

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2455

this figure open and not vote on it until more information was received on the Saltonstall-Kennedy cut. Mr. Strandberg said he had no objection to accepting the figure now, and then reopening this section if the new information indicated a change, but it was decided to leave this section of the budget open.

PL 88-309: The Governor's recommendation was \$370,000. It was moved and asked unanimous consent that the \$370,000 be accepted by the committee. There being no objection, it was so ordered.

Anadromous Fish Act
PL 89-304: The Governor's recommendation on this was \$400,000. This is a program that is considered all federal receipts. However, the state does provide certain basics that they would have in any case. However, Mr. Freer explained the whole program is quite tentative and he said they won't be allowed to spend anything until they actually have the federal funds. The expected matching, according to the Budget Request book on Page 218, is \$150,000 in General Fund already shown elsewhere in Management or Research Budgets; \$100,000 in land-building holdings of the State. It was decided since this was a tentative program, this section would also be left open in the budget.

Adjournment: Mr. Strandberg announced the committee would meet again in the morning and have a bill session. Meeting adjourned at 4:45 p.m.

HOUSE FINANCE COMMITTEE MEETING
February 10, 1966
11:00 a.m.

Present: All members with the exception of Mr. Sackett, who was excused.

HB77: Mr. Borer moved and asked unanimous consent that HOUSE BILL NO. 77 (supplemental appropriation to renovate Governor's Mansion--\$80,000) be considered by the committee. There being no objection, it was so ordered.

Mr. Borer and Mr. Ray presented reasons for this renovation. (This backup material will be found in the bill file.)

Mr. Borer moved and asked unanimous consent that the bill be reported out of committee. Mr. Sassara objected. Motion carried.

Adjournment: Meeting adjourned at 11:30 a.m. and will meet again on Tuesday, February 14, 1967, at 10:00 a.m.

HOUSE FINANCE COMMITTEE MEETING

February 14, 1967

10:00 a.m.

Present: All members were present.

General meeting: Mr. Strandberg gave the following bill assignments:

HB 152: HOUSE BILL NO. 152 (Special litigation -- supplemental appropriation) assigned to Mr. Miller.

HB 153: HOUSE BILL NO. 153 (Executive departments (Labor, Military Affairs, Economic Development) -- appropriations) assigned to Messrs. Haugen, Borer and Sassara.

Gov.'s letter re HCR on leases: Mr. Strandberg assigned the letter and suggested HOUSE CONCURRENT RESOLUTION from the Governor concerning the leases, to Messrs Miller and Ray. Mr. Strandberg pointed out that the items listed in the suggested HCR are also in the budget document.

HB 78: There being no objection from the committee, HOUSE BILL NO. 78 was again before the committee for its consideration. Mr. Haugen explained that as he understood it, the committee agreed that the Fairbanks office; costs directly charged to renovation of mansion; and those funds considered transitional or overlapping would be in other bills. Mr. Strandberg asked if that was agreeable to the committee. There was no objection. Mr. James Scott, Administrative Officer, Office of the Governor, arrived at this time to discuss HOUSE BILL NO. 78. Mr. Strandberg said the portion on the Fairbanks office would not be discussed now, and that the portion for the Governor's Mansion renovation would be included in the regular FY67-68 budget and deleted from this bill. Mr. Guess arrived at this time.

HB 152
HB 153
HB 78

Under the Executive Office figure, the amount of \$80,900 was changed to \$44,335. Mr. Scott gave the following explanation:

Personal Services:

\$14,600 -- Personal Services. Mr. Scott said that they had to use \$18,000 out of personal services to pay terminal leave for employees leaving the Governor's office, and they needed the additional money to pay salaries for Administrative Officer III, and Director of Information through FY 67.

Discussion concerning this figure followed with Mr. Strandberg, Mr. Sassara and Mr. Scott discussing the creation of a new position in the Governor's office. Mr. Scott told the committee that three of the positions had been downgraded, so there would be enough money to fund for the Administrative Officer III under the FY66-67 budget. The problem and reason for additional money was due to the large amount paid out to employees on terminal leave. Mr. Guess left at this time.

Travel:

\$4,800 -- Travel. Mr. Scott explained that the former administration had overspent on this appropriation, and they needed this amount to bring it back to the normal amount

to finish the year. There was \$3,000 left when Gov. Hickel took over in December, and there is now \$1,800 left. In answer to a question by Mr. Ray, Mr. Scott said this amount covered travel for the Governor and also his staff. Mr. Ray thought that the words "within Alaska travel only" should be removed from this item.

Contractual Services:

\$21,035 -- Contractual Services. Mr. Scott gave the following breakdown on this figure:

2,300 -- Printing & advertising;

5,200 -- Long distance, postage, etc.;

600 -- new stationery, inaugural addressing;

4,000 -- Repairs, Juneau and Anchorage;

3,000 -- Transportation for new personnel and their belongings;

1,600 -- Equipment rental; (2 IBM magnetic tape machines)

3,500 -- Professional fees, contracts, legislative liaison;

35 -- Insurance and bonding;

800 -- Assessment Governor's Conference dues -- prorated on all 50 governors.

Commodities:

\$300 -- commodities. Mr. Scott explained this was to cover costs of photographic supplies for official portrait of Governor for inauguration.

Equipment:

\$3,600 -- Equipment. Mr. Scott explained this figure covered the cost of 8 new typewriters @ \$450 each.

Governor's Mansion:

Under the figure for the Governor's Mansion in HB 78, Mr. Scott gave the following breakdown:

Personal Services:

\$2,500 -- Personal Services. The two parttime positions were combined into a full time, which brought the figure from \$3,000 a year to \$4,800. Also, there were also additional costs for help to clean during the moving in of the new Governor.

Contractual Service:

\$3,300 -- Contractual Service. Moving expenses, preliminary plans for renovation of Mansion are included in this figure.

Commodities: \$1100 -- Commodities. Transitional costs for the inauguration.

Equipment: 800 -- Equipment. This amount was to replace lamps, worn out kitchen appliances, vacuum cleaner, etc.

Elections: Under HB 78, Mr. Scott explained that the \$20,000 for the election was to pay off bills from the last election. One reason this ran short was because \$4,000 was paid out to Mrs. Lil Angermann, Director of Elections, for terminal leave. He explained she is working under contract services now. Mr. Scott was instructed by Mr. Strandberg to bring back to the committee more detailed information on this so it could be determined what was transitional and what was short for the last election.

OEO: Mr. Strandberg said the amount of \$1,800 would be dropped from this bill as it should not be included in this particular bill.

Mr. Strandberg instructed Mr. Haugen, Mr. Scott and Mr. Montgomery to draw up a rough draft to incorporate the above changes into a COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 78.

Recess: Mr. Strandberg said the committee would meet upon adjournment of the House. Committee recessed at 11:00 a.m.

3:45 p.m.

HB 78: Mr. Strandberg called the meeting to order and stated work would resume on HB 78. Mr. Haugen moved and asked that HOUSE BILL NO. 78 again be considered by the committee. There being no objection it was so ordered.

HB 78

Elections:

Mr. Scott told the committee that for FY67 the Legislature had appropriated \$230,000, though the Governor's office had only requested \$205,000. He stated there was a balance of \$16,000 in this fund as of January 31, 1967. He said the original request for the voting machines in Anchorage was \$4,200, and then the bill came to \$6,500. He said the total outstanding bills for elections came to approximately \$38,000. He said contractual had the balance of \$16,000 and the following are on deficit:

Travel --	\$1,300
Commod.--	1,400
Equip. --	500

Mr. Scott gave the following breakdown for the \$20,000 request:

\$9,700	-- Personal Services
8,000	-- Contractual Services
1,200	-- Travel
1,200	-- Commodities
900	-- Stationery, office supplies
200	-- Office Equipment
<u>\$21,200</u>	

(No explanation was given for this not balancing to the \$20,000 requested.)

CSHB78:

Mr. Haugen moved and asked unanimous consent that the committee adopt CSHB78 in lieu of HB78. There being no objection, it was so ordered.

Mr. Strandberg asked for a show of hands on passing the bill out to the floor with a do pass. Motion carried, with one vote against.

Adjournment:

Meeting adjourned at 4:25 p.m. Mr. Strandberg reminded members of joint meeting with Health & Welfare at 8:30 a.m. in Conference Room on second floor.

HOUSE FINANCE COMMITTEE MEETING
February 15, 1967
8:30 a.m.

Present: All members were present, along with the House Health, Welfare and Education Committee; Mr. Fink, Mr. Balone, Mr. Hensley; Dr. Clifford Hartman, Commissioner, Department of Education; Robert Isaac, Special Assistant, Department of Education; Mr. Leonard Lowell, Director, Division of Buildings, Department of Public Works; Mr. Robert McLean, Asst. Area Director, BIA; Mr. Emil Kowalczyk, BIA; Mr. Merle Armstrong, BIA; plus others.

HB 114: Mr. Strandberg was Chairman for this joint meeting of the Finance and HWE Committees to discuss HB114 (relating to appropriations for Department of Education). Mr. Strandberg explained that HB 114 was needed to implement CSHB 441 am, which is Ch. 168, SLA 66. He pointed out that under Sec. 2(1), Ch. 168, that ". . . money for a regional high school shall not be expended until the governor has certified that appropriate agreements with the federal government providing for complete federal funding of the construction and operation of the domiciliary facilities as to native pupils at that regional high school and for other federal funding as may be available have been executed;". Mr. Strandberg stated that this was the reason they had got into this problem, and that an agreement would have to be executed with the BIA before any funds could be expended if the intent is that the funds be returned from the bond sale. He said he wanted the staff from Department of Education and the BIA to bring the committees up to date on this implementing legislation in Sections 1 and 2 of HB 114. Mr. Strandberg asked if there were any questions concerning the procedure that will be necessary to implement this program at this time. Since

there were no questions, Mr. Strandberg asked Mr. Isaac to go into detail on this. Mr. Isaac said there would have to be an investigation of sites available, and this would be carried out by the Division of Buildings in Public Works. He said there was also the question of the bond sales, but he felt that while they were waiting on these funds, that it would give the Division of Buildings time to do their investigation. He said there must also be some sort of committal from BIA that they will participate in this program. Mr. Isaac said he thought it would be proper to hear from them at this time. Mr. Strandberg asked if the Department of Education had any interpretation on Sec. 2(1) of Ch. 168 SLA 66, and asked if they were prepared to bring a document certified by the Governor that an agreement had been reached. Mr. Isaac said no, they could give no assurance that any formal agreement had been signed. He said this was dependent upon the state being ready to make specific proposals to the BIA, and he felt some advance planning would have to be done to arrive at this point.

Mr. Strandberg pointed out that HB 114 was enabling legislation and he felt the agreement had to be done before the bill could be passed. In answer to a question by Mr. Strandberg, Mr. Isaac said they had not discussed this with the administration. Mr. Strandberg said that in that case then, they weren't even close to meeting the requirements of Sec. 2. Mr. Strandberg said he was curious to know how they could get around not having a formal agreement, as required in Sec. 2(1), with the BIA on these facilities that would satisfy bond counsel.

Mr. Strandberg asked the group from BIA how far along they were

in their plans and if they were working to culminate an agreement for these facilities. Mr. McLean, the Assistant Area Director for the BIA then read the following statement from Mr. O.O.Morkan, the Area Director:

"I will give assurance that the Bureau of Indian Affairs will request necessary funds for domiciliary facilities for regional high schools and offer whatever cooperation is necessary provided the state is willing to build these schools and provided the state plan is modified should this be necessary."

Mr. Strandberg asked if they had any plans to go to Congress on this, and what would be their timing. Mr. Kowalczyk said it would take about two years; however, in March they have a meeting scheduled to review their entire program, and bring this before the Bureau of the Budget. He said the March meeting would be in Albuquerque, New Mexico. Mr. Ray asked if there was a possibility the funds would be denied, or pushed back four or five years. Mr. McLean said his office would put as much push behind this program as possible but could not say what would happen for sure.

Mr. Miller asked if the BIA was thinking in terms of one or more dormitory facilities. Mr. McLean said they were planning on one facility at this time. He said the reason for the March meeting was so the plans on this could be brought up to date. Mr. Strandberg said that with the present information, he could not see how this could be handled as presented in HB 114, and he felt that they would have to appropriate from the General Fund, with the strong possibility that it might not be returned from the bond sale.

Mr. Strandberg asked Mr. Hartman to review for the benefit of both committees, Sections 1 and 2 of HB 114, and if the Governor is ready to certify to an agreement with the federal government. Mr. Hartman replied that he would rather wait until the BIA people have their March meeting and report back to him, then he would be in a better position to answer the question. Mr. Strandberg said he felt that HB 114 would have to be re-written but he would much prefer that the Governor write a letter stating that there was a problem on the agreement, and notwithstanding the agreement, he wanted the planning work to go ahead. Mr. Strandberg suggested that Mr. Hartman take this up with the Governor immediately.

