

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2456

the committee met again at 10:30 a.m. with all members present with the exception of Mr. Sackett.

HB 153: HOUSE BILL NO. 153 was before the committee for their consideration.

Section 3: The committee discussed this section and during the discussion, the question concerning the museum (which originally should have been on the first floor of the capitol building) and the two departments, or divisions, which now occupy that space. This question was resolved during discussion. It was generally agreed that the last year's budget didn't actually spell out just specifically what department, etc., would occupy that floor. (See page 10 of letter of intent for CSHB 333).

Section 2: This section was discussed; the move from the Triangle Building to the Goldstein. It was moved and asked unanimous consent that the committee recommend that the sum as shown (\$16,500) be appropriated to Military Affairs. There being no objection, it was so ordered.

Section 1: It was moved and asked unanimous consent to accept the figure as shown (\$7,000). There was an objection and a second. After an explanation, the objection was removed. There now being no objection to the original motion, it was so ordered.

Section 5: This section was deleted.

considered together. Mr. Hartman said they are looking for three different things in transportation, the regular routes, special routes and shuttle busses.

Mr. Strardberg said the legislature wants to be sure that Anchorage isn't padding their expenses at the cost to the State. Mr. Hartman said that he assumed that the interim auditor will give them some of the answers.

Mr. Conn and Mr. Hartman left.

A recess was called at 9:45 a.m.

It was moved and asked unanimous consent to amend HOUSE BILL NO. 153 as follows: On page 1, line 7 change \$304,100 to \$54,800
line 24 delete Section 5 completely
and renumber following section.

There being no objection, it was so ordered.

It was moved and unanimous consent was asked that HOUSE BILL NO. 153, with the amendment as shown above, be reported out of the House Finance Committee with a do pass recommendation. There being no objection, it was so ordered.

A recess was called.

Meeting: The meeting was called to order at 11:20 a.m. with everyone present with the exception of Mr. Sackett.

The committee met and made bill and resolution assignments as follows:

Resolutions:

HOUSE RESOLUTION NO. 4 - Sassara

HOUSE CONCURRENT RESOLUTION NO. 4 - Miller

HOUSE RESOLUTION NO. 6 - Haugen

HOUSE CONCURRENT RESOLUTION NO. 11 - Borer

HOUSE CONCURRENT RESOLUTION NO. 12 - Miller

HOUSE CONCURRENT RESOLUTION NO. 21 (hold for Mr. Sackett's return)

HOUSE CONCURRENT RESOLUTION NO. 30 (hold for meeting in Juneau with University of Alaska people.)

HOUSE CONCURRENT RESOLUTION NO. 33 - Ray

House bills:

HOUSE BILL NO. 130 - Sassara

HOUSE BILL NO. 156 - Ray

HOUSE BILL NO. 86 - Borer

HOUSE BILL NO. 28 - (previously assigned to Mr. Sassara)

HB 23: Mr. Ray moved and asked unanimous consent that the committee take up HOUSE BILL NO. 23 at this time. There being no objection, it was so ordered. Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 23 be tabled. Mr. Miller objected for a question. Mr. Miller removed his objection. There now being no objection, HOUSE BILL NO. 23 was tabled.

HB 86: HOUSE BILL NO. 86 was assigned to Mr. Borer.

HB 156: Mr. Sassara moved and asked unanimous consent that the committee report out HOUSE BILL NO. 156 with a do pass recommendation. Mr. Ray objected, Mr. Miller seconded. Mr. Strandberg ruled that this bill will be assigned to Mr. Ray.

Mr. Sassara left at this point.

HJR 17: HOUSE JOINT RESOLUTION 17 -- assigned to Mr. Ray

HCR 20: HOUSE CONCURRENT RESOLUTION NO. 20 - assigned to Mr. Miller.

Mr. Sassara returned.

HCR 19: HOUSE CONCURRENT RESOLUTION NO. 19 - Mr. Miller.

Recess: The meeting recessed at 12:00 noon, to meet upon adjournment.

Meeting: The meeting came to order at 3:20 p.m. All members were present.

HB 28: Mr. Sassara moved and asked unanimous consent that the committee bring up HOUSE BILL NO. 28 for discussion. There being no objection, it was so ordered.

Messrs. Sassara and Ray gave an explanation of the bill and the situations to which it might apply. The committee discussed the term "terminated" as it is in this bill, to determine the meaning as it applies in this case. A letter was read, addressed to Mr. Strandberg, dated February 2, 1967 from Thomas H. Herrick, Chief, Classification and Pay, concerning sick leave for state employees in classified and partially exempt services.

Amendment adopted.

Mr. Kerttula arrived, but left a few minutes later.

It was moved that HOUSE BILL NO. 28 as amended be reported out. On a show of hands the motion carried.

HB 86:

Mr. Borer moved and asked unanimous consent that HOUSE BILL be brought before the committee.

NO. 86/ (changing the name of the school tax) Mr. Borer

pointed out there was no cost to the state if this name

was changed. Mr. Sackett, Mr. Strandberg and Mr. Sassara

gave reasons why they were against changing it, while Mr.

Miller pointed out that many people in his area resented

paying property tax and a school tax, and would consider

a per capita tax more palatable. It was moved and unanimous

consent was asked that the bill be held in the committee files.

There being no objection, it was so ordered.

HCR 11:

Mr. Borer moved and asked unanimous consent that HOUSE

CONCURRENT RESOLUTION NO. 11 (relating to funding Alaska's

participation in the Pacific Marine Fisheries Commission)

be brought before the committee. There being no objection

it was so ordered.

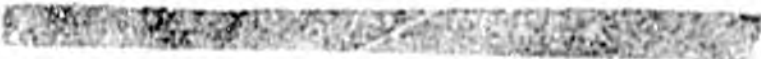

Recess:

A ten-minute recess was requested, so the committee recessed

at 4:00 p.m.

HB 28: Mr. Ray proposed the following amendment:

Page 1, line 18: Delete the following words: "once terminated"
and substitute the words: "when terminated
by the state".



4:10 p.m.

- HCR 11: Mr. Borer suggested the figure of \$20,000 be amended to
HE 102: \$20,300. Mr. Strandberg pointed out that if the resolution
was adopted the bill was not necessary. Mr. Borer said
the history of the entire compact was in the February 22
minutes. Mr. Sassara felt there was no need for the bill
or the resolution -- that it could be taken care of in
the regular Fish & Game budget at the time it was closed
out. It was moved and asked unanimous consent that both
HOUSE BILL NO. 102 and HOUSE CONCURRENT RESOLUTION NO. 11
be tabled, and then make notation of increase of \$20,300
at the appropriate time during budget discussion on Fish
& Game. After some discussion, Mr. Ray moved the previous
question. On a show of hands motion carried and the bill
and resolution were tabled.
- HCR 33: (Relating to vocational education.) Mr. Ray moved and asked
unanimous consent that HCR NO. 33 be brought before the
committee. There being no objection it was so ordered.
After discussion on this resolution, it was suggested that
until the committee gets into the Education budget, this
should should not be passed upon. Mr. Miller moved that HCR33
be tabled until the appropriate time. There being no objection,
the resolution was ordered tabled.
- HB 9: Mr. Sassara said the cost on this was over \$100,000 and Mr.
Borer said he felt it was approximately \$768,000, so the bill
was returned to the files. (An act relating to old age assistance,
raising it from \$110 to \$150.)

- HB 13: Mr. Miller said he was not yet ready to report out HB 13.
- HB 53: Mr. Miller said he would report out HOUSE BILL NO. 53 tomorrow.
- HB 72: Mr. Sackett said he was not ready to report out HB 72 (wolverine bounty).
- HB 85: Mr. Haugen said he would report this bill out tomorrow.
- HB 87: Mr. Strandberg requested the backup material be obtained on this immediately. Revenue had been asked to check this out.
- HB 97: Mr. Ray said he would report this out tomorrow.
- HB 98: Mr. Strandberg said this would be taken up tomorrow.
- HB142: Mr. Borer said he thought this should be considered at the time of the Health & Welfare budget since it was completely tied in with H&W. There was no objection to this bill being held for this reason, and also it was felt there was no reason to research it further as it would be done during the H&W budget.

Adjournment: Meeting adjourned at 5:10 p.m.

HOUSE FINANCE COMMITTEE MEETING
February 28, 1967
9:10 a.m.

Present: All members were present. Mr. Kerttula was also present.

HB 53: Mr. Miller moved and asked unanimous consent that HOUSE BILL NO. 53 be brought before the committee for discussion. Mr. Sassara objected and asked that the title be read and copies be distributed. Mr. Miller seconded. Mr. Sassara removed his objection. Mr. Miller presented an explanation of HOUSE BILL NO. 53, stating that this bill calls for the licensing and bonding of vegetable dealers and further, that the revenue estimated to come in from this would be approximately \$175.00 to \$250.00. The cost out would be approximately \$200.00.

It was brought to the committee's attention that Mr. Eastaugh would like to be present to discuss this bill. Mr. Miller moved and asked unanimous consent to postpone this discussion on HOUSE BILL NO. 53, until 4:00 p.m. today, when Mr. Eastaugh will be present. There being no objection, it was so ordered.

HB 97: Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 97 (Licensing of snowmobiles) be brought before the committee for discussion. There being no objection, it was so ordered.

Mr. Ray gave an explanation of this bill. The question came up as to whether or not this was a regulatory bill or strictly a licensing bill. It was suggested that this bill be tabled until this area could be cleared up. Mr. Haugen moved and asked unanimous consent to table HOUSE BILL NO. 97. There being no objection, it was so ordered.

HCR 6: Mr. Haugen moved and asked unanimous consent that HOUSE CONCURRENT RESOLUTION NO. 6 (Fisheries research projects in Bering Sea and Norton Sound areas) be brought before the committee for discussion. There being no objection, it was so ordered.

Mr. Haugen explained that this resolution is for a study; the present budget of the Department of Fish and Game does not include an amount for this study; and further, the Department of Fish and Game does not have the equipment nor the personnel to conduct such a study. This study would cost somewhere around \$100,000. However, it was brought out that the Bureau of Commercial Fisheries could conduct this study. Mr. Haugen asked that the following change be made: On line 16, delete "Department of Fish and Game" and insert: "Bureau of Commercial Fisheries". There was no objection to this change. However, Mr. Strandberg pointed out that since this resolution would then be directed to a federal agency, the wording would have to be changed. Mr. Haugen then moved and asked unanimous consent that HOUSE CONCURRENT RESOLUTION NO. 6 be tabled until it is rewritten. There being no objection, it was so ordered.

HR 17: Mr. Ray reported to the committee that he would be ready on HOUSE RESOLUTION NO. 17 as soon as the information reached him.

H&W Budget: Mr. Borer will meet with Health and Welfare on budgetary work during the day.

Adjourn: The meeting adjourned at 9:45 a.m., and will meet later in the day.

4:00 p.m.

Present: All members were present along with Mr. Sigmund H. Restad, Director, Division of Agriculture, Mr. George Jefferson, Department of Agriculture, Dr. Honsinger, Veterinarian, Department of Agriculture, and Mr. Fred Eastaugh, Juneau attorney.

HB 53:
(continued)

Mr. Eastaugh said he felt this bill was not properly drafted, and that it was very difficult for an attorney not well versed in surety business to write appropriate bond language in a bill. He said that in years past he had been consulted on bond bills but recently with turnover in the Legislative Council they have not been. He felt the language merely clarified the position of the surety with respect to the bonded party and the public who is protected by the bond. He said they have forgotten the aggregate liability under the bond and that it is not rewritten annually the way other insurance policies are. He said there must be an aggregate liability or it would be impossible to compute the interest on it.

(See letter in HB 53 file showing proposed amendments to the bill that will take care of this problem -- letter dated 2-8-67 from Mr. Eastaugh to Chairman House Commerce Committee.)

Mr. Eastaugh said these amendments would remove any objection he had on the bill. Mr. Eastaugh left at this time.

Mr. Restad said the reason this bill came about was because there had been instances where brokers handling this business had caused serious loss to the producer. He said when they have tried to set up a broker system and a farmer loses money on it, then they (the farmer) goes back to the old way, so he felt this bill was a step in the right direction.

Mr. Strandberg noted that there was no financial implication -- that the fees would take care of the expense involved. Mr. Restad agreed with this statement.

Mr. Miller asked him what he thought about a \$5,000 bond -- if it was enough. Mr. Restad said possibly it could be more, but it was pointed out by Mr. Jefferson that the idea of the bond was if the broker ever lost his bonding, he would be out of business. It was not enough to protect the producer if he didn't get his money out of the broker, but it was felt it would be unlikely that the broker would do anything to lose his bond.

