

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967 - 1982 2457

there more and more frequently.

Prof. Fees
& Ser.
(380)

Mr. Peterson said the Judicial Council requested \$15,000 for professional studies and they were allowed \$3,000. Mr. Nesbitt said the studies were for micro-filming which would alleviate their file storage problems. Mr. Strandberg said the Judicial Council requested \$18,000 this year and they had nothing last year.

Commodities:
(400)

The Department requested \$59,100 and the Governor's allowance was \$35,000, which is the amount they had last year. The increase asked for was for the law books in the two new libraries in Kodiak and Sitka, which were cut from the budget.

Equipment:
(500)

Mr. Strandberg said they had \$7,000 last year and they were given over \$7,000 this year, which comes to \$14,400. Mr. Peterson said the equipment they purchased in 1960 included some 60 typewriters and they must be replaced. The IBM and IGA men say that typewriters lose their efficiency after the 6th year and these are now 8 years old. Their soundsciber recording equipment must be replaced also. Mr. Strandberg said it looks like a majority of the decrease was for the library shelving, which came to \$12,000.

Lands,
Bldgs.
(600)

The Department requested \$8,000 and the Governor's allowance was \$5,000. The \$3,000 cut was for the new employees they wanted. This was intended to provide partitions for semi-private offices at Anchorage.

Superior
Court
Pers. Ser.
(100)

The Department request was \$810,000 and the Governor's allowance was \$789,500. Mr. Peterson said there were no changes in the permanent positions. Of the new positions, the attorney for Juneau the law clerk and secretary were granted. The reduction was in their request for 7 clerical personnel in Anchorage. They were allowed 7, however. They had to hire 8 temporary employees working in

the Superior Court in order to keep up with their workload. These people are on an hourly basis and get no benefits. He explained how important it was to keep the work up to date and how badly the Anchorage office needed the 9 additional clerks immediately. He said the caseload has increased 66% since 1966.

Mr. Peterson said the Attorney III requested for Fairbanks had been deleted. They were granted the one for Juneau-Ketchikan area. He would be stationed in Juneau (because it has a larger library) serving both judges. Mr. Strandberg noted that a temporary clerk-typist position had also been deleted.

Travel:
(200)

The Department request was \$24,300 and the Governor's allowance was \$21,000. Mr. Peterson said they asked for more money because the court has to travel more frequently as these outlying areas develop. It is far more economical, he said, to bring the court to them. The Anchorage judge is traveling half the time.

In answer to Mr. Strandberg, Mr. Peterson said that for the last three years, the judges have had a scholarship to attend the National College of Trial Judges and their expenses were paid, but this year they have been told they had to pay their own way. The Governor was interested in this program but believed the OEO would fund it. Mr. Borer asked if they could tell them what they have spent on travel so far this year. Mr. Peterson gave him the Anchorage figures as of January 31, 1967, but Mr. Strandberg requested him to send a full-account of their travel expenditures for the whole court system to date.

Contractual: (400) The Department request was for \$453,300 and the Governor's allowance was \$465,700. Mr. Peterson could not understand why the cut had been made as no new space had been rented, this was the actual contract rental amount. The increase was due to the

rent being raised. Mr. Strandberg asked if he would provide the committee with the contract information on this.

Prof. Fees
& Serv.
(380)

The Department request was \$208,800 and the Governor's allowance was \$180,800. Mr. Peterson said he agreed with the cut and believed they could operate within that amount!

Commodities: The amount allowed, \$13,600, was the same as requested.
(400)

Equipment: They requested \$26,700 and the Governor's allowance was \$15,400, which is \$10,000 more than they had last year. This was requested for equipment replacement.
(500)

Lands, Bldg. They were allowed the amount requested, \$2,600. Mr. Strandberg asked why the probate hearing room needed soundproofing. Mr. Peterson replied that the probate hearing room handles child adoption and sanity cases and it is possible to hear what is going on from the public library which makes this room useless for this purpose.
(600)

Magistrate
Court:
Pers. Serv.
(100)

The Department requested \$671,000 and the Governor's allowance was \$679,000. The increase is due to hiring three deputy clerk positions at Anchorage and a part-time deputy clerk in the magistrate office at Cordova. There were increased salary raises and the cost of establishing magistrate offices at newly incorporated villages. Mr. Sackett wanted to know how they hired the magistrates in the villages. Mr. Nesbett said the magistrates are appointed by the presiding district court. In his case, the man to contact would be Judge Hepp. Mr. Sackett gave an account of a tragic event at Galena due to the poor service of the magistrate. Mr. Haugen said they should upgrade some of these smaller places. He cited several instances of the poor service received in Petersburg-Wrangell, Kake area. Mr. Haugen's letter requesting better service for this area had already come to the court's attention.

Mr. Strandberg cited the difficulties of the state trooper in this area because there was no judge there. He wanted to know how much it would cost to have this area serviced better.

A discussion was held on the salary of the magistrates and what it was based on. Mr. Borer wanted to know why the discrepancies in the salaries between the magistrates in Seward and Cordova.

Mr. Nesbett said the salaries were based on the caseloads and revenue. Mr. Strandberg said this was not a good basis; it only means that people in one area were not getting as good service as the other areas and that it should be based on population. Mr. Strandberg further requested that he would like to have them review their own philosophy.

Nulato

Mr. Sackett asked why Nulato had not received a magistrate yet when it has been incorporated into a fourth class city for two or more years. At Mr. Strandberg's request, Mr. Nesbett said this would be looked into and they haven't had the funds before to do all they wanted.