Mr. Strandberg pointed out that there would be no problems with Sec. 2 of HB 114, and he felt it could be put into a separate bill and passed without any trouble. (Sec. 2 appropriates \$145,000 to the Department of Education from the General Fund for the purpose of an advance to the 1966 School Construction Fund for the purpose of carrying out the purposes authorized by ch. 121, SLA 1966. Such advance shall be repaid to the General Fund from the proceeds of sale of bonds authorized by ch. 121, SLA 1966.) Mr. Strandberg asked Mr. Lowell what they would do with this money. Mr. Lowell explained that it was architectural planning, etc., for the whole package.

Mr. Strandberg asked Mr. Isaac if the administration was going to propose a regional high school in Bethel. Mr. Isaac said it was very probable that the Governor would do this.

Mr. Strandberg asked the BIA group what they would provide for the regional high schools? Mr. Kowalczyk said they would

provide the dormitories, kitchen and staff quarters. He further stated, in answer to a question, that the BIA would handle the major maintenance of these facilities but the day-to-day maintenance problems would be handled on a contractual basis with the state. Mr. Strandberg inquired about the report that was to have been completed in October by the Department of Education for the legislators. Mr. Isaac said it was available for distribution today, and Mr. Strandberg requested that all 60 members of the Legislature be provided with copies of this report.

Mr. Miller asked Mr. Isaac what they could do now to further advance toward a formal agreement with BIA, and wanted to know if they had to have preliminary planning money, or could they make the appropriate agreement without it. Mr. Isaac said that on the question of the agreement, they would first have to find out what is acceptable to the bond counsel; he said he would hate to see people revising plans, etc., only to find out it wouldn't meet bonding requirements. He felt they should find out what constitutes an agreement that would be acceptable to the bond people.

Mr. Strandberg explained to the group that it was not his intent to put anyone on the spot but he wanted to point up to them that the Finance Committee does not want to take this HB 114 down on the floor of the House, then have a member start asking about the agreement clause in ch. 168, SLA 1966. He said this was the reason for getting together on this problem.

Mr. Strandberg said he understood that at this time no definite administrative decision had been made as to the location of the regional high schools. Mr. Isaac agreed that this was correct. Mr. Wiggins asked if they would have to have site locations before the BIA would go along with their share. Mr. McLean said yes, they would have to have this information.

Mr. Hartman said the reason this has not been definitely decided is because everyone has been waiting for the report on the survey, and no one has had a chance to study or analyze this report on site locations.

Sec. 2
HB 114:

Mr. Lowell gave an explanation of Sec. 2 of HB114, and said the reason this was needed for this year's budget was that every day counted, and that if they had to wait until FY 1968 it could mean a delay of 2 or 3 months. He said this would take care of complete architectural planning; he said all schools, with the exception of Bethel, will be up to bid. He said that prior to July 1 they want to select an architect and get started on design. Mr. Sassara suggested that HB 114 be re-drafted, and put Sec. 2 into a separate bill and get it passed. Mr. Strandberg agreed, and said that Sec. 1 of HB 114 would have to be rewritten.

Recess: Meeting recessed at 9:40 a.m.

Joint Finance: Please see following pages for joint House and Senate Finance Committee meeting held at 2:00 p.m.

Regular Meeting:

4:35 p.m.

HB 85:

Mr. Strandberg called the meeting to order. Mr. Haugen moved and asked unanimous consent that HOUSE BILL NO. 85 (an Act appropriating \$30,000 to the Department of Economic Development for design and construction of the State Exhibit at A-67) be

brought before the committee. There was objection, then it was withdrawn, so HB 85 was before the committee.

Mr. Haugen gave detailed description of the plans for A-67.

(This backup material will be in the bill file for HB85.)

Mr. Strandberg reminded the committee that \$180,000 had been appropriated in FY67 for exhibits of this kind, and did not quite understand the thinking behind this request. Mr. Sassara agreed with Mr. Strandberg's remarks. Mr. Miller defended the bill, and pointed out it would be a state exhibit, it would not be left in Fairbanks, as would some others. Mr. Strandberg suggested that Mr. Murkowski, Commissioner of Economic Development be advised of this discussion, and be prepared to come before the committee, possibly tomorrow afternoon, and see if there isn't money available in the amount already appropriated.

Dept. of
F & G:

Mr. Strandberg said that the Fish & Game budget would be closed out at the 8:30 a.m. meeting tomorrow, and following Fish and Game,

Dept.
of Law:

that Mr. Miller could close out Department of Law.

Adjourn-
ment:

Meeting adjourned at 5:00 p.m.

Meeting: The committees met at 2:00.

Lock-
heed
study

Those in attendance were Messrs. Ray Waller, Dan O'Leary, Kenneth Larkin, R. E. Williams, and George Bergst, Jr. all of the Lockheed Corporation. Also in attendance were Commissioner Ward, Department of Administration, Mr. Sharp, Department of Administration and Mr. Freer, Division of Budget and Management, Department of Administration. Senators V. Phillips and Blodgett; and Representatives Haugen, Miller, Borer, Sassara, Strandberg and Sackett were present.

A detailed introduction was presented by Mr. O'Leary.

Doctor Chapman, Commissioner of Health and Welfare entered at this point.

Senator Blodgett and Mr. O'Leary discussed the physical location of the equipment that will be used and the people. It was stated that they could be handled by Administration. Mr. Strandberg asked if this meant that there would not be any programming in Highways itself and Mr. O'Leary said no, but that he had met with the Highway people and this was satisfactory with them and it would meet their needs.

Mr. Larkin continued the Lockheed presentation at this point and stated that the final report was now completed and additional copies would be furnished to the state at our request.

Mr. Bergst continued, explaining Criminal Justice System and how it would be used with this system. He continued going into organizational benefits.

Representative Bill Ray came in at this point.

Representative Sassara left at this point.

The presentation continued. Mr. Strandberg asked that if the cost of \$253,000 for 1966 was the present and existing cost. It was answered that it is the present cost for hardware only.

Phase out
present
system:

Senator Blodgett asked how would we dispose of the present computers when the time comes to phase them out. Mr. O'Leary stated that all three are leased. The phase out would occur approximately 6-9 months after the installation of the new computers.

The presentation continued, by Mr. Larkin.

Mr. Strandberg left at this point. Senator Blodgett asked for more detailed information on personnel and other items.

Potential federal funding was discussed and Mr. Borer asked if there was a program set up for the federal funding. Mr. Larkin said no not definitely.

Recess

The meeting recessed at 3:20 p.m.

at 3:30 p.m.

The meeting was called to order/by Senate Finance Committee Chairman, V. Phillips, with Messrs. Haugen and Borer in attendance along with the Lockheed people and the Department of Administration people.

Equip-
Ent
Contract: The discussion continued, as Mr. Larkin pointed out that Lockheed does not manufacture any of the equipment that would be required of this system.

It was pointed out that the University of Alaska was not taken into consideration in this report.

Investigate
U of A
Computer
System:

Senator V. Phillips stated that he would like to make an

investigation of the University of Alaska computer system for

the system.

A general discussion ensued concerning several subjects including total cost of implementing the program (\$6,000,000); how much would

be paid to the contractor (25% of \$6,000,000); the people saved by the system; how soon will this system be outmoded and so on. Commissioner Chapman address^{ed} the committee at this point and stated that the SWIS system will be too heavy for Health and Welfare at this time. In his opinion, Lockheed hasn't been questioned enough or in sufficient detail and urged the committee to ask more and more questions to find out if we are doing the right thing. Mr. Larkin commented that the study has cost \$200,000 and as far as he was concerned it was a bad business deal.

Commissioner Ward commended Lockheed on their study and timely arrive of their report on the deadline (February 15, 1967). The meeting was adjourned at 4:15 p.m.

HOUSE FINANCE COMMITTEE MEETING
February 16, 1967
8:30 a.m.

Present:

All members were present. Mr. Frank Murkowski, Commissioner Economic Development, and Mr. Herb Adams, Executive Director, Alaska State Centennial Commission were also present to discuss HOUSE BILL NO. 85.

HB 85:

Mr. Haugen briefed Mr. Murkowski, and Mr. Adams on the problems that had been encountered at yesterday's meeting concerning HB 85. Mr. Strandberg pointed out to them that if they took the bill down to the floor of the House, that any disgruntled member, who felt his community had been short-changed, could offer an amendment to include more money for his area. Discussion centered on the per capita allotment from the \$180,000 that was appropriated in FY66-67. Mr. Adams explained that the original per capita had been updated from the 1963 census to the 1965 census. In answer to a question from Mr. Sassara, Mr. Adams said that no one had applied for more per capita grants. Mr. Strandberg asked if any of the money appropriated on the per capita basis had been used for anything other than the original intent. Mr. Adams replied that it had not been used for any other purpose than what it had been appropriated. Mr. Strandberg, Mr. Sassara and Mr. Adams discussed the problem of the Anchorage share of this appropriation, based on the per capita allotment. Mr. Adams described to the committee the exhibit they were planning, and emphasized that it was not a Fairbanks exhibit, but that it was an Alaskan exhibit, which would be shown along with the individual community exhibits in the cultural center.

Mr. Strandberg pointed out to the committee that the \$180,000 appropriation was to be used by the communities for leasing space in the cultural center, and therefore this money would help pay for the amortisation of the building, and since this Alaska exhibit for \$30,000 would be in the same area, he felt it was in the same category as the original appropriation.

Mr. Murkowski pointed out that after the Centennial, that the exhibit had approximately five-year lifetime, and that it could be used anywhere in the state for any purpose.

Mr. Sassara said he felt there had to be an end somewhere on state money going into the Centennial, and he said the state was spending money much faster than they were taking it in on tourism. He felt the tourists and visitors to this center should have a pretty good idea of what was going on in Alaska through the individual exhibits of the communities, and the commercial exhibits of the mining, fishing, oil, and other industries.

Recess: The committee recessed at 9:20 a.m., and will return after the House adjourns.

2:00 p.m.

All members were present except Bill Ray, who was working on Department of Labor budget with the commissioner.

HB 114: Mr. Strandberg said if there was no objection, HB 114 would again be considered before the committee.

Mr. Sassara moved and asked unanimous consent that the committee adopt the following amendment:

Amendment: Page 1, line 6: Change "appropriations" to "an appropriation"
Page 1, lines 9 through 13: Delete Section 1 and renumber
other sections accordingly.

There being no objection the amendment was adopted by
the committee.

Mr. Miller moved and asked unanimous consent that HOUSE
BILL 114 as amended be reported out of the committee with
a do pass. There being no objection it was so ordered.

Assignment: Mr. Strandberg assigned Military Affairs budget to Mr.
Sackett.

The members planned to spend the balance of the afternoon
on their various subcommittee assignments.

Adjournment: Committee adjourned at 2:25 p.m., and will meet again at
8:30 a.m. tomorrow.

HOUSE FINANCE COMMITTEE MEETING
February 17, 1967
8:30 a.m.

Present: All members were present.

Fish & Game Budget Continued: Mr. Borer continued from the February 9 meeting on the Fish & game budget. He referred to page 167 of the Budget

Comm. Fisheries/Request Research: book, which shows \$20,000 from Saltonstall-Kennedy funds which were not received, and said that money was now in PL88-309 funds.

Anadromous Fish 89-304: Mr. Borer said that the money the State matches with the Federal is all tied up in Research and Management, and that this money would be appropriated by the state in any event. So the Federal actually appropriates the \$400,000 without any cash outlay from the State.

Legislative Intent: Mr. Strandberg said that it was the understanding of the committee that if the \$400,000 is not forthcoming from the Federal government, that no state money will be expended on this program. Mr. Freer assured Mr. Strandberg that no money would be spent on this program until the Federal money was received by the State. He added, however, that the state money is in other programs and would be spent in any event, so there is no problem on this that he can see. Mr. Borer pointed out that there was \$250,000 in the Federal budget that has not been received. for this for FY67/ Mr. Strandberg asked Mr. Freer to notify the Finance Committee when the \$250,000 federal fund is approved, and if they receive word after the session adjourns then the members on the committee should be notified by memo. Mr. Borer pointed out that since \$1,600,000 is being spent on research that theoretically the State could be eligible for that amount.

Research: It was moved and unanimous consent was asked that the \$379,500 be accepted (as shown on page 196 of the Budget Document). There being no objection, the figure was adopted.

Anadromous Fish Act PL 89-304: It was moved and unanimous consent was asked that the \$400,000 be accepted by the committee (shown on page 196). There being no objection it was so ordered. (This figure should be shown with the legislative intent.)

Total Program Commercial Fisheries: It was moved and unanimous consent was asked that the figure of \$2,436,500 be accepted as the total figure for this program. There being no objection, it was so ordered.