There was a great deal of discussion on various sections of the bill/^{and also} concerning the definition of "broker" and "dealer". It was finally decided that Mr. Montgomery should rewrite these definitions since it was the broker that they wanted to license. It was pointed out that this bill had been drafted on the basis of the Michigan law and this really was not appropriate to the problems of Alaska. It was noted that the broker did not put up any money, but took a percentage of the sale from the producer. The dealer is the person who takes possession of the goods and pays for it through the broker. Mr. Sassara asked if this bill was meant only to cover vegetables grown in Alaska. Mr. Restad said that was true.

Mr. Sackett moved that the bill be held over until tomorrow, so that Mr. Montgomery could redraft it. On a show of hands, the motion carried.

Adjournment: Meeting adjourned at 4:45 p.m.

HOUSE FINANCE COMMITTEE MEETING

March 1, 1967

8:30 a.m.

Present: All members were present, along with Dr. Hartman, Commissioner Department of Education, Jack Gose, Transportation Supervisor; Wm. Mullen, State Internal Auditor, Department of Administration, and Mr. Bob Nelson, Auditor. Mr. Freer was also present.

ABC Board: Before going into discussion on Sec. 5 of HB 153, there was a general discussion with Mr. Freer on the ABC Board budget. Mr. Strandberg told Mr. Freer he wanted him and Mr. J. Chester Gordon, Director of ABC Board to return following the meeting with Education to discuss the budget for the ABC Board.

HB153: Dr. Hartman suggested that Mr. Mullen discuss the report (Sec. 5) that he was working on concerning the school transportation problem, as previously discussed on pages 140-142. Senator Carl Brady entered the meeting at this point. Mr. Mullen said they were asked to make a review of this program to find out the reason for the high cost of pupil transportation in the Anchorage area. Mr. Nelson went to Anchorage, and they also reviewed with the Department of Education in Juneau, but according to Mr. Mullen they have not finished the report; however, it will be available next week. Mr. Strandberg said he wanted a complete explanation of just exactly what is taking place and what caused this major increase in only the Anchorage area. Mr. Nelson said the Anchorage school bus program had a very nominal increase during this FY, but the cost for hazardous school routes had not been budgeted for, and that is where they found the increase.

(See HB153 bill file for Schedule of Appropriations, as supplied by Department of Education.)

Mr. Gose pointed out that the original request of \$116,000 for Anchorage hazardous routes had been cut to \$86,000, and said the \$116,000 had been his error, but he felt the rest of the figures for other school districts were correct. Dr. Hartman said he felt the error was due to the fact that regular bus transportation figures were based on 100% while hazardous routes were based on 75%, and very possibly while calculating these, that they had accidentally done Anchorage hazardous routes on a 100% instead of the 75%.

The following breakdown was given on special education school bus expense in Alaska:

Anchorage District:	\$87,000
Rest of Alaska:	12,000
	<u>\$99,000</u>

The following was the breakdown on hazardous bus routes:

Anchorage District:	\$83,835
Rest of Alaska:	4,320
	<u>\$88,155</u>

Mr. Strandberg questioned Dr. Hartman and Mr. Gose and the new figure they were requesting. He said the Anchorage figure had been cut by \$30,000, yet they had only cut the supplemental total from \$249,000 to \$242,000. Since they could give no explanation for this, Mr. Strandberg said he wanted a correct figure, and exactly what was to be contained in this amount, with complete backup figures for the request. He said he would set up a meeting with them only when they had everything prepared, so they could answer these questions. He further instructed them to look at the FY67-68 budget and be sure that it was alright in this area so they would not

have to go through this again next year. Meeting recessed
for 10 minutes.

Recess:

9:20 a.m.

Present: All members except Mr. Sassara who was excused. Mr. Freer,
and Mr. J. Chester Gordon, Director ABC Board, Department
of Revenue were also present to testify on budget for ABC board.

HJR 17: Mr. Ray moved and asked unanimous consent that HJR 17 (relating
to support for the implementation of Public Law 89-749) be
considered by the committee at this time. There being no
objection it was so ordered.

Mr. Ray read a letter (filed in HJR 17 bill file) from
Dr. Thomas R. McGowan, Director, Division of Health, Department
of Health & Welfare dated February 28, submitting information
and opinions about HJR 17. Mr. Sackett asked Mr. Ray if he
knew how much of this money lapsed each year. Mr. Ray said
he didn't have the information but Dr. McGowan was very well
informed and very likely could answer any questions on this.
It was then moved and unanimous consent asked to report out
HJR 17 with a do pass. There being no objection, the bill
was reported out of committee.

ABC Board
Dept. of
Revenue:

Mr. Gordon told the committee that he had come up with a new
budget for the Board, and that it had been okayed by the Governor.
He said the original request of \$99,200, with certain changes,
was now \$94,800. He said the principal changes were in
enforcement. He gave the following new breakdown of the
budget:

Administration:	\$45,700
Enforcement:	42,100
Board Expense:	7,000

Personal Services:	\$60,500
Travel	19,600
Contract. Svcs.	12,700
Commodities	800
Equipment	1,200
	<u>\$94,800</u>

Mr. Gordon said they would have copies for the members of the above budget today. Mr. Gordon said he had gone through the budget with Mr. Freer and analyzed it, reworked it and these are the figures they have come up with. He noted a reduction in travel which he felt was due to better planning. He said the enforcement people will be out in the field more, and he said the changes in Anchorage involve the centralized office plan as set out by the Governor. In answer to a question by Mr. Ray on this, Mr. Freer said that the Governor was having a survey of all state office^s in Anchorage and they were working on a plan of consolidation.

Mr. Ray asked Mr. Gordon to explain his personal ideas on the position of Director of the ABC Board. Mr. Gordon said as director he would be running the program, and emphasized that he would make the decisions.

In answer to a question by Mr. Sackett, Mr. Gordon said he planned to do his recruiting in cooperation with the State Police for the three enforcement positions. In answer to a query by Mr. Miller on the Fairbanks enforcement position, Mr. Gordon said the position had been vacant since last fall, and he had not filled it because he wanted to be sure he knew what salary he could offer. He also pointed out that in using the State Police standards for recruiting, he did not have to follow their age limit and therefore could possibly pick up men who were too old to work for the Dept. of Public Safety.

There was discussion by Mr. Ray and Mr. Gordon concerning the move of the ABC Board from Juneau to Anchorage. Mr. Ray voiced his displeasure and reasons why he felt it should stay in the Juneau area. Mr. Gordon in turn gave his reason for moving it to Anchorage, which was based on the fact that 82% of the people involved live in the Anchorage area. Mr. Strandberg requested Mr. Freer to obtain a letter from the Governor concerning these proposed changes to the ABC Board budget and submit it to the Finance Committee.

HCR 6: Mr. Haugen moved and asked unanimous consent that HCR 6 be considered by the committee. There being no objection it was so ordered. After some discussion, it was decided that due to the requested change in this resolution, that it would have to be made into a joint resolution since it was going to involve a federal agency. The staff was instructed to redraft it as a joint resolution.

Recess: Meeting recessed at 10:00 a.m. and to convene again upon adjournment of the House.

Meeting: The committee met again at 10:55. All members were present with the exception of Messrs. Borer and Ray, who were excused.

HB 13: Mr. Sigmund H. Restad, Director, Division of Agriculture, Department of Natural Resources, and two gentlemen, were present. A letter dated February 15, 1967 addressed to Larry Montgomery, from Mr. Restad, was read by Mr. Miller. ^{See} (HB 13 file folder for this letter) It was noted that if the bill was changed as suggested, the \$10,000 would only apply to those fairs which have had annual events for the last 10 years, which

would wipe Homer out. However, it was pointed out, it would not wipe the littler ones out of \$3,000. Mr. Strandberg asked what the present cost of the fairs were. It was answered that there are fairs in two judicial districts, and \$3,000 is appropriated to these two districts. The total present appropriation is \$6,000. Mr. Strandberg asked what was the reason for this bill and it was answered that it was to get increased funds to match for the 2 fairs (Tanana and Matanuska).

The language on line 15, concerning the words "subscribe", ^{"to spend"} and / its interpretation was discussed in length by the committee.

It was noted that on line 25 a suggested change was from "July 1" to "October 1 of the previous year". The language on line 17 was thought to be of a vague nature; possibly this could be strengthened. The words "conduct and maintenance" could be changed possibly to more specific language.

Mr. Miller asked if there had been any misuse of these funds in the past. Mr. Restad answered by stating that to his knowledge there hadn't been any misuse because of the fact that the language just isn't specific as to what the funds may be used for. He went on to cite an example, and related to the committee the problems encountered by the Matanuska Fair.

Mr. Miller asked if each fair issued detailed reports of expenditures after their fairs, and Mr. Restad said that some of them do, but sometimes they weren't as detailed as they could be.

Mr. Miller and Mr. Restad discussed their views concerning a letter Mr. Miller received which stated that the 4 H exhibits should have a flat fee of \$5.00 for each exhibit entered. Mr. Restad stated that he didn't think this was necessary, if this bill was passed; he thought that the sum of \$10,000 was enough.

It was asked how much did each of the fairs cost. Mr. Restad roughly estimated that the Matanuska fair cost approximately \$50,000 and the Fairbanks fair about half, (\$25,000).

In conclusion, the committee discussed the language on line 15, deciding that the committee should draw up a committee substitute, tightening up the language so that the money will go to the agricultural and industrial part of the fairs, only, rather than having the money go to midway booths, etc.

Mr. Miller asked Mr. Restad if we could get more detailed information from him as soon as possible, concerning this bill.

Mr. Strandberg announced that the committee would meet at 4:00 p.m. today with Commissioner Hartman, Department of Education. In the meantime subcommittee work would continue on various budgets.

Mr. Ray come in at this point and apologized for not being present, and asked if he could be excused Friday afternoon, March 3, 1967, to attend a funeral. Mr. Strandberg excused Mr. Ray for this funeral.

Recess:

The meeting recessed until 4:00 p.m.

HOUSE FINANCE COMMITTEE MEETING

March 1, 1967

4:00 p.m.

Present: All members were present, along with Dr. Hartman, Commissioner Department of Education and Jack Gose, Transportation Supervisor. Mr. Hartman gave everyone a paper on Estimated Pupil Transportation Costs for 1966 - 67. He explained that the figures on the first three lines of each group are identical. He explained that Eielson was originally added into the state-operated schools and should have been in the district-operated schools. This amount(\$31,500) was later added to the district operated schools. It is out of \$276,100. \$34,000) was also subtracted, so the balance is \$254,700.

**Department
Education:**

**Hazardous
Routes:**

Mr. Ray said that the law doesn't say that the state should operate hazardous school routes. Mr. Gose replied that the state department will determine the hazardous routes of state-operated schools. Mr. Strandberg said that in state-operated schools, the state pays the whole cost and they had no money set aside for hazardous bus costs. The Dept. of Education has been operating as if they had this money authorized. Mr. Gose replied that their budget was submitted early last fall so they went ahead and planned for this. Mr. Strandberg asked for a breakdown on Anchorage in relation to the other districts. He said they declared a lot of additional routes as hazardous which could have been itemized in the general routes. Mr. Hartman said that Anchorage is the only district that operates their own transportation system. Every other school bus system in the state is under contract. Anchorage has an auditor who has complete figures on this system by July 1st. Mr. Gose examines every route sheet. There are about 300 route sheets and he reviews everyone of these sheets to determine if there are irregularities. Mr. Gose said they should have better routing for

Special
Education:

for special education students.

Mr. Hartman replied to questioning about funds for special education. He said that anything pertaining to special education, (including transportation) is set aside on a separate form. There are 410 special education students in Anchorage and 97 in the North Star Borough. In Fairbanks, all special education students attend one center. In Anchorage, they attend seven or eight centers. This does increase the transportation cost to bring them into these centers. Mr. Sassara asked why they had these different centers and Mr. Hartman replied that they are determined by classification (hard-of-hearing, for instance). In many other places, there are empty rooms, so rather than haul regular students all over the place, they use these for special education classes. It is also necessary to do as much integrating as possible. They put the special education students in with regular classes once inawhile. They don't like to have centers labeled for only "dumbbell" students.

Mr. Ray asked why is it in Elmendorf-On-Base, they ask for \$16,254 for 46 students and the North Star Borough has 97 students and they only ask for \$7,200. Mr. Gese replied that all of these 47 students from Elmendorf are transported. Of the 97 students in North Star, many of these are on-base. At Wainwright, they have 35 students which they bring to North Star. Wainwright is in the North Star Borough.

Mr. Ray asked if they could get places closer. Thirty miles each way is a pretty long jaunt for a handicapped child. Mr. Hartman replied that they are trying to keep handicapped students together. They do not have a center that they can take all of these students to.