Bethel

Mr. Nesbett said they requested \$12,000 to upgrade Bethel office to a District Court office. In answer to Mr. Sassara, he said the \$12,000 is in addition to what they already have. Mr. Peterson said that Bethel had the highest criminal case filings in the magistrate courts. They have to send a district judge from Fairbanks quite frequently.

Travel:
(200)

The Governor's allowance was \$19,000 and they requested \$29,900. Mr. Peterson said the increase was for the training of the new magistrates they requested. Travel in the northwest is expensive. These people spend two weeks in Nome and receive per diem also. Without this training, they are no good to their community or to the Court System. Mr. Nesbett believed that the Governor was of

the opinion the OEO funds would pay for it. Mr. Nesbett said if they are successful with OEO, they would lapse this amount.

Contractual: (300) The Governor's allowance was \$335,900 and the Dept. request was \$341,600. Mr. Peterson said the reduction was in professional fees and services.

Commodities: (400) The Governor's allowance was the same as they requested, \$21,300.

Equipment: (500) They requested \$22,300 and the Governor's allowance was ~~\$12,300~~^{\$12,000}. In answer to Mr. Strandberg, Mr. Peterson said there was no cutback, the overall program is trying to replace new equipment and to upgrade the magistrate's courts.

Total: (Dist. & Mag.) The total amount requested for the Court System was \$1,086,600 and the amount allowed by the Governor's committee was \$1,067,700.

HB 141: Mr. Nesbett asked about HOUSE BILL 141. He said that it is something that is badly needed throughout the state. He said this came out of Judiciary committee with a "do pass" recommendation. Mr. Nesbett said there was no money involved in HB 141 except in Anchorage alone, there will be some cost involved. Mr. Strandberg asked him if he would give them a statement to that effect and a complete breakdown on HB 141 and that it be sent to them in a letter.

Recess: The meeting recessed at 10:15.

Meeting:

The meeting reconvened at 10:55 a.m. with all members present with the exception of Messrs. Ray and Miller who were meeting as a subcommittee with the University of Alaska people. Also present was Darrell Conrad, Budget and Management, Department of Administration.

**Military
Affairs
Budget:**

Reference was made to House Finance Committee meeting minutes, on page 111 of the individual note books.

**Personal
Services:
100**

It was moved and asked unanimous consent for the acceptance of the figure of \$333,400 for Personal Services. There being no objection, it was so ordered.

**Travel
200:**

It was brought to the attention of the committee that the 1966-1967 authorized was \$22,900 and they already need \$5,000 in supplemental funds to cover until June 30, 1967. It was moved and unanimous consent was asked for acceptance of the figure \$27,400 for travel, the increases being as follows:

\$3,500 for outside travel to Wn. D.C.
1,500 for State Militia travel
500 Additional Travel for staff

Total Increase \$5,500

There was an objection to this motion. In answer to a question, Mr. Conrad explained that the Budget Review did not make a cut in the travel with the intention of cutting out outside travel. He stated that they just made a general cut, trying to keep these funds down to the actual expenditures of 1965-66. Mr. Strandberg asked how much of this increase would be state funds, and it was answered that all of it is state funds. Mr. Sackett pointed out, however, that the \$3,500 would be used to bring in more federal funds to the state.

The objection now being satisfied, it was withdrawn. Since there was now no objection to the previous motion to accept \$27,400 as the final figure, it was so ordered.

Contractual
Services
300:

It was noted that the 1966-67 Authorized was \$159,700; the Department Request for 1967-68 was \$209,600; and the Governor's Allowance is \$187,400. The Items for Contractual services which make up the figure of \$187,400 are listed on a memorandum dated March 7, 1967, from General Elmore to John Sackett.

340-Repairs, etc.: This item was discussed and Mr. Sackett pointed out that these repairs are going to have to be done on these armories. It was noted that the Department Request for 67-68 is \$84,600, a detailed listing of which is found in Maintenance of State Armories, in which are pictures and briefings on the armories. The last three pages of this booklet spell out the proposed armory maintenance budget for FY 68. This proposed maintenance was to be done with the figure of \$84,600. In connection with the Governor's recommendation of \$66,400, Mr. Strandberg asked what the thinking was of the Budget Review Committee when they made this cut. Mr. Conrad answered that Leonard Lowell said they figures on .40 cents per square foot for maintenance per year. It was mentioned that the maintenance had increased \$18,500 over last year. There is also a supplemental bill in for \$12,900. It was moved and unanimous consent was asked for acceptance of \$75,000 for the final figure for Code 340, Repairs, Services and Alterations. There being no objection, it was so ordered.

**Contractual
Services:
Final**

It was moved and unanimous consent was asked for acceptance of the figure of \$196,000 as the final figure for Contractual Services. There being no objection, it was so ordered.

**Commodities:
400**

This figure remained the same. It was moved and asked unanimous consent for the acceptance of \$65,000 for Commodities. There being no objection, it was so ordered.

**Equipment:
500**

This figure also remained the same. It was moved and asked unanimous consent for acceptance of the figure of \$500 for Equipment. There being no objection, it was so ordered.

Military

Affairs Final:

It was moved and unanimous consent was asked for acceptance of the final figure for the Military Affairs Budget of \$622,300. There being no objection, it was so ordered.

At this point Mr. Conrad left.

A bill which has yet to be introduced, entitled: "An Act relating to the State Military Fund." was discussed by the Committee. Mr. Strandberg explained that this was a routine thing, repealing a section that is no longer used.