Federal receipts: Mr. Freer gave the following breakdown of the Federal Receipt figure of \$694,500 (page 195 of the Budget Document):

\$400,000	- Anadromous Fish Act
277,500	- PL 88-309
17,000	- Basic research
<u>\$694,500</u>	

Program Receipts: The figure under Program Receipts comes from the Seismic program under Management, which is totally funded by the industries involved.

Game: Mr. Sassara noted that the Travel under the program had been cut back \$5,000 from what the department had requested, and asked Mr. Freer what the thinking on this was. Mr. Freer said it was to get the department back to the current year's level. Mr. Freer said that even though they do operate from special funds, they do not referred "preferred" treatment, and must be kept in line with other departments. Mr. Sassara pointed out that the state is carrying a big balance in the Fish & Game fund and he couldn't see why there was any reason to cut back in this area, as long as the money was there.

Lapsed Funds: Mr. Strandberg asked Mr. Freer to please provide the committee with a complete analysis of the lapped funds, and specifically

in this particular area. Mr. Strandberg said they would proceed on the Game budget, but if at a later time Mr. Sassara wanted to open the Travel section of this budget, they would re-open it.

**Contractual
Services
(300):**

Under this category, there was discussion concerning the large amount of money for long distance telephone calls, and the value of them. Mr. Strandberg felt the teletype system owned by the state could be used more and the long distance phone somewhat less.

Mr. Strandberg wanted a meeting set up for 2:00 p.m. on Monday with Mr. Kirkness, Mr. Marvich and Mr. Brooks of Fish and Game on the program of transferring of moose from one area to another, and also the inventory of equipment now owned by Fish & Game.

**Equipment
(500):**

The question was asked why they needed so much more money under Equipment this year than last. Mr. Hauger said the reason was that they were cut back so much last year that they had to have this equipment this year. It was decided that this figure would be accepted subject to the inventory list that Fish & game is to give to the committee. Mr. Strandberg pointed out that the Audit Committee is quite concerned about this lack of inventory on the equipment for this department.

**Total
Management:**

It was moved and unanimous consent was asked that the \$303,800 figure for Management (p. 200 Budget Document) be accepted by the committee. There being no objection, it was so ordered. Acceptance of this figure, however, is contingent on the Department of Fish & Game supplying the Finance Committee with a complete inventory of equipment.

Recess: Meeting recessed at 9:40 a.m.

10:00 a.m.

Research: Under Game Program, Research on Page 200 of the Budget Document: Personal Services, the amount of \$504,800 was discussed. The increase in this was due to the request for seven additional employees.

Personal Services
(100):

Travel (200): Increase in travel is due to new positions as mentioned under personal services.

Mr. Strandberg asked if there had been any lapsed funds under Travel. Mr. Freer said the whole program lapsed \$55,000, but he did not have the figure broken down, so he didn't know if any of it was in Travel. He went on to say that if they had needed more money under this, they could have applied to have money transferred from another area, such as personal services, or wherever there was going to be extra money. (This is done under executive order through Department of Administration, with the permission of the Governor) Mr. Haugen pointed out that since they were filling these new positions, they would need the travel money to perform the functions for which they were hired.

It was moved and asked unanimous consent that the committee refuse the extraordinary amount of travel outside the state of Alaska for various meetings and that the difference in this sum be applied to the contractual services (300).

After the above motion, it was decided that a full report on travel by the Department of Fish & Game would be discussed with F&G officials next week in a committee of the whole and the problem will be resolved at that time.

**Contract-
ual Services:**
(300)

The Department requested \$227,500 and the Governor's allowance was \$181,700. Mr. Freer said they received a 10% increase, and not what they asked for. He said that \$10,000 of this was for the new positions, and the balance was the increase for the existing programs.

It was moved and asked unanimous consent that the committee accept the Governor's recommendation of \$181,700. There being no objection, it was so ordered.

Commodities:
(400)

The figure of \$54,400 was approved by the Committee.

Equipment:
(500)

Mr. Strandberg said the same motion applied to the figure of \$25,800 here that the department must furnish an inventory list. The figure was approved conditionally, and, if after the inventory list is supplied and the committee is not satisfied, then it can be re-opened.

**Total
Research:**

It was moved and asked unanimous consent that the figure of \$893,500 be approved by the committee, contingent on the inventory list as mentioned above. Mr. Sackett objected, and asked that his objection be recorded. On a show of hands, the motion carried and the figure was accepted.

Meeting:

Mrs. Banfield, Chairman of House Health, Welfare & Education Committee asked the House Finance committee to meet in joint session and hear more information on regional high schools. The committee agreed to this meeting and it was scheduled for Tuesday, February 22, 2:00 p.m.

**Total
Budget -
Game:**

The total budget figure of \$1,197,300 (Program of Game -- Management and Research) was accepted by the committee.

**Funding
Game:**

Mr. Freer explained the funding as shown on page 199 of the Budget document. He said the Federal receipts were from the Pittman-Robertson fund, and the Special Fund was the

Fish and Game Fund which was derived from game licenses. The Pittman robertson fund was \$670,200, and the Fish & Game Fund was \$527,100.

**Protection:
Personal
Services:
(100)**

Mr. Freer said that the Department of F&G requested 11 new permanent employees in this division to replace temporary employees; however, the Governor's budget review committee did not allow this, though the temporary employees' positions are still in the budget. Mr. Strandberg pointed this out so that in reviewing the Budget Request book, it would be understood that these 11 positions were not cut back -- they had just left them as temporary instead of permanent.

**Travel:
(200)**

Under this category, in answer to a question by Mr. Strandberg, Mr. Borer said they did not have much outside travel.

**Contractual
Services:
(300)**

The figure of \$293,000 which was the Governor's allowance was approved by the committee.

**Commodities:
(400)**

Mr. Freer explained the reason they (Governor's review committee) had increased the food allowance from \$20,000 to \$23,000 was because they had left the temporary employees, and the \$20,000 figure had been based on the department's request for permanent employees. The \$71,400 figure of the Governor's was accepted by the committee.

**Equipment:
(500)**

The figure of \$31,200 was approved, but again contingent on the inventory list to be supplied by the Department of Fish and Game.

**Total budget
Protection:**

It was moved and unanimous consent was asked that the total figure of \$1,105,300, total figure for Protection, be accepted by the committee. There being no objection, the committee accepted it, contingent on the above mentioned inventory list for equipment.

Bounties:

It was decided by the committee that they would return to this budget at a later date.

Sport Fish:

Under the program for Sport Fish, Management, the total budget was discussed.

Travel:
(200)

Under this category of Travel, it was again decided that the committee does not want this large amount of travel money spent on outside travel. This will be discussed and put into a memorandum on legislative intent after discussion with Fish and Game people next week.

Total:
Management

The total figure of \$218,300 was accepted by the committee

Research:

The total figure of \$428,000 under Research was accepted by the committee, but again contingent on the inventory list to be supplied by the department.

Total:
Program of Sport Fish:

It was moved and unanimous consent was asked that the total budget for Sport Fish of \$646,300 be accepted by the committee. There being no objection, it was accepted contingent on the inventory list as explained above.

Funding:

Under Federal Receipts (page 207 Budget Document) the amount of \$321,000 is the Dingell-Johnson federal money, and the special fund is the Fish & Game fund.

King Crab Control Board:

The figure of \$157,000 as shown on page 211 of the Budget Document was discussed. It was moved and asked unanimous consent that this figure be accepted. There being no objection, it was so ordered.

Recess:

Meeting recessed until 2:00 p.m.

The committee met at 2:00 p.m. with all members present.

F & G

Working
Capital Fund: Aircraft and vessels summary:
Item 500, Equipment: Mr. Borer explained that \$30,400 will be used for vessel purchase for 2 vessels for rapid patrolling in Southeastern. \$1,000 is for aircraft and \$4,000 is for use of vessels, making the total figure \$35,400 as the Governor's Recommendation. It was noted that \$65,000 (net figure) will be brought in per year from these boats, for the Working Capital Fund.

Rates: Mr. Sassara asked if possibly the rates were too low, and it was generally agreed that this item could be looked into to perhaps raise the rates.

Surplus: Mr. Borer stated that 15 vessels were surplussed within the last year; and pointed out that when the boats are surplussed, the money goes back to the Working Capital Fund.

Depreciation Schedules: Mr. Borer stated that there was not enough money in this fund and that the depreciation of the vessels was too slow.

Letter of intent: Mr. Strandberg stated that this will be pointed out in our letter of intent. Mr. Haugen stated that it was the feeling of the committee that an accelerated depreciation schedule be set up for the two new vessels that they are going to purchase, and that a full review of this whole program be made. Mr. Borer asked that we be provided with a copy of their depreciation schedule by Fish and Game.

Deprecia-
tion
schedule

Chairman Strandberg instructed the subcommittee to draft that portion of the letter of intent concerning an accelerated depreciation schedule; rental rate review and a review and analysis of the working capital fund in its entirety.

Rental of boats: Mr. Borer suggested that Fish and Game contract for these boats, and get out of the boat business. Mr. Strandberg instructed

the subcommittee to work with the Fish and Game Department to see if they really wanted to do this or not. Mr. Borer said that they were cutting down on the vessels' use and running themselves out of business.

Meet on Monday Feb Mr. Strandberg stated that this matter should be brought up at Monday's meeting at 2:00 p.m. with Fish and Game .

*Total
74 H.
Working
Capital*

Mr. Haugen moved and asked unanimous consent that the figure of \$336,800 be accepted as the final figure for the Fish and Game Working Capital Fund. There being no objection it was so ordered.

Recess: The Committee recessed, after completing the Fish and Game Budget.

Meeting: The Chairman called the meeting to order again at 3:05 p.m.

Law Budget - The committee began deliberations on the Department of Law Budget.

\$815,800 100 - Personal Services - An increase of \$52,600 over 66-67. The original request had been a total figure of \$821,000 but the Governor cut it down to \$815,800. The increase was partly because of new positions which hadn't been filled before and also for reclassification and so on. Mr. Sackett asked if the legislature had the power to deny a reclassification and it was noted that it did.

\$32,000 200 - Travel - An increase of \$6,900. This increase is for the district attorneys to be able to travel more in their districts, to reach the more remote areas of Alaska.

\$191,800 300 - Contractual Services. An increase of \$69,200. It was pointed out that the Special Litigation Fund (see pg. 21 of the Budget Document,) item has been taken out of the Governor's Office and placed in this item for Department of Law (300 Contractual Services). This figure is in the amount of \$35,000.

\$13,800 400 - Commodities - An increase of \$2,000 was explained, to the committee's satisfaction.

\$8.700 500 - Equipment - An increase of \$2,000 was explained, to the committee's satisfaction.

\$4,000 700 - Grants, Claims and Shared Revenue - This figure remained the same.

Mr. Ray moved and asked unanimous consent that the total figure of \$1,066,100 be accepted for the Department of Law. There being no objection, it was so ordered.

Adjournment: The Committee adjourned at 3:40 p.m.

Meeting: The Committee will meet tomorrow morning, February 18, 1967

HOUSE FINANCE COMMITTEE MEETING
February 18, 1967
8:30 a.m.

Present: All members were present.

HB 152: Mr. Miller moved and asked unanimous consent that the committee bring up HOUSE BILL NO. 152 at this time. There being no objection, it was so ordered.

Mr. Miller quoted figures from a memo to Commissioner Ward from Attorney General Burr as follows: A Wn. D.C. law firm (Wilkinson) will be paid from \$15,000 to \$20,000 (\$60 per hour). Ed Boyko has also been retained for Indian Land Claims, @ \$3,000 per month plus costs and travel expenses. An amount of between \$15,000 and \$20,000 will be paid to him between now and June 30, 1967. Out of the total figure shown in HB 152 of \$44,600, approximately \$39,200 is for contractual services, those of the two law firms mentioned. The remaining \$5,400 is for litigation concerning the freight rates of Alaska Steam.

Mr. Miller stated that there was \$23,220.50 in the Special Litigation Fund as of 1-1-67, and that \$9,811.00 is for EBS Consultants. Mr. Strandberg asked who was EBS Consultants, and Mr. Miller stated that he would have to get further information on this matter.

Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 152 be sent back to the subcommittee for further work. There being no objection, it was so ordered. HOUSE BILL NO. 152 will be brought up on Monday.

HB 81: Mr. Strandberg moved and asked unanimous consent that HOUSE BILL NO. 81 be brought before the committee for discussion. He recommended the original figure as shown in the bill of \$133,200 be raised. He further stated that if this figure remained the same, by April 15 they will be out of money and will be closing down the field offices.

HB 152
HB 81

Amendment: Mr. Strandberg moved and asked unanimous consent that the figure of \$133,200 on line 9 be deleted and a new figure of \$153,200 be inserted in lieu thereof. There being no objection, it was so ordered.

Mr. Strandberg moved and asked unanimous consent that HOUSE BILL NO. 81, with amendment, be reported out of committee with unanimous do pass recommendation. There being no objection it was so ordered.

