEK: Upgrade the present highways.
19 MS. PORTER: Couldn't we make just one good energy
20 statement?
21 THE MODERATOR: We've got some in oil and gas.
22 MS. PORTER: We've got some in oil and gas.
23 MR. ECKHOLM: The motion is to upgrade the present
24 highway system. Was there any objection to that?
25 MR. HARTLE: What was that again?

1 MR. ECKHOLM: To upgrade the present highway system.

2 MR. POMEROY: Improve means that its upgrading.

3 You're always doing both with those things.

4 Before everybody goes home --

5 MS. RICHCREEK: I got another one.

6 THE MODERATOR: I'm ready to go home. Highways?

7 MR. MCGINNIS: I would like to say, Mr. Chairman, that
8 we appreciate our appreciation to chairman and our
9 facilitator and--

10 MR. MERDES: And somebody more important to that in
11 addition.

12 MR. POMEROY: Before you go home, does anybody care at
13 all the rate at which we're increasing State spending
14 annually? Is there any concern about whether we cut the
15 rate at which we're increasing?

16 THE MODERATOR: We'll know on Tuesday.

17 MR. POMEROY: That's exactly what I'm afraid of.

18 (The proceedings adjourned at 11:30 P.M.)

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