This bill was signed out by the committee, along with a committee report, for introduction.

**HB 158:
Legislative
Intent:**

HOUSE BILL NO. 158 was before the committee.

Mr. Strandberg stated that in the letter of intent we will state that HB 158 was passed out of the House Finance Committee based on the testimony of the Chief Justice, that there would be no additional cost to the Court System by enactment of legislation.

Mr. Haugen moved and asked unanimous consent that HB 158 be reported out of committee. There being no objection, it was so ordered.

HB 94

HOUSE BILL NO. 94 was before the committee. This bill was reported out of committee with no recommendation.

The meeting was adjourned until 1:30 p.m. this afternoon.

Meeting: The ^{committee} meeting met again at 3:00 p.m.

2ndCSHB 2: Mr. Borer moved and asked unanimous consent that 2nd CS HB 2 be

Motion: brought before the committee for discussion. Mr. Sassara objected, Mr. Ray seconded. The vote was 5 yeas and 2 nays. And so the motion passed and 2ndCSHB 2 was before the committee for discussion.

Mr. Strandberg pointed out to the committee that the HWE CSHB 2 had no fiscal control in the Governor's Office. The 2nd CSHB 2, by the Finance Committee, gives the Governor's Office fiscal control.

Mr. Sassara voiced his objection and questioned page 2, line 6, Sec. 14.07.115, subsections (a) and (b). In answer to a question by Mr. Sassara concerning page 3, line 21, Mr. Strandberg stated that this Section 14.07.160 merely changes the responsibility to the board and takes it away from the commissioner's office.

Mr. Ray questioned line 21, page 1 concerning the number of members from each judicial district. He moved and asked

Motion: unanimous consent to amend this language to "no more than 2 from each judicial district." There was an objection. The vote was 2 yeas and 5 nays. And so the motion failed. Mr. Ray questioned page 2, line 1 as to the four members of the quorum. He stated that if there were to be only four constituting a quorum, they should all be in agreement, and he moved and asked unanimous consent to amend this section. On a vote of 2 yeas to 5 nays, the motion failed.

Motion

Mr. Ray questioned the language on page 2, line 9 and stated that concerning the language on line 14, that this should be looked into very closely.

Mr. Borer pointed out that this language has been lifted from the Alaska Statutes, concerning teachers' tenure.

Mr. Ray objected to the language contained on line 2, page 3, under (c). He thought this was not tight enough.

Under Section 14.07.155, Mr. Ray questioned the word "partisan".

Motion:

Mr. Ray moved and asked unanimous consent to amend this section by deleting the word "partisan". There was an objection. The vote was taken with 2 yeas and 5 nays. And so the motion did not carry.

On line 23, page 3, under subsection (b), Mr. Ray asked how these bylaws could be made readily available to the public. Strandberg said by doing it the same way as it is done now. Mr. Ray emphasized the fact that he thought these bylaws should be made available to the public.

Mr. Ray at this point voiced his objection to 2nd CSHB 2.

Mr. Sassara asked who appointed the commissioner, and the committee referred to page 2, line 24, Sec. 14.07.145.

Mr. Sassara commented that he thought, in connection with Sec. 14.07.155., that no member of the board may be a candidate for any political office.

Motion:

Mr. Borer moved and asked unanimous consent that 2nd CSHB 2 be reported out of the House Finance Committee with a do pass recommendation. There was an objection and the vote was as follows: 5 yeas and 2 nays. And so the motion carried and 2nd CSHB 2 was reported out of the House Finance Committee.

2ndCSHB 2
Reported
Out:

CSHB 3:

Mr. Haugen moved and asked unanimous consent that HOUSE BILL NO. 3 be reported out of the Finance Committee. Mr. Ray objected, Mr. Sassara seconded and the vote was 5 yeas and 2 nays.

And so CSHB 3 was before the committee for discussion.

This bill was discussed by the committee members.

Mr. Haugen moved and asked unanimous consent that this bill be reported out with a unanimous do pass recommendation. Mr. Ray objected, Mr. Sassara seconded. The vote was 5 yeas and 2 nays.

Mr. Ray moved and asked unanimous consent that CSHB 3 be tabled.

There was an objection and the vote taken was 2 yeas and 5 nays.

And so this motion failed and CSHB 3 was not tabled.

The previous motion, which passed, to report out CSHB 3 was still in order, and so CSHB 3 was reported out of committee.

CSHB 5:

Mr. Haugen moved and asked unanimous consent that CSHB 5 be brought before the committee for discussion. There was an objection, and the vote was 5 yeas and 2 nays. And so CSHB 5 was before the committee for discussion.

This bill was discussed by the committee.

A motion was made, and unanimous consent was asked to report out CSHB 5 with a do pass recommendation. Mr. Ray objected, Mr. Sassara seconded and the vote was 5 yeas and 2 nays.

And so the motion carried and CSHB 5 was reported out of the House Finance Committee.

The meeting was adjourned at 4:45 p.m. to reconvene at 8:30 a.m. tomorrow, Saturday, March 11, 1967.

HOUSE FINANCE COMMITTEE MEETING

March 11, 1967

9:00 a.m.

Present: All members were present.

Department of
Revenue:
Close out
of budget

It was moved and unanimous consent was asked that the budget for the Department of Revenue be considered by the committee.

There being no objection it was so ordered.

Mr. Borer said that on the total request for \$1,649,800 as recommended by the Governor, the Department of Revenue was actually cut \$89,400 and that \$61,300 was put into their budget for the SWIS program.