Adjournment: The meeting was adjourned at 9:00 a.m.

HOUSE FINANCE COMMITTEE MEETING
February 20, 1967
8:45 a.m.

Present: All members were present.

Department of Commerce: Commissioner Sharrock, Deputy Commissioner Wally Kubley and Administrative Assistant Jim Fennel were present.

Off. of Commissioner

Dep. Commissioner Position: It was noted that this position is shown in the budget as 25 pay range, in a step D, (rather than as usually hired in a step C), which is an increase of \$1,716. The policy of hiring in certain steps was discussed concerning partially exempt positions.

Travel: It was noted that the item 230 - transportation costs outside Alaska, was increase by \$750 from 1966-67 (\$250) to \$1,000 for 1967-68. Mr. Fennel explained that the commissioner is required to travel on certain committees; and in the past, these trips were not budgeted for.

Contractual services: Commissioner Sharrock stated that he has directed all division heads to use the services of the teletype machine and letters rather than the long distance calls, in order to cut down on this item - (communications - 310). Mr. Sackett asked what code 390 (continuing study) was. It was noted that this would be for SWIS. Mr. Borer questioned code 360 - equipment rental - which was an increase from \$200 to \$1000 . It was explained that previously this was not budgeted for, that it was picked up from lapsed funds from whichever division had extra money.

Commodities: Code 480 was discussed briefly and explained it was not previously budgeted for, but was also picked up out of lapsed funds.

Central Licensing

Personal services: A jump from \$10,900 to \$30,400 (an increase of \$19,500)

was explained by Mr. Kubley; these 2 new positions (Clerk TypistII) were authorized by the last legislature and were eliminated by Department of Administration. These positions have been filled and are not new positions. He also noted that on page 139 of the Budget Document the figure should be ^{/not} 14 people, but 10; 65 for the present year and 75 for the coming year. These positions were tied to and authorized by the act passed last year.

Mr. Strandberg said that this situation will be reviewed to find out what really happened.

Travel for boards: The frequency of travel and meetings was discussed and Commissioner Sharrock noted that the meetings will average out to approximately 2 per year; and that each board will be limited to two. He also stated that sometimes the frequency of some of the boards' meetings could be blamed on the pressure applied by persons wanting licenses, etc.

Mr. Ray stated that provisions should be made for membership to the American Medical Association on a national basis. Senator Begich entered at this point.

Mr. Borer asked why can't we cut the meetings down to one meeting a year, and give out temporary permits. Commissioner Sharrock stated that as far as the department was involved, they had to go by the rules of the board. Mr. Ray also added that these boards are set up to serve the people and you will run into trouble if services are cut down.

Commissioner Sharrock mentioned that this situation is being reviewed however, the information won't be available before the legislature adjourns.

Contractual services - Code 380 (Contract with Engineers & Architects \$4800)

Mr. ^{what} was discussed./ Borer asked just/was this for. Mr. Fennel answered that they have contracted them to handle the functions of the board, further explaining that if we took this on ourselves, it would cost much more.

Senator Begich stated that the Architect part of the board was not being run properly and that this needed to be looked into.

Audit of
Architects

Mr. Strandberg stated that the Legislative Audit Committee will make

1. ~~looking into this problem.~~

Board
Review
Income &
Cost:

Mr. Strandberg requested a breakdown on the income from all of the boards and a list of the expenses to the state from last fiscal year, and also a projected breakdown on 1968.

Senator Begich left at this point.

Banking & Securities: Commissioner Sharrock stated that one position is being deleted this year, that of a bank examiner. This deletion was made subsequent to the preparation of the budget. He also stated that the department will contract with someone outside of the state, but that this position will not be eliminated. In other words, the department is just not budgeting for the position this year.

Contractual services: This increase is because of printing of forms.

Commissioner Sharrock said they hoped the new banking director will work toward a new banking code.

Representative Tom Fink entered at this point.

Equipment - Item No. 12, Book case is the only item that can be deleted.

We will get a letter from Department of Commerce to this effect.

INSURANCE: Personal services: \$5,900 is for an existing position which was omitted on the 66-67 budget review, but later approved.

The position of Director, (line 3, page 56) has never been filled since statehood. Mr. Strandberg asked what the present administration felt about this position, would it be filled or not? Commissioner Sharrock said it was definitely the intention to have this position filled and they would probably have to get someone from the states. He also stated it was his feeling that the positions of Banking Director and Insurance Director were not paid high enough.

Mr. Sassara asked the Commissioner if he would send us a separate letter on this specific item.

Mr. Fink spoke on the problems of insurance claims and stated that there were 4 bills now in the hopper pertaining to this very problem. It was his feeling that if there were sufficient staff (Insurance Director) these problems would not arise.

Mr. Fink then left the meeting.

Short explanations, satisfactory to the committee were given for the Document Processing Clerk I, page 57; Travel, page 60; Contractual services page 61; Commodities, page 62 and Equipment, page 63.

The meeting recessed at 10:00, to meet later in the day at which time the Commerce budget will be continued.

1:45 p.m.

Present: All members were present except Mr. Ray who had to attend another meeting.

Department of Commerce: Deputy Commissioner Wally Kubley and Administrative Assistant Jim Fennel were present.

Weights & Measures: The committee received requested information from the Dept. of Commerce concerning changes from the Governor's proposed budget.

Personal Services: Mr. Sassara noted a mistake in the Budget Request Book (100) on page 73, the Weights & Measures II and the Chief Inspector have been reversed in the book in items 2 and 3. Commerce wanted to show this as an increase for the Chief Inspector. Mr. Sassara asked why the difference of \$600 in the salary of the Motor Vehicle Inspectors. Mr. Fennel stated that one is a grade 12 and one is a grade 13. It is difficult to hire at level 12 and they hope to upgrade them to a grade 15. It was noted they hired a permanent part-time secretary.

Travel: (200) The Department requested \$15,000 and the Governor's allowance was \$10,800. A letter has gone out today requesting that the Governor reconsider it at \$15,000.

A discussion was held on whether any line item changes would be made after the session was over.

A discussion was held on the fairness of the weights and measures inspection.

Contractual Services: (300) One major change has to do with the relocating of the scale house on the Highway at Soldotna. It should be under 390 or 340 in the Budget. Mr. Fennel stated that motor traffic is coming through the Soldotna Road. If the scale house were near the intersection at Soldotna, traffic would have to go through the scale house. Mr. Fennel said that this move is

is in the planning stage.

Communications: A question was asked why communications went up 60 percent when there were no new people. Mr. Fennel said that the accounting chief of that section has to do the follow-up work that has not been done in the past. When the citations are issued, it requires two or three letters. The \$12,000 is directly connected to the Scale House Operator.

Commodities: This increase was due to maintaining the scale houses.
(400)

Equipment: The bulk of this request was for the 500 lb. test weights. When they have a large project, it takes these test weights to do the test accurately. Mr. Fennel said they have ordered eight this year and when they get the 13 ordered, they will be in business and will not have to get new equipment every year.
(500)

Public Service Commission Personal Services are up about \$19,000. There is an error on page 86. \$18,900 of this is the two new positions that are deleted (permanent full-time technical writer and clerk steno II). The Attorney General's Office has said they would furnish the Dept. of Commerce with an attorney to assist the Utilities Commission.
Personal Services :
(100)

Commissioner Sharrock entered at this time.

Mr. Sharrock said that a letter had been written to the Dept. of Law following this up but he has not received a reply. Mr. Strandberg requested that Commerce get a confirmation from the Dept. of Law that they can cover this position. If the Dept. of Commerce acquires the services of an attorney from the Dept. of Law, they can dispense with this position in their budget.

Special
Litigation:

Money was allocated for special litigation last year in the Dept. of Law for the purpose of PSC hearings in relation to Alaska Steam. A question was asked if that money was still available for special litigation for PSC. The Department was requested to determine the amount and source of available money for special litigation.

Contractual:
(300)

The item for A.C.S. was reduced by the Governor's Office from \$50,000 to \$35,000.

Commodities:
(400)

It was noted that \$1,500 was for a Pitney-Bowes Automatic Feeder Machine. It is used by two Divisions (the Transportation Commission and Utility Regulation).

Transportation
Commission
Personal
Services:
(100)

Line items 2 and 4 are new positions. These two positions were approved by the Governor in his review. Mr. Strandberg brought up the subject of the bad service or inadequate service from the truckers of certificate of necessity and convenience. Mr. Sharrock said he had received many complaints. Commerce will have some new people in the Commission. Mr. Sharrock hopes the new commission will restudy the regulations. It was requested that they have another meeting with Mr. Sharrock to go over some of the policies.

Contractual:
(300)

The Governor granted \$31,600 which represented a significant increase in rent at the Anchorage Office. Mr. Sassara said he thought they were asking for \$6,000 that they do not need. Mr. Kubley stated that they are asking for a \$4,000 cut. The lease is up the first of April. They wer paying 41¢ a square foot. They will get it for 27-1/2¢ a square foot by combining space. \$27,600 is the recommended figure. The \$1,500 increase in communications is due to the hiring of new personnel.

Commodities: Same level.

(400)

Equipment:

(500)

Of the \$3,400 requested, the Governor allowed \$1,700. The cut is assured to be for the three IBM typewriters. However, the Governor did authorize a new clerical position.

Veterans
Affairs:

It was noted that one new accounting clerk was requested. Mr. Sharrock stated that this was requested by the State Internal Auditor.

Mr. Borer asked if there had been a change of deputy directors in Anchorage. Mr. Sharrock stated the position is now vacant.

It was requested that the meeting be continued later in the afternoon or next morning. Mr. Sharrock reminded the committee that he was to leave for Anchorage shortly.

Adjournment: The meeting was adjourned at 2:40 p.m. because of Republican caucus.

HOUSE FINANCE COMMITTEE MEETING
February 21, 1967
8:30 a.m.

Present: All members were present. Mr. Tom Moore, Commissioner, Department of Labor, was also present.

Dept. of Labor Budget: Mr. Ray, subcommittee chairman for the Department of Labor budget, discussed the general summary of the budget.

Enforcement of Labor Laws: Administration: Mr. Moore pointed out that the funding of a portion of the Fishermen's Fund may not be used under Administration. They had asked for an Attorney General's opinion on this, and the Attorney General agreed that it was not legal, so the Department will have to do some shuffling in funding on this. Mr. Haugen requested Mr. Moore to furnish Mr. Ray with the information on this before closing the budget.

Mr. Ray also pointed out that on page 5 of the Budget Request book that the \$5,400 figure on program receipts should be shown on line "ESD to pay half Info Spec. Salary".

Travel (200): Under travel, the total amount was cut \$5,000 from the department request, but Mr. Moore felt they could handle this adequately with the \$10,000 budget allotted to them by the Governor.

Fishermen's Fund explanation: Mr. Sassara asked for an explanation of the Fishermen's Fund. Mr. Moore said the Fishermen's Fund provides for any commercial fisherman who has a license to fish commercially in Alaska and who suffers an injury will be provided transportation, medical care, etc., and the money for this fund comes from the license fee. Sixty percent of the commercial fishing license goes into this Fund. Mr. Sassara asked if you had to be an Alaskan resident, and it was pointed out that anyone holding a commercial fishing license was eligible for this fund.

**Industrial
Safety:
Personal
Services
(100):**

**Note
Correction
to Budget
request
book:**

It was noted that under personal services, all of these positions were figured at step C in the pay scale. Mr. Moore pointed out that in the Budget Request book, page 25, line 8, that the Electrical Safety Inspector was figured at a pay range of 14 (\$776) and should have been figured at a 16 (\$886) and therefore this section of the budget was off by \$1500, which would cover this increase, including benefits. He further pointed out that on page 24, the boiler Inspector on line² should have been figured at a pay range of an 18 instead of a 14, which would increase this portion of the budget by \$2700. (This is line 2 of Budget Request book.) Mr. Ray said they will need approximately \$4,000 increase in personal services to cover these two changes. Mr. Moore said he would send a letter to cover this change.

In answer to a question by Mr. Miller, Mr. Moore said the Safety Inspector in Fairbanks was now funded for 12 months a year instead of the previous 8 months a year.

**Contractual
Services:
(300)**

Mr. Moore explained about the new position in Kodiak, and transfer of money from this expenditure to Administration. He said he would send a memo covering this in detail.

**Workmen's
Comp. Act:
Travel
(200):**

Mr. Moore explained the reason for the increase in travel under Workmen's Compensation was due to the proposed increase of per diem for state employees.

**Commodities:
(400)**

Mr. Ray said the reason for additional money was to pay for new shelves for the Inner Bay file system, which is actually a shelving file that pushes back and forth.

**Second
Injury Fund:**

Mr. Ray read a memo from Mr. Moore describing the meaning

Fund. The letter is as follows:

The 2nd Injury Fund was created under Sec. 23.30.0401. The source of funds of the 2nd Injury Fund is each employee who suffers death while employed and who leaves no dependent the fund is entitled to \$1,500. This stays in effect until the 2nd Injury Fund exceeds \$200,000.