Mr. Strandberg asked if this was 100% federally funded and Mr. Gose replied that it was. There is a two year lag; if the cost per pupil goes up, then they are behind that much. Mr. Sassara asked if any state program that is instructed on the base is reimbursable. Mr. Gose replied that if they have it on the base, it is reimbursable.

Mr. Strandberg said the figure of \$72,566 for Anchorage district was over budgeted. Reduce that figure \$31,500 from hazardous route not budgeted and the figure is \$69,910.

Mr. Ray said they have \$39,868 for special education transportation
162,444 hazardous transportation
40,708 regular transportation, which comes to a total of \$243,290 which is what the state is asking for now.

Mr. Strandberg said there were three questions that they will have to answer before the legislature (1) Why did you have to revise? (2) Why did they have the supplement? and (3) Why is Anchorage so much higher than the rest of the state? In answer to one, Mr. Strandberg said, there has been a reduction of what portion was tied up in hazardous routes. The majority of the Anchorage increase was due to the hazardous route classification. It was all first-year program.

Mr. Ray gave a rundown on Anchorage figures. For this information, see the backup information in House Bill 153.

Mr. Ray brought up the question of how sure were they of the figures in the districts. Dr. Hartman said these were all signed contracts so it should be a firm figure. Mr. Ray asked if the \$31,500 for hazardous routes was now budgeted in the state operated schools, and Dr. Hartman replied that it was not budgeted in state operated schools. He said this was the total in contracts for hazardous routes. Mr. Ray asked why it was not in, and Dr. Hartman told him they had not budgeted for any hazardous routes for FY66-67.

Mr. Miller said he was still not clear on this \$31,500 figure, and wanted to know if Dr. Hartman contended he had not asked for it originally, and Dr. Hartman said that was correct. Mr. Miller still was not satisfied on this point, and along with Mr. Gose, went back over all of the figures. After a somewhat lengthy discussion, it was decided that Mr. Miller and Mr. Ray would again go over these figures with Dr. Hartman in his office, and see if a mistake had been made. Senator Begich arrived at this time.

Dr. Hartman said he would recheck all of these figures and advise the committee on the \$31,500 by memo.

The question of 50-50 for on-base schools was discussed. Mr. Borer said he could not understand how any school route on an Army base could be considered hazardous since the commanding general could order any speed for vehicles on the base. He mentioned Adak in particular for participating in this program. Mr. Ray asked that this whole program be continued in subcommittee and he would try to unravel and report back on it as soon as possible.

With reference to FY67-68 budget, Dr. Hartman gave the following figures:

Department request: \$2,616,700

Governors' Recommend: 2,365,200

He said this was for district operated schools only.

He felt that they could get by on \$2,436,912 and not have to come back next year for a supplemental.

In answer to a question concerning FY66-67 figures in comparison to this new request by Mr. Sackett, Dr. Hartman said the increased request was due to an increase in enrollment throughout the state.

Mr. Strandberg asked Dr. Hartman if they had discussed this increased figure with the Budget Review Committee. Dr. Hartman replied they had not, but would do so before coming before the Finance Committee again.

Mr. Strandberg asked if they would be prepared to answer all questions on pupil transportation during the budget review so that Mr. Gose would not have to return from Anchorage for this. Dr. Hartman assured him that they would be well prepared on this subject.

Adjournment: Meeting adjourned at 5:10 p.m.

HOUSE FINANCE COMMITTEE MEETING
March 2, 1967
8:30 a.m.

Present: All members were present, along with Mr. Richard Freer, Director,
Division of Budget & Management.

Health &
Welfare
Budget
Closing
out:

Mr. Borer, a member of the subcommittee on the H&W budget gave an analysis of future problems with the growth of new projects. He pointed out that the mental health program

General
Discussion:

would add another \$2,000,000 to \$2,500,000 in the next two years to the budget, along with the McLaughlin Youth Center, which would be at least another \$2,000,000. He noted the housing for staff of Harborview in Valdez would also be a costly item, and he felt that some direction from the administration must be forthcoming, or the H&W budget alone in the next few years would be taking up half of the appropriation. Mr. Borer felt this should be pointed out to the committee and some thought should be given as to where the financing for these projects would come from. Mr. Haugen pointed out that in the total budget that Personal Services had gone from \$6,900,000 to \$8,500,000, which he felt was a substantial increase and also in travel. He noted the others were holding their own. He said that \$15,000,000 of the \$52,000,000 came from the general funds which is close to 35%. Mr. Strandberg said that when the committee completed its work on this budget they would ask the administration to come in, along with the commissioner and see just where they can go on this. He said they should have a forecast on this program for the next three years.

Program of
Adminis.:
Office of
Commissioner:

Mr. Borer said there were no new positions in this office, and salaries are same, travel has been cutback below a year ago,

by the Budget Review Committee.

Contractual
Services
(300):

Mr. Borer pointed out the reason this was raised from the department request of \$6,800 to \$75,000 was for the implementation of SWIS by Dept. of Administration -- this item was \$68,600 for the H&W share.

Total
Office of
Commissnr:

It was moved and unanimous consent was asked that \$141,500 be accepted by the committee. There being no objection it was so ordered.

Office of
Director:

Mr. Strandberg asked Mr. Freer to make sure the administration would make no changes on this SWIS program and come in at the last minute on this. Mr. Freer said he would check it out.

There was discussion on last year's budget and why money was appropriated for this. Mr. Haugen said they felt that there was such a hodge-podge of programs and funding that it had to be put together under one director such as Fish & Game and Highways has done and which had been successful. Mr. Freer pointed out that the Director's position had not been filled and they had hired an Administrative Officer instead. Then when the new administration came in, they filled the Director's position, and this is the reason they are requesting another new position in this year's budget (to cover Administrative Officer). Mr. Borer said the subcommittee felt there had been no fiscal guidelines but they should have now. He pointed out that ^{with} \$20,000,000 cash flow through the department that this is money well spent. He said if it doesn't help, they can cut it out next year.

Total:
Office of
Director:

It was moved and unanimous consent was asked that \$71,200 be accepted. Mr. Ray objected and stated his reason was that he felt the money could be better spent in programs rather than administration. On a show of hands motion carried.

Management
Services:

Mr. Freer pointed out that under Contractual Services in this area, that the positions for maintenance actually did not work for H&W, they worked for Division of Buildings, and were funded from H&W budget.

There was discussion on hiring during the earthquake and Mr. Freer said they actually didn't hire people -- they just used the disaster funds to pay four people that were already on their staff.

Mr. Borer said all new positions requested under this section had been refused by the Budget Review Committee. He said travel was left the same, and that contractual had been cut back somewhat, but the additional cost in this area was due to the moving of the Department into the new Community Building in Juneau. An addition of \$1200 was added to commodities to cover fuel for this same building. Mr. Borer said the zerox paper was charged to this, even though it was used throughout the Department. Mr. Strandberg noted that it was fine to put it in one place, but he hoped they didn't again charge in the other divisions for this. Mr. Ray again said he felt far too much money was going into administration.

Total:
Management
Services:

It was moved and unanimous consent was asked that \$423,800 be accepted by the committee for Management Services. There being no objection it was so ordered.

**Management
Services:
Statistical
Services:**

Mr. Borer said the reason this had dropped from FY66-67 from \$48,300 to \$38,000 was that they had taken a position from this division and moved/^{it}into the Office of the Commissioner. He said it was a Systems Analyst II and this work had a wider range than just the Statistical Services, in fact, it covered most of the department.

Total: It was moved and unanimous consent was asked that \$38,000 be accepted by the committee. There being no objection it was so ordered.

**Vital
Statistics
Records:**

Mr. Borer noted they had a special zerox in this section to cover Russian birth records; however, it paid for itself by the charge of \$2.50 per record.

Total: It was moved and unanimous consent was asked that \$65,700 be accepted by the committee. There being no objection it was so ordered.

**Health &
Welfare
Facilities:**

This figure rose from FY66-67 of \$55,700 to \$75,900 for request of this year. Mr. Borer said this was mainly under contractual services. In answer to a question by Mr. Strandberg, Mr. Borer said this division took care of such things as Hill-Burton projects, repairs and services of youth centers at Kenai, Kake, Bethel, etc., Youth Camps, State jails, etc. Mr. Borer pointed out that though they request money for repairs, they often use prison labor, and use the money appropriated elsewhere.

**Wasilla
Youth Camp:**

Mr. Strandberg inquired about the maintenance of the Wasilla Youth Camp and the cut on this. He said the camp was in a bad state of repair and needed a new furnace, new hot water heater, etc. Mr. Borer said the camp was only 5 years old

and that he couldn't understand why they would need a new furnace. Mr. Strandberg said the furnace had been one they had obtained on surplus and it was really giving them problems. Mr. Borer pointed out that \$8100 was included for Wasilla instead of the \$18,000 requested, and then cut back by the Budget Review Committee to \$8100. He said there was also \$5,000 in emergency repairs that could probably be used there. Mr. Strandberg emphasized how badly these repairs were needed, and told the subcommittee to consult with Senator Koslosky and Mr. Kerttula from that area and get their opinion. He said he had toured the camp this summer and it was really urgent. Mr. Freer suggested this could be put in the working capital budget and handled by Public Works under the direction of the Division of Buildings.

Total:
H&W
Facilities:

It was moved and asked unanimous consent that \$75,900 be accepted by the committee, subject to reopening this figure on the Wasilla Youth Camp appropriation. Mr. Ray objected for the reason that he stated above (too much for administration and too little for program). On a show of hands, the motion carried.

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

10:00 a.m.

Present: All members, along with Mr. Freer.

LEGISLATIVE
INTENT:

Mr. Borer reported that he had conferred with Mr. Kerttula and that if they took the \$5,000 as shown in the budget request for the repairs to the Juneau office (Community Building) and added this to the \$8100 already allotted for Wasilla Youth Camp, that according to Mr. Kerttula, this would take care of it. Mr. Strandberg and the committee

agreed that this should be shown in the report on Legislative Intent.

Total:
Program
of Admin-
istration:

It was moved and unanimous consent was asked that the total of \$816,100 be accepted by the committee. Mr. Ray objected on the same basis as above. On a show of hands motion carried. All present positions are filled in this program. They

Youth &
Adult
Authority:
Program
Adminis-
tration:

had requested 22 new employees and the Governor's recommendation had allowed 5.

There was a discussion on the possibility of a federal grant in this area under vocational education. Mr. Freer said this had not been discussed with the Budget Review Committee and he was not aware of any available federal funds. Mr. Borer said they need a specialist in this field who knows how to go about getting this money and that they had been advised it could be a very substantial amount. Mr. Strandberg said that if new positions were passed on the possibility of federal grants than they should go over this with Budget Review Committee and see their reaction before the Finance Committee could do anything.

Mr. Freer said that the positions allowed (five) were for probation officers and the department could decide where they will be stationed.

Recess:

Recessed at 11:30 a.m.

1:30 p.m.

Present:

All members were present except Mr. Sassara who was excused.

YAA Budget
Continued:

Mr. Borer pointed out that all equipment requested for the new positions which were denied had also be removed. Mr.

Borer said they were removing also the request for one car since none were allowed for the rest of the state. Mr. Freer said this car was actually added to the car pool in Anchorage and the reason for it was they had added new people (probation officers) and felt the additional car was needed. Mr. Freer explained the car pool and the way cars were replaced. The agency needing a car pays 13¢ a mile, and this covers upkeep, and usually enough to replace the car when it wears out; however, if an additional car is needed other than a replacement it cannot be bought from this fund. Mr. Borer moved and asked unanimous consent that this equipment figure of \$11,200 be cut to \$10,000. There being no objection it was so ordered.

Equipment:
Cut

Total:

It was moved and unanimous consent was asked that the figure of \$589,300 be the total figure which was a change from the Governor's recommendation of \$590,500. There being no objection, figure was accepted.

Care of
Juveniles:
Youth
Consrvtm
Camp:

According to Mr. Borer, Legislative Audit had requested the department to add a 25% contingency in case of emergency trips home for juveniles.

Contractual
Services:
(300)

Mr. Ray moved and asked unanimous consent that the \$20,000 as recommended by the Governor be changed to \$25,000 and that the \$5,000 be used in the Wasilla Youth Camp. He felt then that the \$5,000 taken from the Juneau H&W offices could then be returned and everyone would be happy. For lack of a second, the motion died.

Commodities
(400)

Mr. Freer pointed out that items under commodities could go up too much (food, clothing, fuel, etc.) because they could only handle a maximum of 40 boys, so they had a limit

Dept. of
Law Suppl.
HB 152:

on these items. Mr. Sassara arrived at this time.