In answer to a question by Mr. Sassara, Mr. Borer said the reason they figure their personal services at Step D instead of the usual Step C is because they have so many old-time employees, that it is a more realistic figure. Mr. Strandberg said there was no law that requires these figures to be at a Step C, it is just that in most instances it works out better.

Administration &
Accounts:
Total:

It was moved and unanimous consent was asked for the adoption of \$412,600 by the committee. There being no objection it was so ordered.

Enforcement:
Total

It was moved and unanimous consent was asked that \$375,600 be accepted by the committee. There being no objection it was so ordered.

Audit:
Total:

It was moved and unanimous consent was asked that \$278,800 be accepted by the committee. There being no objection it was so ordered.

It was noted that the \$61,300 for SWIS was included in the Audit budget.

**Motor
Vehicle
License:**

Mr. Borer pointed out that the increase from \$338,100 for FY66-67 to \$482,100 for FY67-68 was due to several items. One was 87,600 for the new license plates and forms; \$47,000 for postage which will be used to mail the plates out. Under personal services, three new positions were added for a total of \$17,000, and the balance of this \$38,000 increase was due to salary step increases.

Total: Mr. Borer moved and asked unanimous consent that \$482,100 be accepted by the committee. There being no objection it was so ordered.

Excise Tax: It was moved and unanimous consent was asked that \$61,300
Total: be accepted by the committee. There being no objection it was so ordered.

Treasury: It was moved and unanimous consent was asked that \$39,400 be
Total: accepted by the committee. There being no objection it was so ordered.

Total: It was moved and unanimous consent was asked that the total budget for Program of Tax Collection and Receipt of \$1,649,800 be accepted by the committee. There being no objection it was so ordered.

**Motor
Fuel
Taxes:**

Mr. Strandberg stated that sometime before the end of this session he wanted the committee to study the motor fuel tax situation. He said in Anchorage there is a great increase in the use of boats, but the amount of fuel tax collected on this remains relatively the same, and he suspects boat owners and those in business are purchasing it under stove oil and escaping the tax.

Mr. Borer said that for FY61-62 the Department of Revenue

employed 122 people and handled in taxes approximately \$36,700,000. This past FY they now had 128 people on the payroll and the taxes had increased to \$57,000,000.

Alcoholic
Beverage
Control
Board:

Mr. Ray requested that the travel for the ABC Board be cut from \$6500 to \$4000. Mr. Borer objected. There was discussion on the Director and the Board being located in Anchorage and the reasons for it. Mr. Ray noted that the Board would only be meeting once a month and since they all lived in Anchorage he could see no reason for that amount of travel.

Total: It was moved and unanimous consent was asked that the \$94,800 figure be accepted by the committee. Mr. Ray objected. On a show of hands the motion carried and the figure was accepted by the committee.

Assignments: Mr. Strandberg assigned the Department of Administration budget to Mr. Borer and Mr. Sackett. He assigned Economic Development to Mr. Haugen, Mr. Sassara and himself. Mr. Sassara said he could report out Commerce at any time.

Recess: The committee recessed at 9:55 a.m. to go into session in the House.

1:30 p.m.

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

Department of Commerce: Mr. Sassara explained the change in the office of Commissioner
Budget under Personal Services. He said the Governor requested a
Personal Services: change under personal services -- the Deputy Commissioner had
Office of Commissioner: been figured at a step F, and they changed it to a Step D which lowered personal services \$1300. It was moved and unanimous consent was asked that \$90,100 for personal services in office of Commissioner be approved. There being no objection it was so ordered.

Travel: There was no change in travel, commodities, contractual services
Contractual:
Commodities: and equipment.
Equipment:

Total: It was moved and unanimous consent was asked that the total
Office of Commissioner: for Office of Commissioner of \$120,200 be accepted. There being no objection it was so ordered.

Central Licensing: Mr. Sassara explained the need for a nurse in this division
Personal Services: due to federal requirements on licensing. It was moved and unanimous consent was asked that \$10,800 be added to personal services (\$9800 for salary and \$1000 for employee benefits).
increase: There being no objection it was so ordered.

It was then moved and unanimous consent was asked that the figure for personal services of \$41,200 be accepted. There being no objection it was so ordered.

The figures as recommended by the Governor for travel, contractual services, commodities and equipment were accepted by the committee.

Total: It was moved and unanimous consent was asked that \$93,700 be
Central Licensing: accepted by the committee for Central Licensing. No objection, so ordered.

Banking,
Securities,
etc.
Personal
Services:

Mr. Sassara quoted from a letter from the Department of Administration requesting that the position of Examiner of Financial Institutions be deleted (\$14,600) and that the examinations would be provided on a contractual basis (which would increase contractual services by \$8,000). There was some discussion on funding, and Mr. Freer explained that the \$8,000 as funded under Bank Examination Fees for FY66-67 now goes directly into the general fund, and the whole program is funded from general fund receipts. It was moved and unanimous consent was asked that the new figure of \$43,700 be accepted by the committee for personal services. There being no objection it was so ordered.

Travel: The travel figure of \$2300 was accepted by the committee.

Contractual Services: The original figure of \$6100 was increased by \$8,000 according to the request from Dept. of Administration, therefore, it was moved and unanimous consent that the new figure of \$14,100 be accepted by the committee. There being no objection it was so ordered.

Commodities: This figure of \$2,000 stayed the same and was accepted by the committee.