For those employees suffering permanent partial disability the employer or carrier is required to pay into the fund 2% of the total amount of permanent partial disability payments for the particular injury. Under the fund the Alaska State Workmen's Compensation Board may provide for vocational retraining and rehabilitation of permanently disabled persons. During the period of retraining the Board may award amounts for maintenance. The total expenditure for maintenance, training, rehabilitation and necessary transportation may not exceed \$5,000 for one person. The amounts for maintenance can not exceed \$100 per month.

When an employee has suffered a previous injury which has left him partially disabled and then sustains another injury which leaves him totally disabled the fund shares the responsibility with his employer in providing him with compensation.

Wage & Hour Act:

Mr. Ray pointed out there was a \$500 increase over FY66-67 budget, and Mr. Moore said he was sending a letter of explanation on this. He said this again was a case of where the positions had been upgraded (p. 56 Budget Request book) -- one from 13 to 15, and the other from 14 to 17.

Employment of Handicapped:

Mr. Ray explained that this was a new program, and that the sum of \$5,000 was requested for travel and per diem (no salaries) for the 12-member board for 2 meetings a year -- one in Anchorage and one in Juneau.

Employment Security:

Mr. Ray said this was a fully federal program, and all funds came from the Federal government -- no state funds, so the State does not have too much to say about it.

Fishermen's Fund:

The request of \$150,000 is same budget as they had last year.

It was again pointed out that the entire fund is derived from commercial fishing licenses.

2nd Injury
Fund:

According to Mr. Ray, this \$5,000 request is the same as the previous year's authorization.

HB 153:

Mr. Moore brought up the subject of the request for additional funds in HB 153 which was requested to cover the balance of the FY for an industrial safety director.

Recess:

The meeting recessed at this point (9:30 a.m.) as members of the committee were asked to report to the House chambers.

HOUSE FINANCE COMMITTEE MINUTES
February 22, 1967
8:30 a.m.

Present: All members were present.

Department
of Education

Dr. Hartman, Acting Commissioner; Robert Isaac, Special Assistant; and Robert Thomas, Director, Administrative Services, of the Department of Education were present. Dr. J. Kenneth Cumiskey and John B. Teeple from the Research and Planning Center, Training Corp. of America, Inc. were present. Senator Jay Hammond was also present.

Dr. Cumiskey presented the pamphlet on "State of Alaska Regional Secondary School System Implementation Plan and Final Report, A Summary of Training Corporation of America Recommendations".

Dr. Cumiskey then gave his views on the integrated high schools and why he felt it was a superior system. Mr. Strandberg asked Dr. Cumiskey to explain why Anchorage and Fairbanks were selected as the first two schools and pointed out he did not agree with this concept. Dr. Cumiskey answered that they weren't necessarily the first two schools in order, but that Bethel and Nome were of equal importance. Of the 14 regional schools planned by 1980, only one was in Anchorage and one in Fairbanks, the other 12 were going to be in outlying areas. Mr. Teeple said Bethel probably would be selected first as it had most students which should be the first consideration of the state. Fairbanks, he felt, could get federal funds and would also be one of the earliest schools to be considered. Mr. Miller asked why these schools should go to Anchorage and Fairbanks.

Mr. Teeple said that the children coming in from rural areas will receive additional assistance and proper guidance in

and will be able to be in direct competition with students who are growing up in these areas. He said that they wouldn't bring them in from rural areas and just drop them.

Dr. Cumiskey stated that Fairbanks School has a capacity for 1,000 more students and without spending state money - he feels it can be federally funded. He said the Fairbanks Superintendent had told him they would take any student that was sent to them as long as the tuition could be paid.

Mr. Strandberg asked who was going to pay for the capital improvements. Dr. Cumiskey answered that the BIA will provide the dormitory facilities, and it was hoped that the school expense would be funded through grant from the federal government under the Elementary and Secondary Education Act.

Mr. Sassara asked what grade the student enters the regional school and would he be working at the same level with the others. He further asked if the primary schools will be upgraded so they will be prepared to go into the 9th grades.

Dr. Cumiskey stated that they will start at 9th grade and that part of the recommendation will be that the students be brought in a bit early, two weeks or a month, so that certain curriculum adjustments could be made.

Mr. Sackett asked if just the top students would be going to the regional schools and if they had top priority. Dr. Cumiskey stated that some screening would be necessary. It will be based on where the family would like the student to go, what child can best make the change, etc. Dr. Hartman stated that students wanting vocational education would go where the best vocational opportunities were. He said if a student were interested in sales and services, for instance,

the best opportunities would be in Anchorage.

In answer to a question by Mr. Sassara, Dr. Hartman said the interest and needs of the student both must be met and the program will be constantly adjusted to meet these needs and the economic needs of the state.

Mr. Borer felt that bringing these students into Anchorage and Fairbanks would be completely foreign - social and otherwise -- to them. Mr. Strandberg asked how a child would survive in the Anchorage school system. Mr. Teeple said the plan does not recommend bringing everybody to Anchorage, though most of the children are from this area, that schools are going to be built out in the rural areas. He further stated that, under the dormitory program, teachers will be trained and will provide certain classes outside the school program. The students will be given individual attention to help them with specific problems that would arise from living in small rural areas.

In answer to a question by Mr. Strandberg, Mr. Teeple said that Fairbanks, in essence, would start out as a segregated school, since Fairbanks only has one high school. Dr. Commiskey said they hoped by the third year of the operation, that they would be fully integrated. He also pointed out it would not be run by the BIA. Mr. Strandberg asked if the federal government would provide all the funds for the Fairbanks program, and therefore they would need no money from the regional high school bonding program. Dr. Commiskey said that was true, that it was entirely separate.

Mr. Strandberg asked how close the Department of Education was in reaching an agreement with the BIA. Dr. Hartman said that

the BIA was ready to ask Congress for the appropriation on the dormitory facilities.

In answer to a question by Mr. Sassara, Dr. Commiskey said it was logical to build the Nome school near the Nome-Beltz Vocational School, since the water supply, etc. had all been arranged, and could be shared with the new regional high school. Mr. Sassara pointed out that at the time the bill authorizing regional high schools was written, they understood that Nome could match the \$1,000,000 that would be necessary to get started on this (with a \$2,000,000 grant from the state). but he didn't know if they still were in a position to meet this obligation. Mr. Strandberg said he had asked Mr. Balone to find out whether Nome can raise the money and to inform the committee on this.

Dr. Hartman said he felt the BIA would endorse the plan or concept as it had been presented today.

Recess: Meeting recessed at 9:30 a.m.

10:00 a.m.

Present:

All members were present, and General Wm. Elmore, Assistant Adjutant General, and Colonel Byington, Fiscal Officer from Military Affairs were also present.

**Military
Affairs
Budget:**

The amount of \$333,400 as recommended by the Governor for personal services was up from last year, and Col. Byington explained this was due to the addition of a Military Specialist, plus the increase in employee benefits. He pointed out that the \$11,000 as shown on page 16 of the Budget Request book was to cover costs of reclassification of the military specialists, which had been budgeted at their former classification.

**Personal
Services
(100) :**

**Travel
(200) :**

Under Travel, Col. Byington noted they had requested \$32,300 and the Governor's recommendation cut them down to \$21,900. He pointed out that \$12,000 of that \$21,900 was federal money to be used by two state employees, but since a state employee could not travel on federal money, it was reimbursed to the state. It is support money for the Scout Battalion maintenance program, and can only be used for these two men who travel to Barter Island, St. Lawrence Island, Kuskokwim area, Bethel area, etc. Col. Byington said the reason they need a large travel amount is because it is necessary to travel frequently to Washington, D. C. concerning federal funds. He said the State must be represented back there if they expect to get their share of construction money. He pointed out that 7 years ago, the state had no armories and now they have 9 throughout the state. It was also noted that because of the transition, the new adjutant general had had to do quite a bit of travel, both inside and outside of the state, and they had overspent in this area.

Mainte-
nance of
Armories:

Gen. Elmore said that on the subject of the armories, they have always been short on money for maintaining these buildings. The only maintenance has been strictly on an emergency basis. He pointed out they were starting to deteriorate, and something has to be done or they will have some large repair bills. Mr. Strandberg asked if the state has to maintain the armories. Gen. Elmore said yes, they are built by the federal government, but the state must maintain them.

Travel :
(Cont.)

Gen. Elmore then reverted back to the subject of travel, and said the change of administration has been part of the extra travel, as explained previously.

HB153:

At this time, the supplemental (HB153) request for Military Affairs was discussed, but it was decided by Mr. Strandberg that it did not relate to the subject so they would discuss this at a later time.

Contractual:
(300)

Under this heading, the department had requested \$209,600, and the Governor's recommendation was \$187,400. Mr. Sackett pointed out that the \$187,400 was an 18% increase over FY66-67 budget.

Again back on the subject of repairs, Col. Byington said that \$5,900 had been spent on repairs of facilities and \$800 on maintenance for 13 facilities. He said the size of these armories ran from 9,000 to 23,000 square feet, and very little work had ever been done on the roofs. He said at the present time, four are leaking, and Sitka is so bad they have to use buckets. Col. Byington said it would cost approximately \$20,400 for repairs to roofs on

these armories, which leaves only a small balance for other repairs. Col. Byington said they requested \$48,500 because they are so far behind in these repairs. (He said this was figured on square feet) He said they always have been cut down on this and these armories were really going to pieces. Col. Byington said that state employees do much of the work like painting, and that in some instances they have used state prisoners for this purpose. However, the labor unions have not been too happy about this, according to Col. Byington.

Mr. Strandberg asked if the major concern of the department was in maintenance. Col. Byington said that was correct.

Custodians: General Elmore said that one other item they desperately need is a custodian for each of the armories. They have one in Ketchikan, Kodiak and Anchorage, but need one for Juneau and Fairbanks. They have one employee in each armory that is a federal employee, but they are paid to keep up military records and with their various duties, do not have much time for helping on maintaining the building. General Elmore felt with a custodian for each armory, that a great deal would be saved in maintenance funds, since it could be maintained daily. He said he felt the Juneau armory particularly needed a custodian for this year, due to the large amount of activity that will be going on due to the Centennial. In answer to a question by Mr. Haugen, General Elmore said the whole community makes use of these armories for a variety of programs, and that a rental fee is charged. Col. Byington said that nonprofit organizations

do not pay rent. Mr. Strandberg asked what percentage of maintenance was due to use by these nonprofit organizations. Col. Byington said it was difficult to say since most of it would be minor maintenance -- damaged walls, latrines, etc. He said they do charge an operational fee that covers lights, heat, etc. Col. Byington pointed out that since the Sitka fire, the Sitka city library was in the armory, and that in the Seward, Bethel and Kodiak armories, school classes were held.

Gen. Elmore noted that in these communities where armories are located, that it is usually the only building in the town large enough to hold large crowds, so therefore they do get quite a bit of use.

It was agreed at this point that maintenance was the major problem in the Military Affairs budget.

Commodities
(400):

The department request in this category was \$74,800, and the Governor's recommendation was \$65,000. However, it was noted by Mr. Sackett that the \$65,000 was an increase of \$11,300 over FY66-67.

Equipment
(500):

The department request on this was \$3100, and the Governor's recommendation was for \$500 which will be for a new typewriter.

General
discussion:

Mr. Haugen asked how much rent was charged for the use of the armories. Gen. Elmore said it was set up by regulation and depended on a variety of things, i.e., use of the whole armory, including kitchen facilities, but usually for just the floor space in the armory, \$40 for the first two hours. He said the rent is figured on the local rates in a community, as a rule.

Maintenance: Mr. Strandberg requested Gen. Elmore to bring in some kind of breakdown, giving the details in support of extra money for maintenance. He said the committee would have to have a detailed justification before they could consider increasing this.

**Nome
Armory:
HB153**

Mr. Strandberg noted the request for money to move the Nome armory utility service lines which must be relocated from the front of the building to the rear due to the widening of the street by the Department of Highways, and said he felt this was an expense that should rightfully belong in Highways, and not Military Affairs. Mr. Strandberg said he wanted a letter from Department of Highways stating their reasons for refusing to pay for this, and why Military Affairs should have to pay for this.

**Air Nat'l
Guard planes:**

A discussion on the use of airplanes owned by the Air National Guard was held by Mr. Sassara and General Elmore. General Elmore said they cannot rent their planes, and that any air-lifting for the state is done at no charge to the state.