Mr. Strandberg said the committee would now review HB 152, and at this time, Mr. Edward Reazor, Deputy Attorney General, Mrs. Roberta Johnson, Office Manager, and Mr. George Benesch, Asst. Attorney General arrived. Mr. Freer was still present for this discussion, also.

Mr. Reazor gave the following breakdown on the supplemental request of \$44,600 as requested in HB 152:

\$38,200	-- Professional fees
5,400	-- Travel
1,000	-- Printing
<u>\$44,600</u>	

On the \$38,200 for professional fees, Mr. Reazor said that \$12,500 was for the Washington D. C. law firm of Wilkinson, ^{Crowell} Krager, and Barker (specialists in Indian land claims); \$17,500 for Ed Boyko, attorney, who has been retained by the Governor to work on the same Indian land claims. Mr. Reazor gave Mr. Strandberg a copy of a letter from the law firm in Washington, along with a copy of the contract for Mr. Boyko. He said the contract with Mr. Boyko calls for \$3,000 a month plus certain costs, namely travel, witness fees, etc. He saw the Washington law firm charges \$60 an hour and since they have little knowledge of Alaska, and are not trial lawyers, Mr. Boyko has been retained to do the trial work on this.

In answer to a question by Mr. Ray, Mr. Reazor said he thought Mr. Boyko's services would be needed for a total of about 8 months.

Mr. Miller asked Mr. Reazor about the special litigation request in the FY67-68 budget. Mr. Reazor explained that

his office had requested \$55,000 in special litigation but the Governor's Budget Review Committee had cut it back to \$35,000. However, they did not know at the time that this Indian land claim problem would be arising, according to Mr. Reasor, and he further stated that this Special Litigation appropriation had originally been in the Governor's office and was now transferred to the Attorney General. He said the \$55,000 had been an estimate on his part, as he knew they would have the watershed case and the raw fish tax case before the supreme court.

Mr. Reasor said the balance for professional fees of the \$38,200 was \$8,200 and this was for freight rate cases. He asked Mr. Benesch to explain these cases, as he was the specialist in this field. Mr. Benesch told the committee about the attorney who is one of the best in the country on this type of case, and that \$5100 of the \$8200 would be for his fee on the Alaska Steamship case which is scheduled for April or M /, depending on how fast they move. He said this attorney schedules his trips(to represent Alaska) to coincide with other business in Washington, D. C., and is very nominal on his charges for this reason. He said the study of the transportation system(under contractual services) by a consultant firm would cost approximately \$3700. He said the study was based primarily on the Alaska Steamship rate increase and part of the study which has been completed, is for the public, while the second half is confidential with the legal aspects but the latter has not been done yet. Mr. Reasor said the balance of the supplemental of \$1,000 was for publishing briefs and witness fees.

Mr. Miller pointed out that the total of \$44,600 agreed with the total he had been given originally by Mr. Reasor but by no means did the breakdown agree. Mr. Reasor said there had been some changes made since their original conversation and apologized for not correcting them.

Mr. Strandberg noted that that was the reason for having these people before the committee to straighten out the confusion on these figures.

There was a rather lengthy discussion on reasons for and against bringing in attorneys on a consultant basis for special problems such as Indian land claims. Mr. Reasor agreed that it would be best to have someone on the staff to handle this but unfortunately they cannot find a specialist in this field who will work for \$17,500 a year.

In answer to a question by Mr. Sackett, Mr. Reasor said his best estimate on Mr. Boyko's services would be a year at the most.

Mr. Kertulla arrived at this time.

Mr. Strandberg advised Mr. Reasor that if his department did not agree with the \$20,000 cut on Special Litigation appropriation that he should arrange a meeting with the Budget Review Committee and give them the reasons why they need more money, and confer with the Governor, and if he agrees, then the Governor should advise the Finance Committee of this change. Mr. Strandberg emphasized he wanted this request from the Governor's office.

Recess:

Meeting recessed at 3:00 p.m.

3:15 p.m.

Present: All members were present, along with Mr. Freer, and Mr. Kerttula.

HB 152: It was moved and unanimous consent was asked that HB152 be considered by the committee. There being no objection it was so ordered.

Mr. Sackett commented that he felt Mr. Reasor's estimate on Mr. Boyko's employment was far too conservative -- he felt it would take at least 5 years to complete the claims. Mr. Ray moved and asked unanimous consent that the \$44,600 be reduced to \$25,000. The motion died for lack of a second. Mr. Ray said the reason for his request was that he thought the Washington, D. C. firm should be eliminated. Mr. Ray then asked to be removed from the subcommittee on HB152, since he could not support the bill in its present form.

It was then moved, and unanimous consent was asked that the HB152 be reported out with a do pass. There was objection by Mr. Sackett and Mr. Ray, but the motion carried on a show of hands.

H&W Cont.
YAA
Care of
Juveniles:
Youth
Conservation
Camp:

After discussion of the figures as shown on page 219 of the Budget Request book on commodities, it was moved and unanimous consent was asked that the figure for Youth Conservation Camp of \$223,300 be accepted. There being no objection it was so ordered.

McLaughlin
Youth
Center:

Mr. Borer gave a short dissertation on the McLaughlin Youth Center, and told the committee there would be 120 boys when this opened with a staff of 80. He said it would

open approximately February 1, 1968, and that it would serve as (1) a detention center for Anchorage; (2) state wide diagnostic center; and (3) treatment center for those designated for that institution. He estimated the annual cost, once the Center is in operation, at \$1,500,000 per year. He said the Department did not have an overall plan at this time. Mr. Strandberg wanted Mr. Lowell to give certain information on opening date, etc., but since he was not available, it was decided to leave this portion of the budget open.

Contract
Juvenile
Care:

Mr. Borer reported that this amount(\$688,700), according to the Department of H&W should be reduced by about 80%. This of course would be due to the opening of the McLaughlin Youth Center; however, Mr. Borer did not feel that it would be reduced by that much. He said since this is all contractual services for outside care of juveniles, there was no personal services involved.

Travel:
(200)

Under travel, it was moved and unanimous consent was asked that the figure of \$93,500 be cut to \$63,500. There being no objection it was so ordered.

CUT:

Contractual
Services:
(300)

Under Contractual Services, 380 (page 255 Budget Request Book) it was moved and asked unanimous consent that under Placements Outside Alaska, the figure of \$378,596 be cut to 301,296. There being no objection, it was so ordered. On page 254 of the Budget Request book, the amount of \$577,300 was then reduced by \$77,300 to a total figure of \$500,000 under this section.

CUT:

Total:
Contract
Juvenile
Care:

It was moved and unanimous consent was asked that the total for Contract Juvenile Care be reduced to \$581,400 from the original request of \$688,700. (This represents a deduction of \$107,300 under this section.) There being no objection it was so ordered.

Adult
Conservation
Camp:

Mr. Borer said this program supported 294 prisoners inside the state and 301 outside of the state as of February 13, 1967.

Commodities
(400):

After much discussion concerning the \$45,000 building described on page 291 of the Budget Request book, Mr. Strandberg asked Mr. Borer to discuss this building for Wasilla with Mr. Kerttula and Mr. Koslosky. Then followed another discussion on a ^{requested} colored TV set for the prisoners.

Total:
Adult
Conservation
Camp:

It was moved and unanimous consent was asked that the requested \$461,300 be accepted by the committee. Mr. Ray objected, then removed his objection, and the figure was then accepted by the committee.

Adjournment: Meeting adjourned at 4:45 p.m.

HOUSE FINANCE COMMITTEE MEETING

March 3, 1967

8:30 a.m.

Present: All members were present, along with Mr. Richard Freer, Director, Division of Budget & Management.

H&W Budget
Continued:
McLaughlin
Youth
Center:

Mr. Strandberg asked that Mr. Leonard Lowell be called to discuss the completion date on the McLaughlin Youth Center. Mr. Lowell arrived a few minutes later, and told the committee that the contract completion date was August, 1968; however, the contractor has assured them it will be ready by the end of 1967. Mr. Lowell said the only change in plans was the possibility that they would now share a kitchen with API and the space would either be utilized for something else or not used at all at the present time. In answer to a question by Mr. Strandberg, Mr. Lowell said if anything this change would cut down on the completion date as there would be less work.

Mr. Strandberg asked for a breakdown of the \$5,000,000 bond and Mr. Lowell gave the following figures (approximate):

\$2,400,000 -- actual construction cost McLaughlin Youth Cntr
2,000,000 -- Fairbanks jail
600,000 -- furniture and fixtures -- McLaughlin Yth Cntr.

Mr. Strandberg asked for a memo on the actual estimated expenditure of the two facilities, and he also requested that this memo show what had been deleted to keep within the \$5,000,000.

In answer to a question, Mr. Lowell said the Fairbanks jail should be open in April, 1967.

Total:
McLaughlin
Youth Centr:

It was moved and unanimous consent was asked that \$42,300 be accepted by the committee. There being no objection it was so ordered.

Mr. Freer pointed out to the committee that they should have money appropriated this year to get this Center going and that a supplemental such as they used for the Fairbanks Pioneers' Home won't work in this case because it would be too late. Mr. Strandberg requested a memorandum from Mr. Freer on this, so that he could discuss it with the Governor.

Anchorage
State
Jail:

It was noted by Mr. Borer that the \$51,000 increase in this request was approximately as follows:

\$40,000 in personal services
1,000 in travel
3,000 contractual services
5,000 in commodities
2,000 in equipment
1,000 in claims (support & care of prisoners)

Total:
Anchorage
State Jail:

It was moved and unanimous consent was asked that \$374,800 be approved by the committee. There being no objection it was so ordered.

Fairbanks
State Jail:

It was noted that the heating plant in the new jail was shared with the Pioneers' Home and Mr. Freer said he would check but he was sure that the Division of Buildings would handle the heating plant and that Health & Welfare would not need a man for this. He would notify the committee on this, and Mr. Strandberg said the budget for the Fairbanks State Jail would be left open until this information was received.

Ketchikan
State Jail:

It was explained by Mr. Borer the reason for personal services going up somewhat -- certain positions are working 40 hours a week, so these people were upgraded by one grade.

Travel
(200)

Mr. Borer said the increase in travel was based on the

Travel continued:

assumption that Alaska Coastal rates were going to go up, and Mr. Strandberg agreed this was a poor assumption, so it was moved and unanimous consent was asked that Travel under this category be cut from \$3100 to \$2,000 (reduced by \$1100). There being no objection, it was so ordered.

CUT:

It was moved and unanimous consent was asked that the total be revised and reflect the \$1100 reduction and that \$202,700 be accepted by the committee. There being no objection it was so ordered.

Total:
Ketchikan
State Jail:

Total:
Other
Prisoner
Care:

It was moved and unanimous consent was asked that the request of \$849,300 be accepted. Mr. Ray objected, and explained that he was objecting because the toilets in the Juneau Jail had been cut back. Motion carried.

Recess:

Meeting recessed for members to go into House session.

10:30 a.m.

Present:

All members.

Book 3
HW:

Mr. Borer commented that the total budget on Welfare was up from \$6,570,000 to \$7,559,500.

Mr. Strandberg said that in the field of education and mental health the Federal government considers the Native population as citizens of Alaska and since there is no differentiation, they will not contribute to these programs.

Mr. Strandberg said they have tried since statehood to get help from the Federal government on this but to no avail.

It was also noted that if the state had to take over everything scheduled for Natives it would cost an additional \$18,000,000 from the General Fund.

Total:
Aid to
Families
with depend-
ent children:

After a short discussion on this program, it was moved and unanimous consent was asked that \$2,125,900 be accepted by the committee. There being no objection, it was so ordered.

Food Stamp
Program:

Mr. Haugen explained how in the past the state had attempted to use federal surplus food and it had proved very costly to ship in and also to administer, so now they have tried the food stamp program as supported by the federal government and he feels it has worked out successfully. A family is assigned the food stamps, then they can take the stamps into a grocery store and buy their groceries.

Total:
Food Stamp
Program:

It was moved and unanimous consent was asked that \$21,900 be accepted by the committee. There being no objection it was so ordered.

General
Relief
Assistance:

Mr. Borer explained this classification as a program for indigents who do not come under any other category. He said \$6800 under travel is for those people who do not have any means of support and the state gives them an airplane ticket back to the other states. This program is also used for burials of indigents, fuel, rent food, etc. There is also an appropriation for cash payments to people who cannot qualify for any other type assistance and need temporary help. Mr. Borer noted that the Welfare people are extremely cautious on this and watch very carefully who they assist.

Total:
General
Relief
Assistance:

It was moved and unanimous consent was asked that the \$178,000 figure as requested be accepted. There being no objection it was so ordered.