Equipment: It was moved and unanimous consent was asked that the equipment
Cut: figure be cut from \$1,000 to \$900 with the cut in no specific item. There being no objection the \$900 figure was accepted by the committee.

Total: It was moved and unanimous consent was asked that the new figure of \$63,000 for Banking, Securities, Small Loans, etc., be accepted by the committee. There being no objection it was so ordered.

Insurance: It was moved and unanimous consent was asked that on page 56 of the Budget Request book, line 3, the position of Director of Insurance be reclassified from a range 22 to a range 24. There was objection and a second. Motion

Legislat-
ive Intent:

carried 4-2. It was noted this should be shown in the letter of Legislative Intent. This changed the pay for the director as shown on page 56 from \$13,860 to \$16,812 and raised the total amount of Employee Benefits (line 23) from \$6592 to \$7492.

Legislat-
ive Intent:

It was also noted that 2 Document Processing Clerks (II) were needed instead of one, so line 5, column 11 should be changed from \$5,712 to \$11,424, and this should also be shown in Legislative Intent. This changes the total figure on page 56 to \$69,664.

Personal
Services:

With the above change. it was moved and unanimous consent was asked that the figure of \$82,600 be accepted for Personal Services for Insurance. There being no objection it was so ordered. Mr. Sassara noted that this figure was rounded out and was not exact in figuring these increases.

Travel:
(Increase)
and
Cut:

It was moved and unanimous consent was asked that the Travel be increased from \$1500 to \$3000. (The Governor's Budget Review Committee had requested an increase to \$4500, and the Finance Committee only increased it \$1500, to a total of \$3,000.)

Contract-
ual, Com-
modities &
Equipment:

There was no change in the figures in these three items, and it was moved that the recommendations by the Governor be accepted. There being no objection it was so ordered.

Total:
Insurance

It was moved and unanimous consent was asked that the new total of \$95,700 for Insurance be accepted. There being no objection it was so ordered.

Weights & Measures:
Personal Services:

It was moved and unanimous consent was asked that \$152,300 be accepted for personal services. There being no objection it was so ordered.

Travel:
Increase

According to the letter from Dept. of Administration, the Budget Review committee changed the figure for travel from \$10,800 to \$15,000. It was moved and unanimous consent was asked that the figure of \$15,000 be accepted by the committee. There being no objection it was so ordered.

Contractual Services, Commodities, Equipment: There being no change in these figures, the committee accepted them as recommended by the Governor.

Total:
Weights & Measures:

It was moved and unanimous consent was asked that \$199,600 be the total figure accepted by the committee. There being no objection it was so ordered.

Total:
Program of Regulation of Business & Professions:

It was moved and unanimous consent was asked that the total figure of \$572,200 as shown on page 142 of the Budget Document be the total for this program. There being no objection it was so ordered.

Recess:

Meeting recessed at 3:00 p.m.

3:30 p.m.

Program of Public Service Division:
Utilities Commission:
Personal Services:

After a discussion and research of the previous minutes on this budget, it was decided the technical writer as called for on page 92 of the Budget Request book was not needed as the Department of Law . agreed to furnish this service. Mr. Strandberg and the committee felt if there was no need for this position, then there was no need for the Clerk-Steno II, so

CUT:

it was moved and unanimous consent was asked that the \$18,900 as requested be deleted from personal services. The revised figure for personal services with this deletion is now \$74,500 and it was moved and unanimous consent was asked that this figure be accepted. There being no objection it was so ordered.

Travel:

The Committee agreed to accept the Governor's recommendation of \$13,000 for travel.

Contractual Services:

It was noted by Mr. Sassara that ^{35,000?} \$39,500 of the requested \$53,000 under contractual services depended on the sale of ACS by the Federal government. The committee requested that the Legislative Intent on this item show that if the sale of ACS does not go through, the \$39,500 appropriated for this should lapse back into the General Fund. It was then moved and unanimous consent was asked that \$53,000 be approved by the committee for contractual services. There being no objection it was so ordered.

Legislative Intent:

Commodities: The committee agreed to the \$3,000 request for commodities.

Equipment:
Cut:

It was noted that under equipment, \$1,500 was for a new Pitney Bowes machine, and that under commodities, \$500 had been designated for plates and tabbing for the new equipment. It was moved and unanimous consent was asked that the requested \$3,300 be cut to \$3,000. (It was explained that with the deletion of the two positions under personal services, this could be cut down). There being no objection, it was so ordered.

Total: It was moved, and unanimous consent was asked that the total
Utility for Utility Regulation of \$146,500 be accepted by the committee.
Regulation There being no objection it was so ordered.

Transportation The requests on personal services (\$168,200) and on Travel
Commission: (\$16,500) were accepted by the committee under the Trans-
Personal portation Commission.
Services,
Travel:

Contractual According to the request received from the Department of
Services: Administration, the contractual Services could be reduced
Cut: from \$31,600 to \$27,600. It was moved and unanimous consent
was asked that the \$27,600 be accepted by the committee. There
being no objection it was so ordered.

Commodities: The request on commodities (\$2,800) and equipment (\$1,700)
Equipment: were accepted by the committee.

Total: It was moved and unanimous consent was asked that the total
Transportation for the Transportation Commission of \$216,800 be accepted
Commission: by the committee. There being no objection it was so ordered.

Total: It was moved and unanimous consent was asked that the total
Program of of \$363,300 for this Program be accepted. There being no
Public objection it was so ordered.
Service
Division:

Civil Air Mr. Sassara felt the program was well spelled out in the
Patrol: budget, and therefore it was moved and unanimous consent was
Total: asked that the requested \$45,000 be accepted by the committee.
There being no objection it was so ordered.