**National
Guard:**

Gen. Elmore gave the following figures on National Guard activity in Alaska:

2149 officers and men in Army National Guard throughout Alaska;

262 officers and men in Air National Guard in Anchorage;

Federal budget for pay alone (Army): \$1,739,000

travel, subsistence:	300,000
Federal Budget for pay (Air Guard)	1,249,000
travel, subsistence:	30,000

He listed the various facilities throughout Alaska owned by the State including 70 Scout Battalion armories that had been 100 % federally funded. He said the Air National Guard

has \$5,000,000 worth of buildings in Anchorage, which were 100% federally funded. The state pays 25% of the upkeep and daily servicing. He said it takes 102 full time federal employees to administer the National Guard program in Alaska. He said they have 9 airplanes given to the state by the Federal government worth \$10,000,000 and the state is also furnished federal funds to operate and maintain these planes. He said they have 60 motor vehicles supplied by the federal government. He said the airplanes furnish such departments as Health & Welfare, Fish and Game, and Department of Highways with airlift service with no charge to the state.

Recess: The committee recessed at 11:00 a.m., and will return at 2:00 p.m. to hear Fish & Game.

2:00 p.m.

Present: All members were present. Senators Poland, Waugaman, and Palmer, and the following people from Fish & Game:

Fish & Game: Walter Kirkness, Commissioner; Edward S. Marvich, Deputy Commissioner; Douglas Terry, Director, Division of Administration; James Brook, Director, Division of Game; and W. B. Stewart, Director, Division of Protection.

Long Distance Phone calls: Mr. Haugen asked Mr. Kirkness to explain the reason for the request of so much money for long distance calls. Mr. Kirkness went into great detail explaining the various reasons, i.e., discussions from the field to the division to the commissioner on opening and closing fishing areas; trips to Washington by certain F&G personnel who must keep in close contact with the Juneau office. Mr. Strandberg asked

kind of control did the commissioner have over these calls. Mr. Kirkness said that each division watched this but it was primarily necessary to run the department efficiently.

**Inventory
for Fish &
Game Dept.:**

Mr. Strandberg asked for the inventory as requested in the letter of intent for last year's budget. Mr. Kirkness presented the committee with a voluminous inventory. He said it was a complete inventory; however, some items that were still be carried on the inventory were no longer in use. Mr. Haugen asked what type of control did the department have over such items as cameras, binoculars, etc. Mr. Kirkness replied that each division was responsible for its equipment, and that Juneau, Anchorage and Fairbanks each had an administrative officer in charge of seeing that the equipment is signed out and that it is returned. He explained, in answer to a question by Mr. Ray, that they have a form which must be filled out for any piece of equipment that is lost. Whenever their equipment is worn out or no longer of any use to the department, Mr. Terry said they turn it over to the Department of Administration, who is then responsible for it. In some cases, such as a worn out skiff in a remote location, Administration instructs the department to burn or destroy it since it would be senseless to have it delivered to Juneau for that purpose.

**Predator
Control
Program:**

Mr. Haugen asked if it would be possible to develop a program in this area. Mr. Kirkness asked if he had any program in particular, and Mr. Haugen replied he was interested in wolf control. Mr. Brooks said they relied almost entirely on the state bounty program and he felt it had been quite effective and adequate but they had not undertaken an actual predator control program, except in helping the federal agency of Fish and Wildlife in the reindeer operation and this was primarily loaning a man from Fish & Game to help. Mr. Brooks said he understood that people consider the wolf population to be at a high level, but he said this is not so in the Arctic area, though it could be true in Southeastern and the Central area. Mr. Strandberg asked Mr. Brooks to be more specific in his comments; Mr. Brooks said the department had done the first scientific study that has ever been done on wolves and this report contains very detailed and specific information. After discussion by various people on the wolf problems throughout Alaska (Mr. Haugen on Southeastern, Senator Waugaman on Central, Mr. Strandberg on Southcentral) Mr. Brooks pointed out that though the number of wolves had increased, so had the number of moose and other wildlife, so he felt that the wolves had not truly depleted any of the other animals. He said with a poisoning program they could kill an additional 100 wolves to what the bounty hunters take each year but it would be extremely expensive, he felt.

Mr. Strandberg told Mr. Kirkness that before the session

of this legislature was over, his department should come before the proper committee of the legislature and tell that committee what they intend to do in this field. Mr. Kirkness pointed out there was nothing in the budget for predator control. Mr. Strandberg requested Mr. Kirkness to investigate and report by the 10th of March on just what they can do in this area, or if they intend to do nothing, then the committee wants to be notified of that.

Outside
Travel for
Fish & Game:

Mr. Haugen asked for an explanation of why the department had requested that 7 men go to the Western Conference in Hawaii. Mr. Brooks said this was the same conference that was held in Anchorage in 1965 and that 300 delegates had come from the Western states, and it gives these people in this field a chance to discuss local programs, problems, etc. Mr. Brooks went on to say that he understood the thinking of the Finance Committee, and they were certainly justified in questioning this particular item. He said that 21 men had asked to go to this particular conference, and he felt it was good for morale to put this in the budget, even though there was a good chance it would not be acceptable. Mr. Borer voiced his extreme disapproval of this and pointed out that the members of the Finance Committee had enough to do without having to put up with this. Mr. Strandberg agreed with Mr. Borer and said he thought it was deceptive on the part of the department. Mr. Kirkness said this had slipped by him, and that he would assume the blame for it. Mr. Strandberg told Mr. Kirkness to remove the outside travel portion of the budget and to report back to the Finance on this.

F&G Fund
\$2,061,000

After recess the committee discussed item (3) (c) the Fish and Game Fund Figure of \$2,061,000.

Present: All members were present with the exception of Messrs. Miller and Borer. and Ray. Senators Poland and Waugaman were also present.

Mr. Brooks gave a brief history of how this fund began: In 1959 Fish and Wildlife/ ^{granted} this department money from the general fund which was supplemented by license fees. This money was allowed to accumulate during the first year, to be used in the following year. Mr. Brooks stated that the reason was to accomodate the federal aid program.

The first year this fund was used as a revolving fund. This system has continued right to the present, which allows Fish and Game to accumulate a backlog. Mr. Borer came in at this point.

This fund has a current balance of slightly over \$2,000,000. Over \$729,900 of this money is from the sale of sport fishing license fees. Of this \$729,900, \$229,000 is obligated for use during this present fiscal year, 1967, for use in operation for the remainder of this year.

Mr. Miller entered at this point.

The amount of \$438,400 is for the Division of Sport Fish, for fiscal year 1967-68. Anticipated receipts from Sport Fish licenses for 1967-68 are \$390,000.

The remaining part of this Fish and Game fund of \$1,200,000 involves Game. \$500,000 will be required to carry us through the remainder of this year.

Mr. Brooks noted that the department had hoped to use this cushion for construction of a building in Fairbanks. He further stated that the cushion has resulted from the department's failure to/ ^{appropriate} out

each year the money that they had coming in. They also had money lapsed that they were unable to use.

Mr. Strandberg asked if this extra money was needed in the fund. Mr. Brooks answered that the department would like to expand this fund and that the state ought to invest more into the sport fish and game fund.

Work out
balance:

Mr. Strandberg asked that Mr. Kirkness and Mr. Freer get together and take the balance of 1967, plus income for 1968 plus the lapses, minus the funding out of '68 budget and let the committee know what the balance is left.

Pittman
Robinson:

Mr. Sassara asked how much of the Pittman Robinson funds are available to the state that we are not matching. Mr. Brooks answered that there was about \$750,000 available in federal funds if we could match it.

Mr. Brooks stated that, with this money, they will not allow the department to pay a salary of a protection officer, but will deputize biologists. Roads can be constructed by these funds, if the State has the rights to the land. This is one reason for the build up of this fund. Senator Waugaman left at this point.

The committee concluded questions and remarks on this portion of the Fish and Game budget.

Pacific Fisheries Marine Compact Item (4) (a)

Mr. Marvich gave an outline on the history of PFMC, stating that the original act was passed by Congress in July 1947 which included Washington, Oregon and California. The purpose at that time was to promote better utilization of fisheries, marine, shell and anadromous and prevent physical waste of fisheries. The original Act was amended in 1962 to provide for entry of Alaska, Hawaii and other states having rivers open to the Pacific Ocean. The participating states amended

their statutes to be compatible with the federal statute and Idaho joined. In May of 1962, Alaska passed enabling legislation to join the Compact. Members are 3 Commissioners: / Natural Resources Committee of the Legislature; Commissioner of the Department of Fish and Game and one member at large from the public.

In 1963, \$18,000 was appropriated for Alaska's entry during fiscal year 1964, which was the cost of entry at that time. The governor did not execute this at that time because of the earthquake and also, because the tax revenues were down.

"PROS"

Mr. Marvich stated the "pros" on the PMFC as follows: 1. Coordinated unified approach and voice on fishery problems of mutual interest by Pacific Coast sister states through this Compact. 2. PMFC serves as a forum for discussion and resolution of fishery problems among West Coast sister states. 3. PMFC provides the vehicle for compiling fishery data on various fisheries of interest to the participating states, of serving as a "clearing house" for the allocation of fin marks for the positive identification of salmon and steelhead used in research and management programs, among others. 4. The Compact, by request, will coordinate research efforts on fishery matters for participating states. 5. PMFC follows closely legislation which may have an impact on fisheries and keeps the participating states advised of new legislation and its progress through the Congress. 6. They present testimony in behalf of the participants at Congressional hearings, etc., and coordinates this effort with commissions of other states for maximum impact. 7. PMFC provides vehicle for comparable sister states' regulation of coastwide fish species.

"CONS"

1. Cost for entry is \$20,300 per year, with a fixed minimum of \$2,000. Mr. Marvich added that there are plans under way at this time to reduce this to fixed percentages.

2. Alaska is not a contiguous state, and we do not have the same problems as the other Pacific Coast states, for example King Crab. Mr. Marvich went on to discuss the merits of this organization, pointing out that the United States' fishing industry needs coordination in private and governmental sectors. The international fishing problems are becoming more complex.

Mr. Miller left at this point.

Mr. Marvich continued, emphasizing the fact that ^{the} Forum aspects of PMFC are very valuable. He stated that PMFC will pay the way of 3 Commissioners, 7 advisors and 5 scientists to all meetings.

PMFC present budget: The present budget is \$53,900 with a breakdown as follows:

	<u>Percentage</u>	<u>Contribution</u>
California	40.4	\$ 21,000
Alaska	39.2	20,300
Washington	14.5	7,500
Oregon	5.9	3,100
Idaho	<u>Fixed</u>	<u>2,000</u>
Total	100.0	\$ 53,900

Mr. Strandberg asked if there was a weighted vote and Mr. Marvich said that there was not. Mr. Marvich stated that this was not proportionate and that they might ask Congress for enabling legislation/ ^{for fixed} the percentages, with 5% as a fixed minimum percentage.

The Proposed budget for 1970 is as follows:

	<u>Percentage</u>	<u>Contribution</u>
California	30.0	\$16,200
Alaska	30.0	16,200
Washington	23.0	12,400
Oregon	12.0	6,400
Idahos	<u>5.0</u>	<u>2,700</u>
Total	<u>100.0</u>	<u>\$53,900</u>

Mr. Borer asked if the Department of Fish and Game had asked for any recommendations from the present administration; is the governor interested. It was answered that the governor has expressed interest in this, however he has not made up his mind. Mr. Borer ^{and} continued/ asked if the committee could assume that the Department of

Fish and Game would be favorably inclined; and Mr. Kirkness stated yes that he thought this membership would be very advantageous for Alaska.

Mr. Sassara left.

King Crab Quality Board (5): Mr. Marvich stated that the three primary things that the board looks for is: 1. Quality; 2. Purity and 3. Marketing. He gave an outline on the history of this board, the membership, (7 members, 6 of which are king crab processors appointed by the governor and the 7th is the Commissioner of Fish and Game.) One percent assessment is levied against the king crab processors on the amount of the value of the king crab they bought from the fishermen. These funds are deposited to a special fund.

The Act became effective in the Fall of 1965, and the assessments against the industry began.

Subsequent to the 1965 legislature and before 1966 legislature, \$65,000 was authorized by the Governor for fiscal year 1966 (which was the intent of the legislature). For fiscal year 1967 the budget submitted was for \$102,500.

The Board has contracted for a movie concerning king crab which will be 27 minutes long. It will address itself to the quality, purity and marketing of king crab and is now under production.

The Board has also contracted out to a Seattle advertising agency for advertising king crab.

Mr. Sassara returned.

The Board has contracted, with regards to the quality of king crab by a man who goes into retail houses and inspects the king crab for quality and so forth and makes very objective reports back to the Board.

Mr. Strandberg asked if there had been any complaints to the Board,

and Mr. Marvich stated that in Kodiak they pay .11 cents per pound and that they are paying more than the Aleutian Island people. He stated that the tax should be levied on the poundage of the crab.

Working Capital Fund

Review of rates (6) (a): Mr. Terry stated that the working capital fund is run on a business like basis. Further, the Department of Fish and Game does not make a profit at all. He noted that last year the Department review the rates 4 different times; it was also noted that the rates are determined on cost. He said that there was a \$9,000 deficit, but that they had made this amount up. Since last year the rates have been adjusted and now they are very close to the costs.