General
Relief
Medical
Assist-
ance:

Mr. Borer said this \$812,000 request was entirely non-Native. The Natives are covered under Federal (BIA - Alaska Native Health Service) on this. He said most of the people assisted in this area are elderly, and simply cannot pay unusually large medical bills. Mr. Borer submitted a breakdown on contractual services (physicians' services, hospital, dental, nursing home, etc.) and this report can be found in H&W file under Division of Welfare.

Recess.

It was announced that there was a call of the House, so meeting recessed.

2:00 p m.

Natural
Resources
Office of
the Commis-
sioner:
Contractual
Services
(300)

Mr. Sackett said there were no new positions under personal services, and there was a slight decrease in travel.

Mr. Sackett pointed out the reason that Contractual services had gone up so much was due to the SWIS program which charged \$33,200 to Natural Resources. He said there were additional charges also due to the move of the office to the Goldstein Building in Juneau from the Capitol Building.

Cut:

Mr. Sackett said he could find no justification for the total of \$41,600 and therefore moved and asked unanimous consent that it be cut \$300 and that the total be changed to \$41,300. There being no objection, it was so ordered.

Total:
Ofc of Com:

It was moved and unanimous consent was asked that \$101,600 be accepted in lieu of the Governor's recommendation of \$101,900. There being no objection it was so ordered.

NW Rail-
Road Study:

CUT:

Total:
Lands:
Adminis.
Office of
Director:

It was moved, and unanimous consent was asked that the request of \$15,000 for this study be eliminated completely.

There being no objection it was so ordered.

It was moved and unanimous consent was asked that \$31,300 be accepted by the committee. Mr. Sassara objected and then removed his objection. There being no objection, the motion carried.

Recess:

The committee was notified of a call of the house, so meeting recessed at 2:30 p.m.

3:00 p.m.

General
Adminis-
tration:
Contractual
services:

CUT

It was moved and unanimous consent was asked that the Governor's recommendation of \$45,200 be cut by \$500, and that the final figure of \$44,700 be accepted by the committee. There being no objection, it was so ordered.

Equipment:

CUT:

Mr. Sackett said he could see no justifiable reason why this was at \$2300, so it was moved and unanimous consent was asked that this be cut by \$300, and that the committee allow \$2,000 for equipment. There being no objection it was so ordered.

Total:
General
Adminis-
tration:
CUT:

It was moved and unanimous consent was asked that the figure of \$292,400 be reduced to \$291,600 (reflecting above cuts of \$500 and \$300 in contractual services and equipment) and be accepted by the committee. There being no objection it was so ordered.

Lands Branch
Operation:

Travel:

CUT:

It was moved and unanimous consent was asked that \$700 be cut from the requested \$19,700, and that the committee recommendation be \$19,000. There being no objection, it was so ordered.

Total:
Lands Branch
Operation:

It was moved and unanimous consent was asked that the total figure for Lands Branch be reduced from \$383,400 to \$382,700 (less the \$700 cut from travel). There being no objection it was so ordered.

Total:
Minerals
Branch:

It was moved and unanimous consent was asked that \$148,000 be accepted by the committee. There being no objection it was so ordered.

Total:
Water Use
Act:

It was moved and unanimous consent was asked that \$45,100 be accepted by the committee. There being no objection it was so ordered.

Total:
Cadastral
Engineering:

It was moved and unanimous consent was asked that \$297,300 be accepted for this. There being no objection it was so ordered.

Forestry:

Mr. Sackett read a letter to the committee concerning the Homer Chip Mill. This letter can be found in the Natural Resources file.

Total:
CUT:

It was felt this program was overfunded, so it was moved and unanimous consent was asked that this be cut from \$399,900 to \$300,000 for a cut of \$99,900. There being no objection it was so ordered.

Total:
Parks &
Recreation:

It was moved and unanimous consent was asked that \$244,600 be accepted by the committee. There being no objection it was so ordered.

Total:
Program of
Management
of State
Lands:

The total appropriation on this budget is changed from \$1,842,000 to \$1,740,600 with a total deduction of \$101,400.

Adjournment:

It was announced there was a Republican caucus so meeting adjourned at 3:30 p.m.

HOUSE FINANCE COMMITTEE MEETING

March 4, 1967

8:45 a.m.

Present: All members were present with the exception of Mr. Sassara and Mr. Ray who were excused. Mr. Freer, Director, Division of Budget and Management was also present.

Health &
Welfare
Budget
Closing out:

Page 108, Budget Document, Code 4, General Relief Medical Care :

It was moved and unanimous consent was asked for adoption of \$812,000 as the final figure for this code. There being no objection, it was so ordered.

Code 5, Juvenile Code: It was moved and unanimous consent was asked that \$751,100 be accepted by the committee for this code. There being no objection, it was so ordered.

Program Admin.
CUT:

Code Q, Program Administration: It was recommended that \$200,000

Personal Serv.

be cut from the personal services portion of this code. It was explained that there are positions in there that have not been filled, but are funded for. Mr. Freer explained that this has been done simply to demonstrate to the federal people that we are set up. It was asked what would happen if these positions that have never been filled were cut out; Mr. Freer answered that we probably would lose the federal funds. It was moved and asked unanimous consent that the figure \$1,369,800 be cut by \$200,000 and that the letter of legislative intent reflect that if the positions are filled, the money will be available and if necessary we will recommend a supplement next year.

Letter of Intent:

Travel:

It was also mentioned that the travel portion be cut back to last year's level, (a \$10,000 cut) to \$41,400 rather than \$51,400.

It was moved and unanimous consent was asked that the new figure of \$1,117,800 be accepted for Code 0, Program Administration. There being no objection, it was so ordered. Contractual Services was cut from \$742,700 to \$673,000. It was moved and asked unanimous consent that \$2,231,100 be accepted for Adult Public Assistance. There being no objection, it was so ordered.

Adult Public Assistance:
Cont. Services:
CUT:

It was moved and asked unanimous consent for the acceptance of the total figure of \$7,237,800 for the program of Public Welfare. There being no objection, it was so ordered.

Public Welfare
TOTAL:

CSHB 80:

It was noted at this point that the Supplemental Appropriation in the amount of \$280,000 (CSHB 80) should be applied to the ^{present} / year's figures:

Division of Public Welfare

Adult Public Assistance	30,000
General Relief Medical Care	137,000
Juvenile Code	<u>\$113,000</u>
	<u>\$280,000</u>

Program of Mental Health:
Program Admin.:

It was moved and unanimous consent was asked for the acceptance of \$141,900 as the total figure for Program Administration. There being no objection, it was so ordered.

Mental Health Services:
Pers. Svcs.:

It was noted that on page 179 of the workbooks, positions on lines 5, 6, 8, 13, 20, 23, and 26 are all vacant. Mr. Freer stated that these are all currently authorized positions and that they just have had trouble filling them. He further stated that there are no new positions in this budget for next year.

Letter of Intent:

It was moved and unanimous consent was asked that the figure of \$278,300 be cut to \$233,800 for personal services, with the stipulation that the legislature will be willing to put in a supplemental appropriation of not more than \$54,400 if these positions are filled. There being no objection, it was so ordered.

Hospital Improvements Project:

There was much discussion concerning this portion of the budget. Mr. Borer asked that Administration check into this program and find out just what has been accomplished.

It was moved and asked unanimous consent that the figure of \$90,000 be accepted for this portion of the budget, with the stipulation that the letter of intent request the Administration to completely review this program. There being no objections it was so ordered.

Letter of Intent:

Mr. Borer asked to have a check made to see if any funds held over could be used for actual child treatment.

Child Treatment:

Recess:

The Committee recessed at 10:10 a.m.

The Committee met again at 10:20 a.m.

The three items: Hospital and Nursing Home Contracts, Valdez State Hospital, and Harborview Memorial Hospital, will not be taken up at this time.

Natural Resources Personal Serv:

Mr. Sackett directed the committee to a letter dated February 14, 1967 from James A. Williams, Director, Division of Mines and Minerals, concerning Oil and Gas Conservation Tax . (See letter in Natural Resources File #12.) An amount of \$14,800 will be taken out of this special fund, and decreased from our general fund.

Contractual Services:

It was moved and unanimous consent was asked for acceptance of

CUT: the figure of \$15,000 for Contractual Services. There being no objection, it was so ordered.

Commodities:
CUT: It was moved and unanimous consent was asked for acceptance of the figure of \$2,000 for Commodities. There being no objection, it was so ordered.

General Admin.
TOTAL:
CUT: It was moved and unanimous consent was asked for the adoption of \$89,100 for the final figure for General Administration. There being no objection, it was so ordered.

Mining Branch: It was moved and unanimous consent was asked for the adoption of \$91,000 as the final figure for Mining Branch. There being no objection, it was so ordered.

Metallurgy Branch: It was moved and asked unanimous consent that \$66,600 be accepted for Metallurgy Branch. (Mr. Miller indicated he would go along with the motion, with the stipulation that it may be opened up again concerning the move of the Mining Branch and Metallurgy Branch to the University of Alaska.) There being no objection, it was so ordered.

Petroleum: It was moved and unanimous consent was asked for acceptance of \$147,400 for Petroleum Branch. There being no objection, it was so ordered.

Geology Branch:
Equipment: It was pointed out that originally \$6,300 had been appropriated for a Thiokol Imp Tracked vehicle and instead, a cheaper vehicle was purchased which cannot go off the highway.

Letter of Intent: The letter of intent will request the department to dispose of the cheaper vehicle and purchase the Thiokol Imp vehicle.

Geology Branch
Total: It was moved and unanimous consent was asked for the adoption of a total figure for Geology Branch of \$91,500. There being no objection, it was so ordered.

Recess: The meeting recessed at 10:35 a.m. for a call of the House.

Meeting: The committee met again at 11:10 a.m. Messrs. Ray and Sassara were still excused.

Prospector Assistance Prog.: Mr. Sackett referred to a letter dated February 23, 1967 from James A. Williams, Director, Division of Mines and Minerals to John Sackett, concerning Prospector Assistance Program.

Increase: It was moved and unanimous consent was asked for the acceptance of \$30,000 for Prospector Assistance Program. There was an objection, however, the objection was removed. There now being no objection to this motion, it was so ordered.

MINERAL RESOURCES

TOTAL: It was moved and asked unanimous consent for the acceptance of the total figure of \$515,600 for this program. There being no objection, it was so ordered.

The committee recessed at approximately 11:30 a.m. till 1:30 p.m.

2:00 p.m.

**HEALTH &
Welfare:
Public
Health:**

In discussing the budget for the Division of Public Health, Mr. Ray noted that there was a \$376,900 increase over last year's budget.

**Program
Adminis-
tration:
Personal
Services:**

The department, according to Mr. Ray, has moved one position from TB Control to Administration -- there is no actual money increase, it is just a transfer within the department.

Travel:

Mr. Ray pointed out changes that could be made in travel by transferring \$2400 from the Public Health nurse to this code they could provide travel for the Southeastern Health officer, if the committee should decide to fund this one position.

**Contractual
Services:**

This has decreased \$3600 due to data processing and malpractice insurance being removed from this code.

Commodities: This was at same level as last year, and Mr. Ray said that if the SE Health Officer is eventually funded, the department could supply him with necessities out of this with present funding and would need no increase.

Equipment: This holds true for equipment, too.

**Community
Health:**

The \$7500 in personal services is due to transfer from program administration to communicable diseases, according to Mr. Ray, and so therefore is not a true increase -- just a transfer within the department.

**Contractual
Services:**

Mr. Ray said the increase in this was due to the relocation of the Juneau office into the Community Building, and also the move of the Anchorage office.

Mr. Freer said this program is a record keeping program where

statistics are handled, and they also handle certain drugs that the state keeps in case of an epidemic.

Commodities: Mr. Ray said this had increased \$10,900, and that \$8500

was a vaccine cost for school and adult population. The Federal government only supplies vaccine for pre-schoolers so the state must pick up the balance of this program.

Equipment: This is for a new typewriter to replace a 10year old one.

**Health
Education:**

Mr. Ray pointed out that the department anticipates a lapse in this program. It would be possible, according to Mr. Ray, by transferring some of these items to make up certain cuts. He said the personal services were figured under Step C of the pay grade, and the two positions under this are in Step F. He said since they will have a shortage of funds in this area, and since they will have funds lapse from FY66-67, they could shift funds and this could take care of it.

Mr. Freer said the department had not consulted with Division of Budget & Management, and this type of change should go through his office, or the request should first be initiated. However, he pointed out that usually through vacancies and turnover there should be enough money in this program, but if they needed to transfer any funds it could be done during the year, since they are given a lump sum, and with permission of Department of Administration and the Governor, it is not difficult to make this kind of a transfer when it is needed.