Veterans Mr. Sassara said that in his discussion with Mr. Kubley, Deputy
Affairs Commissioner of Commerce, that it was his understanding that
Loan another accounting clerk was needed. He said the interr
Fund auditor had advised the department of this.
Administra-
tion:

Since this did not agree with a statement made to the committee during testimony on the Commerce budget, Mr. Kubley was called and he stated that after conferring with Department of Administration, it had been decided they did not need the Accounting Clerk.

Total:
Veterans
Affairs
Loan:

It was moved and unanimous consent was asked that the total budget for Veteran Affairs of \$167,300 be accepted by the committee. There being no objection it was so ordered.

Total:
Veterans
Service
Council:

It was moved and unanimous consent was asked that the total budget for the Veterans Service Council of \$18,000 be accepted by the committee. There being no objection it was so ordered.

Public
Safety:

Mr. Strandberg announced that the committee would close out the Public Safety Budget with Mr. Personnett, Commissioner, and Mr. Freer on Monday, March 13, at 8:30 a.m.

Adjournment: Meeting adjourned at 4:00 p.m.

HOUSE FINANCE COMMITTEE MEETING

8:45 a.m.
March 13, 1967

Present: All members were present. Representing the Department of Public Safety were Commissioner Personett, Lt. Nelson. Mr. Freer was also present.

Public Safety: It was noted that two positions were transferred out of the office of Commissioner to page 32, State Police.

Personal Services:

Mr. Miller asked about a Deputy Commissioner, and it was noted that this position is included in the memo dated Feb. 9, 1967, paragraph 1. This will be an additional cost of \$21,000 which includes employee benefits.

Travel:

Personett mentioned that this travel was already but back in connection with the transfer of the two positions, however when the Deputy Commissioner was added, they did not add any more travel funds.

Mr. Freer mentioned that a \$2,000 cut was made without being specific.

Contractual:

Mr. Freer said that last year they were authorized \$10,500 out of which \$5,000 was SWIS funds; and \$5,500 was left for other contractual services. This year the Governor has allowed \$53,300, \$46,500 of which is for SWIS, leaving \$6,800 for other contractual services (compared with \$5,500 last year.) Mr. Freer further explained that they took actual expenditures for last year (\$5,800) and gave them another \$1,000 for a total of \$6,800 for this year and added \$46,500 for SWIS, which gives a total figure of \$53,300.

Mr. Ray asked why there was an increase of \$2,000 on item 320. Lt. Nelson answered the question commenting on the several reports that have to be printed. He further mentioned that this

is one of the areas which will have to be cut.

Mr. Freer said that item 390 could be used for any contractual services, and that no specific cut was made.

Commodities: This figure has been cut by Budget and Management because of the transfer of the 2 positions.

Equipment: This is about the same level as last year.

Management Services: Personal Services: Three positions have been transferred to State Police Headquarters, see page 20. The new positions as shown on page 21 have been deleted.

Travel: This item was cut to \$900 by Budget and Management. The training travel funds were transferred to State Police Division Headquarters. (See page 59). (Amount of \$12700 transferred).

Mr. Nelson noted that they did not anticipate any lapses of funds in this area this year.

Mr. Strandberg pointed out that State Police Headquarters had \$10,000 last year, and the Budget Review Committee cut this down to \$7800 for this year. Mr. Freer noted that they had cut out the funds for the Northwest Traffic Institute (\$5,000) but left the trip in. The amounts of \$640 and \$1,000 were also cut, leaving a total of \$6,600 for page 59.

A discussion ensued concerning travel for the new troopers and training supervisors. Lt. Nelson stated that \$13,500 was spent within the state last year and that the outside travel was deleted last year. It was noted from last year's workbooks that ^{outside} 2/trips were deleted.

The remaining amount \$900 was discussed (back to page 25), concerning the way in which it would be used. This will be used for accountant training functions, etc.

Contractual Services:

It was noted that item 320, Printing, etc. \$5,000 was moved to page 61, State Police Headquarters.

Equipment:

This cut is related to the transfer of positions.

Rescue and Relief Lost Persons: Mr. Freer noted that \$5,300 was spent last year and they gave them \$5,500 for this year. Lt. Nelson said they have spent approximately \$3,200 so far this year, not counting the time lag.

State Police

Division Headquarters: It was noted that the figure of \$5,928 should be shown on line 14 for the Clerk III, rather than line 12. This position was transferred into this division from Commissioners Office.

Reference was made to the new positions on page 55 and a question came up regarding why they were needed, after the other new positions were transferred into this division. Lt. Nelson said that even if there had not been any transfers, there would still have been new positions.

Travel:

This travel was previously discussed on page 250 of the minutes. Mr. Freer stated that Budget Management had not intended to cut out any training travel. Lt. Nelson stated that \$13,600 was authorized for 1966-67 and the figure of \$12,700 was added in from Management Services travel. Then they added \$1,700 to that for \$14,400 for this year. Out of this, \$4,400 is specifically for supervisory training. The rest is for outside travel. It was stated again that no portion of the training travel was cut. Lt. Nelson stated that this is where the recruitment training was and that with early hiring of the new troopers, this should not be reflected in next year's budget. It was also noted that if there was a valid reason for continuing, they would carry training costs through August.

Contractual

Services: This is where Item 320, Printing and Advertising was added in, which amounts to \$5,000.