(6) (b): Depreciation schedules on vessels. Mr. Terry stated that vessels were depreciated by fair value (market) for the life of the vessel. Depreciation schedules for all vessels and aircraft were passed out to the committee members.

Subcommi
ttee
Rates:

Mr. Strandberg instructed the subcommittee to get together with Mr. Kirkness concerning the rates to iron this problem out.

Item (7) Equipment: Mr. Stewart discussed the outboard motors and boats with the committee and explained that this equipment was needed in order to better control streams and for better contact.

(7) (b) Ratio of costs in Game and Sports Fish versus Commercial Fisheries: Mr. Stewart stated that the following figures were based upon 6 months figures beginning last July 1: 55% of our dollars is for Commercial Fish; 38% on Game; 5% on Sport Fish; and 7% for miscellaneous.

The committee ended the meeting with a general discussion concerning misuse of state vehicles by state employees and the preventive measures be taken by the Department of Fish and Game.

The meeting was adjourned at 5:00 p.m.

HOUSE FINANCE COMMITTEE MEETING
February 23, 1967
1:30 p.m.

Present: All members were present. Mr. Phil Holdsworth, Commissioner, Department of Natural Resources, and Mr. Roscoe Bell, Director, Division of Agriculture.

Management State Lands Budget: Mr. Bell pointed out errors that had been made in the Budget Document, and the following corrections were made on page 177:

CORRECTIONS: Change \$1,153,300 to \$1,181,800 (Personal Services)
(To Budget Document) Change \$1,813,500 to \$1,842,000 (Total)

He also pointed out that on page 178 of the Budget Document the following should be corrected:

Change \$283,400 to \$292,400

Change \$225,100 to \$244,600

Change \$1,813,500 to \$1,842,000 (Total)

Mr. Bell said that the committee should have a memo of 2-14-67 from Mr. Ward on this matter. Mr. Strandberg it had been received.

Personal Services (100): Land Management

Mr. Holdsworth pointed out that the request for three directors-- one in Fairbanks, Anchorage and Juneau had been denied (see pages 33-34-35 for office structure) so the area managers would continue in this function. Mr. Strandberg asked if this had been discussed with the Governor's Budget Review Committee, and Mr. Holdsworth said they had but it was still refused. Mr. Bell pointed out that they had selected 17,000,000 acres of land, but have management authority for 12,000,000.

Travel (200):

Mr. Bell pointed out the reason this amount had been cut by the Governor was because the amount requested by the department had included funds for the three directors, which had been refused.

General
Administration
Person
Services
(100):

Mr. Bell pointed out that on page 57 of the Budget Request book, on line 1, they had requested this position at a higher rating, but when this did not materialize, they showed the position on line 2 and omitted the first one. The increase as shown on page 60 of the Budget request book is for a parttime typist to help with the increased workload in this area.

Travel
(200):

Mr. Sackett said this amount had been raised from \$600 to \$800 for FY67-68.

Contractual
Services
(300):

The increase in this area, according to Mr. Bell, was in communications and equipment rental. Mr. Sackett noted that the cut under 390 was not actually a cut -- it was for the SWIS program, and the amount requested had been transferred to Administration. Mr. Sackett questioned the \$800 balance left under 390, and Mr. Bell was not sure what this was for. He said he would check this out and notify the committee.

Mr. Kerttula arrived at this time.

Mr. Ray questioned the increase in rent for this division and Mr. Bell said they had taken over more space in the building they were presently occupying. He also noted they had a 5-year lease which would be up next year, and they were hopeful of finding cheaper rent.

Land
Branch
Personal
Services
(100):

On page 81 of the Budget Request book, Mr. Bell pointed out that they had requested 6 new positions in this item, and the Budget Review Committee had allowed 2 -- the Materials Officer and an Appraiser II. Mr. Bell explained the need for the Materials Officer, and Mr. Strandberg asked who

was presently doing this work. Mr. Bell said they were trying to do it with the present staff, but they hadn't really had the time, so they had to take the word of the operators that everything was alright.

In answer to a question on the Appraiser position, Mr. Bell said the salary of an appraiser comes back many times. He said the law requires the land to be sold at a fair market value and this is the job of the appraiser. He said one poor appraisal could cost the state more than the salary of the appraiser. He said it is also important for good public relations to have a good man, as a poor appraisal can cause a lot of trouble.

Travel:
(200)

The increase is needed in travel due to the increase in the management of the land sales.

Mr. Bell stated that the outside travel is needed for training people presently on the staff. It was noted that the Legislative Audit Committee took a dim view of providing training of some of the staff members because it has happened that some of them did not stay long after their training. Mr. Bell pointed out that now they sign up for one year after taking this training. Mr. Strandberg asked if outside travel would suffer and Mr. Bell answered that it probably would.

Contractual
Services
(300):

Mr. Bell explained that this included professional fees for appraisals. It was noted that this item was cut back from the \$12,000 requested, to the Governor's recommendation of \$4,000. Mr. Bell said that this will be used for land sales. Mr. Holdsworth said he assumed item 380 on page 91 of the Budget Request book had been cut by the Budget Review Committee.

Mr. Sassara asked about the procedure on awarding contracts for aerial photographs and it was explained that they follow the rules set forth by the Division of Supply. Item 480 was explained by Mr. Bell. "Division Factor" is the total amount of supplies (paper, etc.) divided by the total number of people.

Equipment
(500):

Under the Governor's recommendation of \$2,200 it was stated that this amount was for the two new positions.

3:00 p.m.

Present: Present were Roscoe Bell, Messrs. Strandberg, Miller, Sackett and Sassara.

**Minerals
Personal
Services
(100)** It was noted the increase was for employees to a step C who had been with the department over five years.

**Travel
(200)** Mr. Strandberg questioned the financing of the travel to Dallas to attend conference sponsored by National Institute of Petroleum Landmen. Mr. Sackett said they have a Petroleum Branch which is financed under a separate fund for a trip outside. There is a question as to whether this can be done as the Division of Lands is separate from the Development of Mineral Resources.

**Contractual
(300)** The increase was primarily in printing and advertising. Mr. Bell stated that advertising is required by law, conditioned by number of sales, number of public notices, etc.

**Commodities
(400)** This was accepted as is.

**Equipment
(500)** Two new typewriters were the main item for increase in this item.

**Lands
Personal
Services
(100)** Note was made of the new position of a Realty Assistant I. Mr. Bell said his services was requested to rapidly establish the existing water rights. The establishing of these existing rights must be done before new water rights may be granted.

**Travel
(200)** Division of Lands has requested \$6,500 for intra-state travel for the Water Resource Board as well as for their own men. Mr. Bell said there were 7 members of the Board throughout the state who attended the semi-annual meetings. Mr. Strandberg questioned whether there was enough budgeted for this. He further stated they could take it out of transportation if this was not sufficient.

Contractual They requested \$5,000, but the Governor allowed them \$2,500.
(300)
In reply to a query from Mr. Sackett, Mr. Bell said they were just getting started on the Water Use Act now and by July 1 it should be in full operation.

Commodities There was no discussion on this.
(400)

Equipment Mr. Bell stated that the purchase of measurement gear was
(500)
necessary to do a more efficient job on their field investigations.

Cadastral Mr. Bell stated that their method of operation was to do all
Engineering the surveying work under contract. Their office crew is concerned
Pers. Ser. with writing contracts and reviewing the work to see if it is
(100) adequately performed. They do this because they think it is good economy. They maintain only one field crew so they are carrying on a training program all the time.

In answer to a question by Mr. Strandberg, Mr. Bell stated that they did not survey land for disposal unless they could see in it a profit of 2 or 3 times the cost of the survey. They also do not survey land that does not have immediate need for disposal. They also handle the borough work, but they are reimbursed for the material when they sell the land.

Travel There were no questions on the travel allowance.
(200)

Contractual There were no changes on this.
(300)

Commodities Mr. Bell explained the increase for commodities was due to
(400) the total volume of work which has been increased.

Equipment Mr. Strandberg did not think that Lands could justify the
(500) high amount for equipment. Even after the Governor's cut, the amount was very high. Mr. Bell stated that the reduction

reflected the positions that were not given them, e.g., typewriters, desks, etc. Mr. Bell said the purchase of an electric calculator was necessary because they have struggled along with one that was out of service most of the time. The engineer's time is worth more than the cost of a calculator to them.

Forestry
Pers. Ser.
(100)

Mr. Strandberg did not think the increase in the total budget over last year was justifiable because the Homer Chip Mill operation did not go through last year. He stated that they actually have an increase of \$46,100 instead of \$19,000 because this money was not used. Mr. Bell stated this money was not wasted as they still have good prospects in the Susitna Valley. Their continuing program is forestry inventory and accumulating scientific information that is requested.

Mr. Sackett was of the opinion that Personal Services should have decreased approximately \$27,000 instead of \$7,000 because they did not hire any new personnel.

Mr. Strandberg expressed his thought that this program should be eliminated until there was more money for it. Mr. Bell said that it is a continuing program to inventory the trees. They are responsible for amassing, evaluating and retaining all the data on forest potential which is necessary for the managing and planning of forest operations. The maps, photography and status records produced by them are available to all other agencies and provide a valuable source of information to many. It took Japan three years or more before they decided to build their pulp mills.

Mr. Miller asked if the Research Lab at the University were Federal and Mr. Bell replied that it was, but that the state

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set aside this area of land for an experimental forest.

Recess:

The meeting recessed at 3:

Forestry (Fire Suppression) Mr. Bell explained fires that were started by the Alaska Railroad and Military and that the state was trying to get these funds back. (\$266,000 Alaska Railroad; and \$20,000 Military).

Parks and Recreation: Campgrounds

There was much discussion concerning \$255,000 which was appropriated by the 1966 legislature to Natural Resources from the general fund to be repaid by bond issues. However, this department has not had the go-ahead from the Department of Administration yet to spend this money. There has been no design work done yet.

Since there was quite a bit of confusion in this area, Commissioner Ward was contacted and he will inform the committee, by memo, on the details of this amount of money, and why it is being held up.

Mr. Strandberg referred to page 10 of the House Finance Committee Report to COMMITTEE SUBSTITUTE TO HOUSE BILL NO. 333, dated April 13, 1966, which reflected the legislature's intent for these funds. Mr. Bell stated that even if we heard Monday that we had these funds to use, he didn't think the state could even let the contracts by June 10 of this year.

Mr. Borer came in at this point.

Personal services: \$19,500 was taken out two times by Budget and Review, it was explained by Mr. Holdsworth. This figure is for the two new positions, as shown on page 187. However, actually this figure of \$19,500 should show on code line 100 at page 173 and in column 15 on page 187.

Travel: This item is up \$10,000 from last year. The outside travel to Miami was mentioned. Mr. Bell stated that this trip to the National Recreation and Parks Association in Miami is very necessary. He stated that Alaska didn't attend, the other states will outvote Alaska's share of funds. The trip to Angola, Indiana was cut out of the budget.

Contractual Services - The increases are in 340 and 390 in the amount of approximately \$18,000.

Mr. Strandberg asked if the Highway department transferred any money over to the Department of Natural Resources. Mr. Holdsworth stated that Highways had turned over money to them for maintenance last year, of roads. However, this year Natural Resources is budgeting for this money and will hire local people to maintain these areas. Mr. Holdsworth stated that it was his belief that they could do it for almost half of what Highways gave them before.

Equipment - This area was not clear to the committee.

Mr. Holdsworth stated, in connection with the figure shown on page 197 (\$25,211), that this figure should have an asterisk and it should be noted that 50% of this figure is charged to Capital Improvement. Mr. Strandberg asked that Mr. Ward be called to explain this further.

Adjournment - The committee adjourned at 5:00 p.m.

HOUSE FINANCE COMMITTEE MEETING

February 24, 1967

8:30 a.m.

Present:

All members were present. Mr. Robert Thomas, Director, Administrative Services, Department of Education; Mr. Frank Murkowski, Commissioner, and Mr. Everett W. Bunes, Deputy Commissioner, Department of Economic Development, were also present.

HB 153:
(Sec. 5)

With reference to Sec. 5 of HB 153 (The sum of \$249,300 is appropriated from the general fund to the Department of Education, District School Support, for costs of pupil transportation for the fiscal year ending June 30, 1967.) Mr. Thomas gave the background in the original appropriation on this. He said there was no distinction made between the money for children on hazardous routes and transportation for children on the special education program. It was a lump sum and the Department had to estimate how much they would need on this. He said it was even difficult to estimate how much to ask for the supplemental. In answer to a question by Mr. Ray, Mr. Thomas said this was a projected figure and that most of the present appropriation has been used. He pointed out that the school district made the decision on what routes were hazardous and the state has nothing to say about it. He further noted that the school district paid 50% of this and the state 50%. The following is the breakdown of the requested appropriation:

Special Education Transportation	\$ 41,600
Hazardous Transportation	190,600
Regular Transportation	17,100
	<u>\$249,300</u>

(A letter concerning this break down may be found in the bill file for HB153.)