Commodities: Mr. Ray said there was an increase of \$2200 in this item, and they want to transfer \$400 out and put into personal services. Mr. Freer noted the department had requested \$6700,

the Governor's recommendation was \$4700, and now the department is telling the Finance Committee they can get by with even \$400 less than that if they can have it in another area.

Equipment: Mr. Ray said the department had also requested that \$500 be taken from this item and transferred to personal services.

Medical Care: Mr. Ray pointed out that in the total budget of \$191,000, that \$7500 was funded from the General Fund and the balance was from the Federal government. There was no discussion on this. Mr. Beirne arrived at this time.

Health Referral Program: Mr. Ray said this was a 100% Federally funded program.

Laboratory Service: Mr. Ray said under personal services there was a new position for a microbiologist who would work out of the Juneau office. He said he would work half time as relief and the other half where there was an overload, in all the districts of the state. He said a microbiologist is a person who runs lab tests for private physicians as well as for the state.

Travel: Mr. Ray said this was increased by \$1100 due to new position, as described above.

Contractual Services: He said this had been \$2100 higher due to increases in rent, repairs, etc.

Commodities: He said this was up \$5200 due to professional & scientific supplies, material for manufacture of bulletins, brochures, etc.

Equipment: This was up \$1,000.

Laboratory Services: Mr. Ray pointed out a forced lapse of \$12,000 in this department last year, and he said this means a general shortage and possible half-time staffing of lab service. He said the department is asking \$200 transferred from contractual services and from personal services they need \$7860 -- this could come from

public health nursing. He said it would not cut out a position in nursing, it is just an estimated lapse, and with this money they feel they can overcome the forced lapse of \$12,000 without diminishing of services.

At this point Mr. Strandberg said he wanted this type of transfer to come from the Department of Administration with the approval of the Budget Review Committee, otherwise it was out of order.

**Environmental
Health:
General
program:**

Mr. Ray said that \$9,000 under personal services was given to the state to help pay for the Sanitarian for the borough. He also does otherthings for the state. He also pointed out

**Personal
Services:**

there were two new clerical positions -- one in Anchorage and one in Ketchikan, but they were able to fund them as 1-1/2 positions.

Travel:

\$3100 increase in this is due to \$500 for Juneau Borough sanitarian and increase of new positions included in this program.

**Water
Pollution:**

\$63,500 was requested but no money was allowed by Budget Review for this. According to Mr. Ray \$15,000 was put in Environmental Health and would be matched by federal funds. Mr. Freer said he would send the committee a memo on this, giving a full explanation.

**Solid
Waste
Disposal:**

Mr. Ray said this was largely a beautification program and was denied(\$42,800) also by the Budget Review Committee. Mr. Strandberg instructed Mr. Freer to get a statement from Department of Highways that they are taking care of this under their beautification program.

Child
Health
Service:
Maternal
Child
Health:

Under the Maternal Child Health, Mr. Ray noted that the only large increase was under contractual services which went up \$12,700 to provide material for the birth control program which was passed into law last year.

Mr. Ray noted that out of this program request of \$119,100, only \$2100 comes from the general fund.

Crippled
Children
Services:

Mr. Ray said the 8 staff people were clerical under this division. He said 95% of the funds for this program were spent on getting crippled children to and from special hospitals and the balance of 5% was for the specialist in the field.

Contractual
Services:

Mr. Ray said that 80% of this money was for nursing, hospitals, foster homes for crippled children, and 20% on printing, rents, utilities, repairs, etc.

Adjournment: Meeting adjourned at 3:30 p.m.

HOUSE FINANCE COMMITTEE MINUTES

March 6, 1967
8:50 a.m.

Present: All members were present with the exception of Messrs. Borer and Sassam. Mr. Freer was also present.

Nat. Res. Budget: Personal Services: It was recommended that a part-time position be cut out; this will decrease the Governor's Allowance from \$81,700 to \$80,800 for personal services.

Admin. & Oper. Regular Prog.: Pers. Serv. CUT
Travel: The amount will remain \$14,200.

Contr.: CUT Item 360 is changed from \$1,300 to \$1,000. Item 350 is changed from \$800 to \$600. This makes to total Contractual Services \$24,300.

TOTAL: Code 31 Administration & Operation: It was moved and unanimous consent was asked for acceptance of the figure of \$132,200, and it may be opened up pending action on the fair bill. There being no objection, it was so ordered.

Milk Sanitation: It was moved and unanimous consent was asked for acceptance of the figure of \$44,600 for Milk Sanitation. There being no objection, it was so ordered.

Loan Fund Capitalization: This section will remain open.

Loan Administration:
Travel: CUT This figure was cut from \$4,000 to \$3,500.

TOTAL: It was moved and unanimous consent was asked for acceptance of the figure of \$41,000 for Loan Administration. There was an objection. There was a general discussion concerning loan losses, etc., as found on page 330 of the budget work book. The objection was removed. There now being no objection, the figure was accepted.

Health & Welfare

Child Health: Ear Project: A discussion was led by Mr. Ray concerning this.

Mr. Strandberg asked if anyone knew what was going to happen to this program next year. Mr. Freer stated he would try to find out.

Mr. Ray presented information on the Ear Project indicating no changes in figures.

Child Study

Center:

Travel: There is an increase of \$1,900 which will permit social workers to get out in the field.

Contractual: The increases here are in Rents and Utilities and Professional Fees and Services.

Medical

Social Services: This section was discussed, with Mr. Ray presenting the details. School Physical Exams and Exceptional Children were also discussed.

Public Health Nursing: This section was not taken up at this time.

T.B. Control: Personal Services: Mr. Ray explained that there are no new positions and the funds will keep the program at the present level. Travel and Contractual Services were discussed.

At this point the committee discussed lapses of funds and the reasons for increases in certain areas. Mr. Strandberg asked Mr. Freer to find out what the lapses will be for this year.

Federal T.B.: The lapses in this area were discussed. It was also noted that this is funded 100% federal.

Greater Anchorage Area

Borough Health District: This program was discussed by the committee concerning the amount of money put up by the borough.

Access: The committee recessed at 9:50 a.m.

11:00 a.m.

Present: All members and Mr. James Scott, Administrative Officer, Office of the Governor, were present.

HB 245: Mr. Scott presented a breakdown on the supplemental appropriation for \$85,000 as requested by the Governor for the Office of Economic Opportunity. (See backup material in bill file for HB 245.)

In answer to a question by Mr. Haugen, Mr. Scott said they have overexpended \$22,300 in state funds, they have \$25,000 outstanding in bills that have not been paid; and the balance of the overexpenditure is in federal funds. At Mr. Strandberg's request, Mr. Scott explained in more detail. He said in TA Grant I, they received \$68,107 and the state gave them \$6,907. After they reviewed this they found they had spent \$77,000, which created an overexpenditure of \$16,498. In order to cover this over-expenditure, they waited until they got the TA Grant II. They received \$12,984 less than they were supposed to receive, but instead of lowering the program, they proceeded to spend at the same rate, according to Mr. Scott.

In answer to a question by Mr. Sassara, Mr. Scott said the entire program is now cut down. The only people in the OEO office are the director and an accountant. He said they formerly had temporary workers that were not authorized and some permanent employees that were traveling throughout the state and there was no control over them. Mr. Strandberg said they needed to have a thorough understanding of what created this problem.

He said he understood the Governor wanted to continue the program and that was the reason for the supplement.

In answer to a question by Mr. Sassara, Mr. Scott said there was about \$25,000 in the contingency fund and they have some encumbrances on it.

Mr. Haugen expressed his desire to find out more about this OEO program so he could understand the problem. Mr. Strandberg asked Mr. Scott if there was anyone in the office that would be prepared to help the committee on this, and he said further that the way things looked to the committee, unless the OEO people could justify these over-expenditures, the committee would probably be unwilling to carry on with the program.

Mr. Strandberg said he wanted a complete analysis of the Governor's contingency fund, and wanted to be sure where it stands today and the year before that, etc., and what it is going to be used for.

Recess: The members recessed until 2:00 p.m.

2:15 p.m.

Present: All members, along with Mr. Donald Burr, Attorney General, and Mrs. Roberta Johnson, Office Manager, were present.

HB 152:
Continued: (HB 152 was returned to the Finance Committee, after being reported out, then going to Judiciary.)

Mr. Burr said the one reason for this supplemental was the hiring of special attorneys as there was not enough to pay Mr. Boyko, the Washington Law firm on Indian claims, and the Alaska steam legal fees, and still have enough to run the department.

Mr. Strandberg said he understood Mr. Reasor, the Deputy Attorney General, was now out recruiting for the 5 vacancies that presently exist in this department, and so the money that could lapse if these weren't filled, cannot be counted on for that reason. Mr. Burr said that was correct, that it appeared that there was money in the budget that could be transferred to cover the above mentioned extras such as the contract with Boyko, Alaska Steam, etc., if they didn't fill these vacancies but since they are quite hopeful of filling them very soon, they probably would not have this lapse. There was a lengthy discussion on the excess (as shown in chart filed in HB152 bill file) figure of \$79,500 vs. the deficiency figure of \$76,000. Mr. Ray argued on one set of figures which he had obtained from Department of Law, and he felt there would be plenty of surplus to cover the money requested in the supplemental. Mr. Strandberg said it appeared they were tightening the DA's office tighter than it had ever been before. Mrs. Johnson pointed out that the witness fees in the Anchorage office had all been used, and they could only guess at what was needed for the balance of the FY. Mr. Burr noted that though this department has always had lapses in the past, they have had a whole new series of events that have never happened within the department before. He said the money for special litigation in the Governor's office was all gone. Mr. Ray said that the money should be appropriated to the Governor's office then instead of Department of Law. Various arguments were offered against this proposal.

Mr. Borer said in the past two months they had had 5 men under contractual services (for varying lengths of time) to draft bills for the legislature.

There were questions on the legality of the contract with Mr. Boyko and Mr. Burr said there was nothing unusual about the contract and that it was perfectly legal. In the past, some of this had been done by a formal letter. Mr. Strandberg asked if they had any figures on hiring outside of the department, and Mr. Burr said they had spent \$8,488 on contractual services for this year, 98% of which was for attorney fees. Mr. Burr and Mrs. Johnson left at this time.

Since there was still some dissatisfaction with the figures as quoted by Mr. Burr and Mrs. Johnson, Mr. Strandberg asked Mr. Borer to go to the Department of Law and report back to the committee.

Recess: Committee recessed at 3:00 p.m.

3:20 p.m.

HB 152:
Cont.

After the recess, Mr. Borer reported to the committee that he was now satisfied with the figures. Mr. Ray still disagreed with this, but he would no longer comment on it, except to say the supplemental should be given to the Governor's office for special litigation instead of the Department of Law. There being no objection, it was decided to again report out HB 152.

HB 245
OEO
Cont.

Mr. James Scott, Administrative Officer, Governor's Office, and Mr. Lloyd J. Klein, Director, Economic Opportunity Division, appeared before the committee on HB 245 (supplemental for OEO for \$85,000 from general fund to office of the Governor.)

Mr. Strandberg told Mr. Klein that the committee wanted to know exactly why the Governor wanted to continue this program in light of all the problems that had been encountered. Mr. Klein described the VISTA part of this program, and that it involved 102 VISTA workers, who were scattered throughout the state in the villages, and that the state administers this program, though it is entirely funded by the Federal government. He said it costs the federal approximately \$450,000 to \$500,000 a year. He said the workers are selected in Washington, D. C., then sent to the U. of Alaska for their training. The U. of A collects its money directly from the Federal program, and they train these people before they are sent into the villages. The other phase of the OEO program in Alaska is coordinating the local programs such as Headstart, Grassroots (seeing what people can do to improve their standard of living, health, education, etc.), and the Bethel pre-maternal home. Mr. Klein said these programs are all financed with federal money but supervised by the state OEO office. He said the local programs are organized by the Community Action groups, ASCAP and the coordination comes from the state office. He said an example was Fairbanks recently put in for a training program for surveyors, then requested from the State office, information on what Department of Labor, or any other state office might have going in this. He said it is up to his office to give them the information they need to carry out such a program.

Mr. Strandberg asked if the State OEO office had any control over any of these programs. Mr. Klein said the control was with the Governor, as he had to approve each program application. He said this is the federal law and is true in all the other states.