Commodities: Most of this is due to the increase in program. Item 410, \$400 will be cut out.

Equipment: There were no questions. It was noted that Headquarters uses cameras from the field.

Records & I.D.

Personal Services: No new positions. No questions here.

Contractual

Services: The SE TWX has been cut by Budget and Management. The idea of using Public Works' TWX was discussed.

Driver's License Section

Contractual Services: Mr. Freer said that Budget and Management took 65-66 actual and added \$1,000 making the total figure \$5,800. It was noted that more money would have to be added for the plastic licenses. This section was discussed, and Mr. Freer stated that he would recommend raising this amount to \$8,800. It was noted that item 320 was in error, showing \$3,500. This should be corrected to reinstate \$3,000.

South Eastern District

Enforcement:

Travel: This is where the new roving patrol is.

Contractual

Services: Budget & Management have cut out the new quarters in ^{Code 330} Juneau (\$7,700) and \$3,120 out of equipment rental in Code 360 and \$1,400 out of Code 390.

Equipment: The River boat and outboard motor were cut out by Budget Management. Four revolvers were cut out and two instamatic cameras were also cut out.

Service Section: Personal Services: There are three new positions, two new troopers and one Clerk Typist II.

Travel: There is another change in programs here. Prisoner Escort was previously carried in another section, now it is shown in each district's travel.

Contractual Services: Budget and Management cut \$3,000 from 360; and \$1000 from 350.

Commodities: Mr. Strandberg asked if they could get by on \$600 and it was generally agreed that they could.

Equipment: Mr. Strandberg asked if this was a whole new program. It was answered that it was not, but that they haven't asked for equipment for several years. They have been sharing the Enforcement's equipment. Mr. Freer noted that a panel truck had been cut by Budget and Management.

Recess: The committee recessed for 10 minutes.

Meeting: The meeting was called to order by Chairman Strandberg.

Western District:

Enforcement: The committee discussed the 5 additional new troopers and it was established that they are not shown in the budget. Two additional new troopers are to be added to the Western District, Enforcement. It was noted on page 129 that the difference of \$4,100 is reflected in area differential increase and the difference between 10 and 12% employee benefits.

Palmer Area: The troopers in the Palmer area were discussed and Commissioner Personett stated this situation will be looked into very carefully.

The Commissioner was asked to furnish the committee with a breakdown covering the whole state concerning the contractual part of the troopers. Mr. Borer added, he was interested in the Glenallen area also.

Cities' Areas: The cities' share of troopers costs was discussed.

Travel:

It was noted at this point that the Western District has 6 of the 10 new troopers and 2 of the new additional 5 new troopers, and there has been no increase in travel. This possibly will put the new troopers at desks. Page 132 of the workbook was referred to and noted that all travel will be surface rather than flying travel. It was the intent of Public Safety to increase the road travel. An approximate figure was arrived at of \$440 per trooper; the two additional new troopers would then be about \$880.

Contractual Services:

On page 146, it was noted that this item has been increased by \$34,300 over 1966-67 authorized. The figure authorized by the Governor was \$169,800. The letter of Feb. 9, 1967 would add an additional 3,400 taking the Governor's recommended total up to \$173,200.

Commodities: Item 410, new uniforms \$3,800 will be deleted. The Governor's Allowance figure will be \$14,500 with an addition of \$300 by the Budget and Management.

Equipment: There will be an addition of \$10,100 for two additional new troopers.

Service Section: Travel: Prisoner escort is again reflected in this area. Lt. Nelson mentioned that they are projecting a lapse in this area. However, not for the whole travel program.

Equipment: A question was asked concerning the request for new furniture, when there was not an increase in personnel. Commissioner Personett answered that they had been trying to get this furniture (Jr. desks) for three years. They presently are using the old big wooden desks which take up quite a bit of room.

Drivers License: No questions.

thern
District:
Personal
Services:

Enforcement: Three of the additional 5 new troopers will be in the Norther District. The amount of \$32,300 will have to be added for the three new troopers. The new total on page 184 will be \$62,300 (\$30,000 plus \$32,300).

Mr. Strandberg asked where the three new troopers will go. Commissioner Personett answered that they have not made any decisions to date. Initially in the Fairbanks area, one steady roving patrolman on the Yukon River or station a man on the Yukon River. Mr. Miller noted that the people were not satisfied with the situation at Ft. Yukon. The possibility of getting a trooper at Galena was discussed at length by the committee and the Public Safety people. The amount of killings that have occurred was brought out by Mr. Sackett.

trooper at
Galena:

Mr. Strandberg asked Mr. Freer to furnish the committee with a complete breakdown on the changes which will occur because of the 5 new additional troopers.

Travel:

It was noted that the additional \$4,800 (the difference between 66-67 and Governor's Allowance) will be for air travel. Mr. Strandberg asked if this travel was sufficient for the new troopers.

Mr. Ray entered at this point.

Commissioner Personett remarked that he would like to see 365 days budgeted for for the patrol.

Contractual
Services:

This was cut back by \$10,000 by the Budget and Management. The amount of \$5,100 should be added to \$131,900 for the new troopers.

Commodities: Item 410: \$1,500 could be cut and also \$1,400 for uniforms and jackets, respectively. Also \$840 for parkas. The final addition of \$500 should be made for new troopers, bringing the final figure on page 194 to a rounded figure of \$10,800.

Equipment: The amount of \$9,500 should be added to by \$9,100 for the new troopers, bringing the total to \$18,600.