HB153
(Sec. 4):

With reference to Sec. 4 of HB153 (The sum of \$28,800 is appropriated from the general fund to the Department of Economic Development for the fiscal year ending June 30, 1967 according to the following schedule:

Office of the Commissioner \$ 19,200

Industrial Development 3,200

Alaska Centennial Comm. 6,400

Murkowski said

Personal
Services:
(100)

Mr./that under the Officer of the Commissioner, \$12,400 was needed as a supplemental to pay the Deputy Commissioner.

He explained that the position was there but had not been funded in last year's budget. It was supposed to have been paid partly from federal funds; however, when the Internal Auditor did the audit on the department, they felt it should not come from this EDA federal program as this program had not really started, so the department had to pay it back. They needed \$2,400 in the Centennial office to help pay for extra help.

Travel:
(200)

The travel was needed for the Centennial office, in the sum of \$1,400.

Contractual
Services
(300)

The sum of \$5700 was needed in this area due to the move from the Capitol Building to the Goldstein Building. Mr. Murkowski said it was needed for the move plus 5 months rent. Mr. Murkowski said with the planned expansion of this department they will eventually need more space. He said the Travel Division also moved to the Goldstein Building. Mr. Strandberg noted that in the past this department has not been able to get federal funding, even though they plan on it -- it just hasn't materialized, so he suggested to Mr. Murkowski that he look into this very closely and not

to rely on federal funding that may not show up.

Recess: Meeting recessed at 9:10 a.m.

10:55 a.m.

Present: All members were present except Mr. Sassara who was excused, and Mr. Richard Freer, Director, Division of Budget & Management.

Natural Resources Budget Parks &

Playgrounds:

Mr. Strandberg had requested Mr. Freer to appear before the committee to discuss this part of the budget in which they had problems in the committee meeting yesterday. Mr. Strandberg pointed out that it was very difficult to figure out this part of the Budget Request book because portion of it was funded under operating and other portions under working capital fund. He said salaries of people involved in this program showed up under both categories. Mr. Strandberg said this was the major area in the Natural Resources budget where it had to be straightened out and he requested Mr. Freer to put this information in a memorandum so the committee could see the breakdown and understand it. Mr. Freer said he would send the committee a memo on this, and that next year they would get Natural Resources to segregate it entirely.

Items 310, 330, 360:

Letter of February 23 from Mr. Phil Holdsworth explains the breakdown on these items. (This letter is filed in HB 50 file.)

Bonds Parks & Recreation:

In answer to a question by Mr. Strandberg, Mr. Freer explained the delay on getting started on the Parks & Recreation program was somewhat based on misunderstanding of the bill last year. He said nothing had been submitted to the Governor yet on this program but the department is in the position now where they are getting the list together. They had submitted

a partial list and it was assumed that was all that had to be done.

Mr. Strandberg asked if the bonds had been sold yet? Mr. Freer said no, he thought maybe the bond committee would sell them in June but he was not sure.

In answer to a question from Mr. Strandberg, Mr. Freer said the Governor has to approve the projects proposed with the bond funds. Mr. Strandberg reminded Mr. Freer that the Governor would be gone this weekend, and would he be able to get this list to the Governor today. Mr. Freer said it was possible, and he would try.

Mr. Strandberg felt this was one of the areas that had somehow got overlooked during the transition. He said the bonding enabling legislation carried sufficient authority so they could proceed with the program. He said following the submission to and the approval of the voters, this list must then be approved by the Governor (projects to be accomplished.) Mr. Freer said the bonds had to be sold before they could actually start, or a bill would have to pass the legislature

advancing the money from the general fund until the bonds were sold. Mr. Strandberg said they would have to have complete information on this, and Mr. Freer assured him he would get the detailed information on this in support of HB113.

Adjournment: The committee adjourned at 11:45 a.m., and would work on subcommittees in the afternoon.

HOUSE FINANCE COMMITTEE MINUTES
February 25, 1967
10:00 a.m.

Present: All members except Mr. Borer (excused) were present.
Mr. Freer, Director, Division of Budget & Management was also present to answer questions on HB153.

HB153: Chairman Strandberg said the committee would work on HB153, and try to get as much done as possible so it could be report out the first of next week.

Sec. 4: (The sum of \$28,800 is appropriated from general fund to the Department of Economic Development for the fiscal year ending June 30, 1967 according to the following schedule:

Office of the Commissioner	\$19,200
Industrial Development	3,200
Alaska Centennial Comm.	6,400)

(See notes of 2-24-67, page 137 concerning Sec. 4 of HB153.)

Centennial In answer to a question by Mr. Sassara, Mr. Strandberg said the money was needed for the Centennial Commission (6,400) to keep it going for the rest of the FY.

Office of Comm. Mr. Freer said that under the Office of the Commissioner, they had funded on an anticipated OEO grant which didn't materialize, and that is one of the reasons they are short

Centennial in that area. Under the Centennial request, Mr. Freer said they had had to hire two temporary girls to keep up with the amount of work. Mr. Freer said they had also failed to encumber for some expenses that were due last year and they thought they had more money then they did. Due to careless bookkeeping, according to Mr. Freer, this money was allowed to lapse before it was encumbered.

**Industrial
Development:**

Mr. Freer said the same situation existed in Industrial Development -- they thought they had a \$200,000 grant from OEO, and then it was adjusted to \$110,000 (approximate). The \$3,200 figure is based on this cutback of the OEO funds. Mr. Strandberg read the letter from the State Internal Auditor on this division (this letter is filed in bill file for HB153) which gives a full explanation of the problems. Mr. Freer pointed out that this division had been underfunded in the General Fund, and then when the OEO funds were cutback, they simply needed a supplemental to finish out the FY.

Sec. 5:

(The sum of \$249,300 is appropriated from the general fund to the Department of Education, District School Support, for costs of pupil transportation for the fiscal year ending June 30, 1967.)

Mr. Ray referred to the previous day's minutes (Page 138) on the break down of this amount. Mr. Ray remarked that he was not too satisfied with this figure. He thought possibly regular school bus charges could be in this but he had nothing to base this on. He pointed out that the program in Alaska for special education simply is not that big that they would spend that amount of money on transportation for children. Mr. Strandberg asked Mr. Ray if he was questioning the amount then for transportation for children in the special education program. Mr. Ray said he was questioning it because he thought it was an excessive amount for just this program.

Mr. Ray explained that under hazardous transportation they are asking for a supplemental of \$190,600, and said \$116,000 was for the Anchorage area. He also pointed out that this was supposed to be a matching (fifty for the state and fifty for the school district) basis, but he did not know who was matching on the state operated schools.

Meeting; Because so many questions arose that could not be answered, Mr. Strandberg requested that Mr. Robert Thomas, Director, Administrative Services, Department of Education, be asked to appear before the committee on Monday, February 27 at 8:30 a.m. The committee agreed they could go no further with Mr. Thomas to answer their questions.

Adjournment: Meeting adjourned at 10:30 a.m.

HOUSE FINANCE COMMITTEE MEETING
February 27, 1967

Present: All members were present except Mr. Sackett who was still in Anchorage. Dr. Hartman, Commissioner, and Mr. Jess Conn from the Department of Education were also present.

**Special
Education
Students:**

In answer to a question by Mr. Strandberg, Mr. Hartman said there were 500 to 600 children in the special education program. Mr. Hartman stated that the figure of \$249,300 for transportation is based on total experience. An exact figure can't be arrived at until the year is over. Each district determines their special education students and how many will be transported. He also said they have one man who handles transportation. Mr. Ray said that it is estimated that the Anchorage Borough will spend \$88,000; Elmendorf On-Base, \$16,524; the Juneau area, \$3,500; Ketchikan, \$2,160 and North Star Borough, \$7,200 for special education. He commented that these figures seemed to be highly inflated for the Anchorage - Elmendorf area and didn't other areas in the state have special education programs. Mr. Hartman said that other places didn't have facilities for this. At Elmendorf, the special education students would be picked up with the other 75 students and brought into the Anchorage area. Mr. Ray questioned why they didn't have special education classes at Elmendorf. Mr. Hartman said if they put all the special education group together, they could offer a better program. Mr. Miller asked if he thought there were ten times more students in the Anchorage-Elmendorf area who needed special education. Mr. Hartman said that many of the students are riding in the special routes. There are seven or eight centers for special education

ates;

in Anchorage. If they were centralized, this would cut down the transportation cost.

Mr. Ray commented that they are spending more on the Anchorage area than they spend in the Juneau, Ketchikan, etc. area altogether. There should be a more economical way to do this. Mr. Hartman said they will analyze this with the Transportation Advisor in Juneau.

Foundation
Fund:

Mr. Strandberg asked if there would be a lapse in the Foundation Fund this year to help out.

Mr. Sassara said that they lapse about a million dollars a year.

Mr. Conn replied that they occasionally lapse a million and a half dollars, but most of that lapse is generally in federal funds. Mr. Ray said that they have almost \$130,000 and special education is only \$3,500; something is wrong. Mr. Hartman agreed that it was imperative that they give a breakdown on their figures.

Mr. Strandberg said on transportation for fiscal 66, they show \$2,018,000 and they were given \$100,000 less in fiscal 67 because they had lapse money from the year before. This year, the request is \$2,652,000. Mr. Strandberg said they were not going to give them money if it can be transferred from the Foundation Fund.

Mr. Conn said at the present time there is money in the Foundation Fund to be lapsed from last year, but they aren't allowed to use this. This is according to law. He answered Mr. Sassara and said that Budget and Management said this lapse couldn't be used. In answer to a question by Mr. Borer, Mr. Hartman said some special education students ride on the regular school bus routes; however, they need to run a shuttle bus also. The emotionally disturbed children cannot ride on the regular busses, they have to have a matron along with them to handle them.

however, they need to run a shuttle bus. The emotionally disturbed children cannot ride on the regular busses, they have to have a matron along with them to handle them.

Mr. Miller commented that Anchorage could be doing more on the special education program than the other places.

Mr. Strandberg returned to say that Dick Freer does not think there is going to be any lapse fund.

Hazardous
Route
Transportation:

Mr. Conn stated that they figured around \$100,000 to be lapsed out of the Foundation Program, some of it they anticipated from Teachers' Retirement. They are asking for \$190,000 for transportation for hazardous routes. The Department estimate was roughly \$60,000, \$30,000 from State and \$30,000 from different districts. Mr. Ray gave a breakdown of the anticipated cost of transportation for hazardous routes from the Dept. of Education.

Adak	\$7,893	Matching district cost		
Anchorage Borough	116,311	"	"	"
Cantwell	924			
Delta Junction	6,098			
Dillingham	471	"	"	"
Eielson On-Base	7,970	"	"	"
Elmendorf On-Base	4,484	"	"	"
Glennallen	450			
Juneau	5,198	"	"	"
Kenai Peninsula	11,249			
Kodiak	1,320	"	"	"
Matanuska	473	"	"	"
North Star	15,000	"	"	"
Petersburg	1,950			
Sitka	7,146	"	"	"
Tok	3,696			
Grand Total	\$190,635	State	\$179,467	District Cost

Mr. Hartman said the Dept. of Education allowed each district to write up their hazardous transportation provisions. The City and State Police and School Superintendent decided what should be the hazardous routes. No student should have to walk more than 1/8 mile on a thoroughfare that did not have sidewalks. These

provisions were sent to the Department of Education for approval.

Mr. Miller questioned how it would work if their department had to set this up with one set of standards. Mr. Hartman said they will have to be different due to the low temperatures in Fairbanks, the high winds in Delta, traffic conditions, for instance, but there should be some broad guidance. He said someone from their department should approve them.

In answer to Mr. Borer, Mr. Hartman said the State Internal Auditor was auditing the Anchorage expenses for this transportation. Mr. Strandberg instructed Mr. Montgomery to call the Dept. of Administration to find out about this.

Mr. Ray stated that last year Mr. Dafoe, who was Superintendent of Schools in Anchorage until a year ago, was not interested in this hazardous route program at all and now Anchorage is the one that is going to break the budget on this.

A discussion was held on how the PTA and other persons pressure the School Board into what is considered a hazardous route. Mr. Haugen gave a rundown on how it worked in Petersburg.

Mr. Montgomery made his phone call to the Dept. of Administration and reported that the Auditor could come in Wednesday to give the primary analysis of what that report is going to be.

Mr. Conn said their transportation man should supervise the hazardous routes definition, but it was not in the law that they could do this. Mr. Ray suggested that they amend the law.

Mr. Ray said the entire program goes behind \$250,000 to \$275,000 almost every year.

A discussion was held on the various bus routes in Anchorage. Mr. Conn said transportation in the Anchorage area is all