Mr. Sackett pointed out that Alaska was the only state that had control of ASCAP -- that until just recently, and now it has been turned over and is operating as a private entity. Several questions were directed to Mr. Klein concerning VISTA workers. Mr. Klein said the state could control the VISTA workers and could ask any of them to leave at any time. He said the Governor wanted to continue this program, and they were aware that some of the workers had not been doing any work in the village, but they now had a Director in Fairbanks, plus 3 workers, who would periodically check on them. He also said they were working on programs for them to carry out and they would receive more direction in the future. He said it was such a new program and many mistakes had been made but they hoped to correct this in the future with better supervision. He also said it was hoped that they could get Alaskans into the program very soon, but not much had been done towards encouraging their joining. Mr. Strandberg said he felt if the Governor was going to be involved in this program, there would have to be better control along with a higher calibre of volunteers.

Mr. Strandberg asked for a memorandum from the Governor's

office outlining the program and why the Governor wants to continue with it. He said he did not want the committee to report the bill out until they had this report since the attitude of some of the members of the House was somewhat negative, and it would be difficult to explain unless they had it in writing.

Adjournment: Meeting adjourned at 4:45 p.m.

HOUSE FINANCE COMMITTEE MEETING

March 7, 1967

8:30 a.m.

Present: All members were present, along with Mr. R. D. Stevenson, Deputy Commissioner, Department of Revenue.

HB 159: (An Act extending the maturity date on bond anticipation
Committee notes; and providing for an effective date.) Mr. Stevenson
Substitute explained in detail the bond program in Alaska and the history
by State on bond anticipation notes. He said the market has been
Affairs improving the past few months and the tight money market is
letting up. After a great deal of discussion by the committee
it was moved and unanimous consent was asked that the COMMITTEE
SUBSTITUTE FOR HOUSE BILL NO. 159 be reported out by the
committee. There being no objection, motion carried.
Mr. Stevenson left at this time.

HB 98: Mr. Borer discussed CSHB98 and the ASHA program. After some
Committee discussion by committee members, it was decided to hold this
Substitute bill for further study.
by Finance
Committee

HB 217 (An Act relating to the issuance of general obligation bonds
of the State to meet the consequences of a natural disaster.)
Mr. Strandberg pointed out that the original issue on these
bonds was for \$50,000,000, then reduced to \$15,000,000, and
now this bill will reduce it to the exact amount of \$8,185,000.
Mr. Borer wanted to take a look at this, in relation to the
problem of finding housing for the staff of the new Valdez
hospital, so it was agreed to hold this until tomorrow morning.

HB 245: (Supplemental of \$85,000 for OEO program). After a brief
OEO discussion concerning yesterdays testimony, it was moved and
unanimous consent was asked that HB 245 be reported out
of the committee. There being no objection it was so ordered.

HB 53:

(An Act relating to the licensing and bonding of distributors.)
Mr. Miller moved and asked unanimous consent that the committee consider HB 53 at this time. There being no objection it was so ordered.

Mr. Strandberg left at this time to attend another meeting and Mr. Haugen conducted the meeting.

Amendments: Four amendments as shown in the bill file for HB 53 were discussed by the committee. It was moved and unanimous consent was asked that these amendments be adopted. There being no objection it was so ordered.

It was then moved and unanimous consent was asked that HB 53 as amended be reported out of the committee with do pass. There being no objection it was so ordered.

HB 238:

Mr. Sassara moved and asked unanimous consent that HB 238 (An Act relating to the licensing of real estate auctioneers; and providing for an effective date.) be considered by the committee. There being no objection it was so ordered. Mr. Sassara explained that this bill only covers 3 or 4 people in the state, and that he had asked the Commerce Committee to draft it. He said these people were covered before May, 1964 and then when the new law went into effect they had been left out of it. When they applied for "grandfather clause" rights, they were denied this, so this bill would bring them into the statute. It was noted by Mr. Miller that the citation of 08.88.170 was incorrect, so it was decided to hold this bill over and correct it.

Recess:

Meeting recessed at 9:55 a.m.

HOUSE FINANCE COMMITTEE MINUTES

March 8, 1967

8:45 a.m.

Present: All members were present.

HB 129: HOUSE BILL NO. 129 was before the committee for discussion.

Mr. Strandberg had to leave at this point.

Mr. Haugen presided as Chairman.

Mr. Borer explained that this bill meant that no one that prepares a prospectus can bid in the issue.

Mr. Strandberg came in at this point.

It was decided to report out HOUSE BILL NO. 129, because the financial implication was very slight.

HB 156: HOUSE BILL NO. 156 was reported out of committee.

The meeting adjourned at 9:00 a.m. and will meet later in the day.

JOINT FINANCE COMMITTEES

March 8, 1967

2:00 p.m.

Present:

All House members, except Bill Ray, and all Senate members except Senators Engstrom and B. Phillips were present. Senator Butrovich and Senator Begich were present and from the University of Alaska were Dr. Wm. Wood, Harold Byrd, Elmer Rasmuson, John Conway, Don Dafee, Dorothy A. Wrede and Ruth S. McLean.

University of Alaska

Mr. Strandberg opened the meeting and asked Mr. Rasmuson to give his presentation. Mr. Rasmuson, the Comptroller, said the University put in for \$6,800,000 for academic services that covers all the instructional side and the maintenance of the plant with the exception of three thousand for the heating plant. Nine or ten line items deal with research and community college programs. The Governor recommends \$5,800,000, which is \$482,000 more than last year; this is about a nine percent increase. They made an extensive study of the enrollment increases over the last five years and estimated that the increase will be 16% over last year. This will amount to 2,200 students. If they get too far below the budget requested, they would either have to restrict the number of students entering the University or decrease the quality of services. The cost of fuel and janitorial services have also gone up.

Mr. Strandberg asked what percentage of the enrollment was statewide and what percentage is from out-of-state. Mr. Rasmuson answered that 80% are from the state, that is higher than the national average (75%). Part of the out-of-state are military. In answer to Sen. Blodgett's question, Mr. Rasmuson said this was based on full-time enrollees.

In answer to Sen. Smith, Mr. Rasmuson said that by setting the schedule of pay for professors that they would not be able to keep them or replace them. The University would lose top people from every field.

Sen. Phillips asked how many professors were still around when they had a salary increase from \$15,000 to \$18,000 last year.

Dr. Wood replied that a large majority of the professors were still there. There are also a dozen faculty members who have built their own homes in the area.

Research
Categories:

Mr. Rasmuson said the research program is important in several ways at the University. The total expenditure will be very close to 10 million. Most of that comes from outside the state. By having a top notch research program, you attract top notch instructors. It is essential to maintain the best academic staff because the people that fund the program are interested in what men head up the program.

In answer to Mr. Rasmuson, Mr. Strandberg said you can move any item within the line item, but you cannot move to another line by any transfer within a program. If necessary, a letter may be written to the Governor requesting a transfer. In answer to Mr. Berg, Mr. Strandberg read the letter of intent from the House Journal of April 13, 1966. Mr. Strandberg said they were concerned about the breakdown within the budget. If they start to go way out of line, then they will have to go over the whole budget breakdown again.

Sen. Blodgett said that in the area of research, there was an item dealing with establishing the fisheries research lab program in Alaska that did not materialize. The University of Alaska wanted it, but the University of Washington ended up with it. Mr. Rasmuson said that six years ago, they determined that

they should go into the research program. They considered having it in both fisheries and science side of oceanography. The Legislature gave them the initial fund of \$15,000 to make a study of this and they spent most of this in getting advice to hire scientists to come to Alaska. They recommended that the University should go into the research side of oceanography, because that was where the greatest opportunity was for getting it funded. It was the recommendation of the fisheries department that they confine themselves to the known fishery aspects. They hired one of the dozen top notch oceanographers, Kenneth Ray, who is head of research. They have accomplished three things in this field: the Biological Research lab in Douglas, the mobile ship, Ocona, which has been as far as Kodiak to train scientists and there is the research and study that is conducted on campus where they would be associated with other scientists in this field. Mr. Rasmuson said they expected to get more money from congress in the future for this program. Sen. Blodgett and Mr. Rasmuson had a discussion on why Alaska should have its own fishery department and marine biology and oceanography program in Alaska.

Other
Funding:

In answer to questioning by Mr. Strandberg, Mr. Berg said they have all the expenditures and all the revenue from the restricted sources they need for appropriation received and needed to cover their general fund over and above what they get from fees and other sources of income. It doesn't reflect the total expenses and these other sources of income. They have shown the account sum received from grants, training grants, etc. and extracted the amounts received. These are restricted funds to the University. They have never determined

how they could be so obtained as to enable them to appropriate because they come in fiscal year allocations, maybe five years in a stretch or a few months. Mr. Strandberg said federal receipts and program receipts are not received in state treasury. It has been made available to all communities. The committee is interested insofar as what requires state matching funds. Mr. Berg said everything had been reported in detail. Dr. Wood said they send out an annual report which sets forth everything: grants, grants, gifts and expenditures annually at the end of the fiscal year. They have proposals for training and research grants and they try to budget in advance.

Mr. Rasmuson asked Mr. Berg to pass out information sheets relating to the University of Alaska 67-68 appropriations and factors contributing to increase in appropriation. \$132,000 came from an increase of costs, \$100,000 administrative problems (that will be deferred) and \$80,000 for increased use of power, coal and maintenance supplies.

Mr. Rasmuson said they should use this total budget concept, to stress the importance of some of the research projects which are listed on page 90 of the budget. Dr. Wood talked about the Petersburg Fur Farm, which has greater opportunities for broad expansion. This is funded out of federal funds and this program should not be terminated. Another program is the articles on the Arctic and Sub-Arctic of the Free World by various scientists. This year the University is asking for \$15,000 more on research, which comes to \$35,000.

Mr. Strandberg asked if the appropriation were to stand in its present form, what areas would they cut out. Mr. Rasmuson gave a rundown on expenditures and need for a high academic climate, but did not know where to cut the program.

Research
Projects:

Library:

The discussion went on to the new library. In answer to Sen. Phillips, Mr. Rasmuson said the total cost of the library was five and a half million dollars. This did not cover books; the money for books will mostly be donated by private sources; however, they need an appropriation to provide for personnel and travel expenses to raise money from private sources. Sen. Phillips said this five and a half million should include the books. He said further that 40% of the people in Alaska are under 18 years. Where would the state get the money for funding necessary if 50% of the young people went to the college. Mr. Rasmuson said education seems to develop the country. Because Alaska spent so much money on education, Alaska never collapsed after the war was over - it went ahead with their development. The countries that have spent more money in education are also the countries that have the most development. Sen. Brady said the Governor's review committee shows a cut in every budget. Where do they make a cut in the budget or can the revenue be raised some other place. Sen. Smith expressed the opinion that the University could cut down on their expenses somewhere in the budget. He said that six deans were probably more than necessary and that private universities operated with just one dean for the same amount of students. Mr. Rasmuson said again that he did not know where they would make the cut. It was decided to have another meeting the next day. The sub-committee also planned to meet with Mr. Byrd and Mr. Dafoe.

Adjournment: The meeting adjourned at 3:30 p.m.

HOUSE FINANCE COMMITTEE MEETING
March 9, 1967
8:30 a.m.

Present: All members were present, along with Messrs. Metcalf, Fritz and Tillion; Mr. Wm. Harrison, City Manager, Kenai and Mrs. Harrison; Mr. Wm. Morand, City Councilman, Kenai, and the Assistant City Clerk from Kenai.

Kenai
Airport

Extension:

Mr. Tillion introduced the officials from Kenai and explained they were here to appear before the Finance Committee on behalf of the City to appeal for more funds for the Kenai airport.

Mr. Harrison explained how they were trying to develop a municipal airport that would serve the oil industry that is growing so rapidly in the Kenai area, and also the needs of the residents. He said they had 5,000 feet of runway completed in 1964, but then were told they would need an additional 1500 feet to take care of the 727 jets that PNA had on order, and the additional length was to take care of the jets and conform to FAA requirements. Kenai then filed the application for this city-state project, and the money was requested in the FY67-68 budget. However, since the request was made, according to Mr. Harrison, PNA and Western Airlines have merged and now plan on using 720 jets instead of the 727. This means they will need an additional 1000 feet of runway for a total of 2500 feet. Mr. Harrison said the head of the FAA in Anchorage told him that this was their number one project that they have in the state.

In answer to a question, Mr. Harrison said the total project for the 2500 feet would now cost \$750,000 and the original project request in the budget for the state's share was

they will now need \$263,000 from the state. He explained the city of Kenai's contribution would be the same, but they would contribute above that by using their equipment and manpower for part of the work. He said they had built a \$476,000 terminal building in Kenai which the city had done on revenue bonds. He went on to explain how the 707's are now flying over Kenai and go on to Anchorage, offload their cargo at the Anchorage airport, then it has to be transferred to another plane and flown into Kenai. This could all be avoided with the new runway, and this is one of the reasons the oil companies are most anxious to see this extension. He said PNA handles 43,000 passengers and 1-1/2 million pounds of freight a year, which for a town with the population of only 2500 is quite fantastic. Mr. Harrison feels with the help they are asking from the state on this project, they can meet the needs of the oil companies along with the needs of the people in the area.

In answer to a question by Mr. Sassara, Mr. Harrison said the old airport could not be developed further because it was too close -- one-half mile -- to town. He pointed out a side benefit of the extension would be that they would take the gravel from an area which could then be converted into a float plane basin.

Mr. Harrison said their request for these funds was based on the hope that this money would come from the state bond anticipation notes. Mr. Strandberg said at the time they passed the bond proposals last year, they provided in the bill that municipalities could obtain money from this

SB 54:

source, so it was perfectly legal to take it from this source. There being no further testimony on the airport, Mr. Metcalf requested the Kenai officials to stay during the discussion on SENATE BILL NO. 54 (appropriating \$20,000 to Mrs. Alva Wisdom). He explained that Mr. Harrison had been the City Manager for Seward at the time of the 1964 earthquake and felt he could better answer some of the committee's questions on this. Mr. Metcalf gave a brief outline of the reasons for the appropriation. (This material can be found in the bill file for SB 54.) He also cited the "Legislative Oversight of the Administration of Statutes" booklet as printed by the Legislative Affairs Agency (January, 1967), page 3, and quotes the Supreme Court as follows:

"We are of the opinion that in an emergency of this magnitude, which in turn involved large numbers of Seward's citizens, it was not the intent of the legislature that all volunteers were to be considered employees for purposes of the act. Whether or not our compensation act is to have such an expansive reach, is in our opinion, a judgment which appropriately rests with the legislature. Not only is this broad question deserving of consideration by the legislature but the instant case warrants the legislature's consideration of affording special relief to Alva Wisdom's widow." (emphasis supplied)

Mr. Harrison who was City Manager and also Civil Defense Director during the disaster in Seward, gave the details of Mr. Wisdom's death, and stated why he felt it was an obligation of the state to appropriate this money for Mrs. Wisdom.

Following this testimony, the Kenai officials left the meeting, along with Mr. Tillion.

HB 217:

It was moved and asked unanimous consent that HB 217 (an Act relating to the issuance of general obligation bonds of the State to meet the consequences of a natural disaster) be considered by the committee at this time. There being no objection it was so ordered.

After a brief discussion, it was moved and unanimous consent was asked that HB 217 be reported out with a do pass. There being no objection, it was so ordered.

Mr. Borer asked to be excused for the afternoon meeting, as he would be at the Department of Revenue working on the budget.

Recess: Meeting recessed so members could go into House session.

HOUSE FINANCE COMMITTEE MEETING

March 9, 1967

1:45 p.m.

Present:

All members of the House Finance Committee were present with the exception of Messrs. Ray and Miller. Representing the Senate was Senator Maurice Smith.

Representing the University of Alaska were: Dr. William Wood, President; Harold Byrd, Elmer Rasmuson, John Conway, Don Dafoe, Dorothy A. Wrede and Ruth S. McLean.

Representative Jalmer Kerttula was also present.

University
of Alaska:

The meeting was called to order by Mr. Strandberg.

Mr. Strandberg stated that this meeting was to determine how the University would get by, if the budget was not increased, in other words, if the budget stays the way it stands at the present.

Mr. Rasmuson stated that if there was a sharp reduction in the budget, it should be applied with as much direction and logic as possible. He presented three ways in which the budget could be reduced:

1. By freezing the enrollment. This could be handled by cutting down out of state students; also, the scholastic standards could be raised. Scholastic Comprehensive exams could be given. And they could use a "first come first serve policy."
2. By regarding the University as having only instruction on the academic side of research, forgetting the social obligations to the community.

3. By cutting out new programs, which might result in possible problems with the faculty. By not limiting the enrollment, and not expanding the faculty, he fears the University would not be able to take care of the faculty, and his opinion it would be a pure fraud.

Limit enrollment: Mr. Rasmuson referred to a memorandum put out by the University on the 1967-68 Appropriations. On page two, he stated, if we cut out everything that has to do with student enrollment we would cut out:

Anchorage Regional Center	\$82,000
Instructional Colleges	309,000
Statewide services	16,000
Anchorage Reg. Cntr. - Professors	30,000
Library	65,000
Student Counseling	42,000
Administrative Staff	45,000
Program Commitment Increases	21,000
Impact of Registration Increases	74,000
<u>TOTAL - limiting enrollment ----</u>	<u>\$684,000</u>

Emphasis on Academic Research:

Mr. Rasmuson continued stating that if you wanted to adopt the policy of hard core research you could cut out:

Maintenance	190,000
First-year Engineering Program	15,500
Intercollegiate Athletic Program	32,000
Forestry - Water Resources Research	1,500
Statewide Services	16,000
Anchorage Regional Center - Profs.	30,000
Student Services	42,000
Library	65,000
Other Factors (Matching funds)	133,449
Mineral Industry Research Lab	30,000
Arctic Environmental Eng. Lab.	15,000
Impact of Registration Increase	103,000
Other Factors	16,607
<u>TOTAL - Academic Research -----</u>	<u>690,056</u>

Mr. Rasmuson further stated that they could cut out Sitka and Palmer and close the museum to the public, possibly charge fees to enter the museum. This could save \$50,000. The on base instruction could be closed which could save possibly \$30,000.

Mr. Strandberg asked what the cut back last year was. In answer to this question the following figures were presented:

FY 67 Dept. Request	\$8,036,600
FY 67 Legislature	7,314,200
CUT	<u>\$ 722,400</u>
FY 68 Dept. Request	9,713,491
FY 68 Governor's Proposal	8,261,900
CUT	<u>\$1,451,591</u>
<u>LESS DEFICIENCY COSTS</u>	
<u>FOR 1965-66-----</u>	<u>- 287,300</u>

Actual Program cut by Gov. \$1,164,291

In answer to a question by Mr. Strandberg, Mr. Byrd stated that the figure of \$287,300 was covered by leaving vacancies in the teaching staff. He went on to say that when so many programs are encountered there simply aren't enough funds to cover them. He told the committee of the move of the maintenance facilities without the funds, realizing this was overrunning the funds. However, they had hoped to cover it in other ways.

Mr. Byrd stated that they receive certain funds that come as gifts, which would be enough to take care of overexpenditures for this year, but he further stated that this was a very dangerous operation.

Mr. Strandberg asked why a supplemental appropriation was not put in/for the deficiency last year. Mr. Byrd explained that they did not know about it in time (before the legislature adjourned).

Mr. Strandberg asked for a more detailed memo concerning this deficiency, more detailed than shown in the budget workbook. He wants to know just why there was a deficiency, what was the reasoning behind it. Senator Blodgett entered at this point. Senator Blodgett suggested that this deficiency figure (\$287,300) be handled as a supplemental appropriation bill.

Mr. Rasmuson pointed out to the committee the agricultural program, as set forth in Impact of the budget cuts, recommended by the Governor, page 2. He stated that this area was cut back to less than what we had last year.

Senator Butrovich entered at this point.

Mr. Sackett and Dr. Wood discussed the program of the Ford Foundation, and it was pointed out that if the portion was not restored to the Institute of Social, Economic and Government Research request, we would not be able to handle the Ford program.

Senator Bradshaw entered at this point.

Mr. Kerttula emphasized the fact that the agricultural programs should be checked into.

A general discussion was held concerning this portion of this budget, along with the fur farm program.

COMMUNITY
COLLEGES:

Mr. Rasmuson pointed out the figures contained on Factors Contributing to Increase in Appropriation, which was supplied by him, and also, page 5 of the memorandum Commentary 1967-68 Appropriations.

The total increase requested by the University for Community Colleges is \$154,607, the difference between 66-67 authorized and 67-68 Department request. The Governor's allowance is \$531,100, however, which is a cut back of \$63,500. Mr. Rasmuson continued, explaining the items which made up the increase of \$154,607. He noted that whatever is cut back from the Community Colleges would not be much, but it would have a tremendous impact on the programs.

Performing
Arts:

Concerning the Performing Arts program, Senator Blodgett asked what the budgetary increases were involved. Mr. Byrd replied that there was no increase in the budget for this year

except for the cost of the building. He told of the cramped quarters of the present facilities for the performing arts and said that in the new building they will have new class rooms which will adapt themselves to the several performing arts programs. Mr. Wood noted to the committee that this program (performing arts) is not a new one, but that they are just supplying the facilities for it.

Commercial
Fishing:

Senator Blodgett stated that he was very interested in some kind of a course at the University of Alaska which would give our young people of Alaska training in commercial fishing.

Mr. Borer entered at this point.

Mr. Wood indicated to the committee that the University would be quite willing to take up this program, and pointed out that this is being done, not on a large scale, but a small program has been initiated in commercial fishing training.

Mr. Sackett entered at this point.

**Maritime
Instructional
Program:**

It was pointed out that in Ketchikan, the Community College has a plan for gradual development of a Maritime Instructional Program, at a Jr. College level, which will add to the short course of fishing instruction. This Maritime Instructional Program will be directed towards making a living from the sea.

Senator Blodgett further stated that the University of Alaska is remiss in not having a well rounded program for Alaskan young people in commercial fishing.

Mr. Haugen told of the system used in Norway, of how their young people were trained for commercial fishing. Carl Moses entered at this point.

Mr. Rasmusson stated that the University of Alaska would be very interested in the fishing program and added that the University is already doing applied research in this field.

The following points were brought out concerning commercial fishing programs at the University:

1. They have a small fisheries research program and would be willing to expand it.
2. The small vocational programs were mentioned which the University presently administers.

The meeting was adjourned at 3:00 p.m.

HOUSE FINANCE COMMITTEE
8:30 a.m.

Present: All members were present plus Mr. Kerttula; Chief Justice Buell A. Nesbett and John Peterson, Asst. Administrative Director of Courts.

Supreme
Court
Pers. Ser.
(100)

The Department had requested \$354,700 and the Governor's review committee gave them \$326,700. Mr. Peterson stated that this did not cover the new positions requested. They requested an attorney who would travel throughout the 33 magistrate courts in Alaska and give the magistrates legal assistance. These magistrates are not law-trained people, they do this as a service to their community and they need assistance with their recording problems, financial statements, etc. They also needed advice and assistance on handling their criminal cases. Mr. Sassara asked if a law graduate was a qualified person and Mr. Peterson replied they hoped to obtain an Alaskan lawyer or a man who intends to pass the Alaska bar. Mr. Sassara was dubious they could hire a lawyer for \$14,000 a year. Mr. Peterson said this was one of their problems and this is why they hire law clerks who become members of the bar. Mr. Nesbett said they would consider him as being an administrative officer and put him through a course of training in a magistrate court and then send him to outlying areas. He would do a superficial audit on these offices. These magistrates feel remote and think that nobody takes an interest in them. Mr. Strandberg said that his understanding was that the Legislative Audit audits the Court System. Mr. Nesbett said the Audit committee did the best they could, but in the 7 - 1/2 years that he has been there, they haven't covered the whole court system once. Mr. Peterson said they completed 15 audits of their 33 courts. They simply check their receipts and cash. The court prepares the

format for them and they use that format to expedite things.

Mr. Nesbett and Mr. Peterson told of cases in McGrath and Galena where they had to prosecute the magistrates for nonfeasance. They believed that nobody took an interest in them and were careless with the money.

Mr. Strandberg said that you can't make an attorney into an auditor and said that this will be taken up with the Legislative Audit.

Mr. Strandberg questioned the Administrative Officer II position they requested. Mr. Peterson said they asked for him to service these courts and to do actual audits on a regular basis, covering every court in the state within one year. When a new magistrate is hired, he has to be audited and he has to have help with the legal papers and administrative problems. The Dept. of Administration has had a lot of problems regarding the magistrate's lack of knowledge of these matters.

In answer to Mr. Strandberg, Mr. Peterson said he was an assistant to the administrative director, a liaison between the Court System and the Dept. of Administration, sort of business manager. Mr. McMillan has Tom Stewart's former job.

Travel:
(200)

They requested \$17,700 and the Governor allowed them \$12,000.

Mr. Peterson said they cut the travel to eliminate the travel for the auditor and attorney. If they get these positions, they will need the travel money.

Contractual
(300)

The Department request was for \$138,500 and the Governor allowed them \$162,500. The court budget was reduced \$42,000. The Dept. of Administration inserted the amount of \$46,500 for the SWIS program. The amount that was cut out from the budget request was for the law library facilities at Kodiak and Sitka. Mr. Strandberg asked if they had a judge in these places and Mr. Peterson said they have a magistrate in each place. Their Superior courts go