Service Section: Contractual Services: The change here is due to the change in rental fees, from .12 ¢ to .13¢.

Drivers License: Mr. Ray discussed drivers licenses asking what the prices were for the different kind of licenses.

Fire Prevention: Personal Services: A Clerk III in Juneau was deleted by Budget and Management; also deleted were two training officers in Anchorage.

Travel: Mr. Freer stated that Budget and Management cut the Department request from \$26,200 to \$13,000, which is \$2,000 more than last year. This increase is the Chief Inspector, which is the one new position authorized.

Commodities: This increase from 1,400 to 1,600 is for the Chief Inspector, new position.

Equipment: The cut here, Mr. Freer said, was in the vehicle portion. There were no questions on the rest of this Public Safety Budget.

Recess: The committee meeting recessed until later in the day.

12:00 noon

HOUSE FINANCE COMMITTEE MINUTES

March 14, 1967

8:15 a.m.

Present: All members were present and Mr. Dick Freer.

Assignments: Mr. Strandberg gave the following bills as assignments:

House Bill 31 - Dick Borer
House Bill 46 - Ernie Haugen
House Bill 87 - Chuck Sassara
House Bill 133 - John Sackett
House Bill 142 - Bill Ray
House Bill 159 - Legislative staff rewrite
House Bill 169 - Terry Miller
House Bill 194 - Terry Miller
House Bill 195 - John Sackett
House Bill 246 - Dick Borer
House Bill 238 - Chuck Sassara

PUBLIC SAFETY:
Close-out-Budget:
Commissioner's
Office:

Personal Services: It was moved and passed unanimously to add \$21,000 for salary of deputy commissioner. This made a new total of \$144,800.

Management
Services:

Three positions have been added to State Police. New positions on page 21 have been deleted. The amount of \$12,700 was transferred to State Police Division Headquarters. This made a total of \$45,200 which was passed on unanimously.

Rescue & Relief
of Lost Persons:

The total of \$5,500 was passed on unanimously.

STATE POLICE
Division Hq.

Personal Services: No change.

Travel: It was moved and passed five to one that travel funds should be moved back to \$8,600.

Contractual: The amount passed on unanimously was \$10,000, which is the same as the Governor's allowance.

Commodities: \$400 will be cut from clothing allowance and the committee passed five to one on the amount of \$1,600.

Equipment: No change.

R & I Section: No changes.

Driver's License:

The only change was in contractual services. \$2200 was added for plastic licenses. This made the new total \$8,000.

Enforcement S.E. District: The total of \$259,900, which is the same as the Governor's, was accepted. It was noted that Budget & Management cut out the request for new headquarters for Juneau. \$1,400 was cut from equipment rental.

Service Sec. S.E. Dist. There were no changes except in commodities which was cut from \$1,200 to \$600. This was voted on and passed with five yeas and one nay. The total figure was \$88,900.

Equipment: The purchase of the two new cars was discussed (1 for Juneau and 1 for Sitka) and it was decided they were necessary because of the new personnel hired.

Total S. E. District: The total amount requested for S. E. is \$348,800.

Mr. Ray was excused to work on the Uniform Rules.

Western Enforcement: Personal Services: The new figure is \$652,600. This is due to the addition of two new troopers.

Travel: This amount was raised \$800 for the two new troopers, which made the amount \$36,300.

Contractual: The new total would be \$173,200. The letter of Feb. 9, 1967 added an additional \$3,400 to the Governor's allowance.

Commodities: There was a net decrease of \$3,800 and they added \$300 for the new troopers, which made a total of \$10,700.

Equipment: \$10,000 was added for the additional new troopers, which made the amount \$20,700.

Total Western District: The total amount for Western District is \$1,209,800.

Recess: There was a call of the House and the committee recessed at 10:00 a.m.

HOUSE FINANCE COMMITTEE MEETING
March 15, 1967
8:00 a.m.

Present: All members were present. Mr. Freer from Budget and Management was also present.

Public Safety
Budget
Northern District:

Enforcement: Personal services: The amount of \$32,300 was added for the 3 new troopers in the Northern District, which will bring the total for personal services to \$465,200 for this district.

Travel: It was noted that Public Safety did not request any extra travel when they requested the new troopers. The committee discussed if these troopers were just hired for the Centennial. A figure of \$700 (approximately) was arrived at for travel for each trooper. At this point Mr. Freer stated it was his understanding that some of the travel for these new troopers will be found in Contractual Services, where there is an increase.

And so, the committee agreed on the final figure for travel for the Northern District as \$24,800.

Contractual Services: It was moved and unanimous consent was asked that item 360 be increased by \$3,000. The motion was seconded. The motion was amended to \$2,000. The motion was further amended to \$1,500. There being no objection to the amendment to the motion, the amendment was adopted and the original motion, as amended, carried. The final figure for item 360 is changed to \$10,500, which changes the figure for Contractual Services to \$138,500. (It is also noted that the amount of \$5,100 was also added for the new troopers). See page 255 of the minutes.

Commodities: Four new uniforms (\$1,500) were cut; 14 replacement

Paras. (\$840) were cut; and 28 new jackets (\$1,400) were cut. An amount of \$500 was added for new troopers, making the total (rounded figure) of \$10,800, which the committee agreed upon.

Equipment: The committee agreed to add \$9,100 for the new troopers, bringing the total to \$18,600.

Service Section: There was no change to this section. The figure adopted was \$146,200.

Drivers' License: There was no change to this section. The figure adopted was \$17,300.

TOTAL NORTHERN DISTRICT: It was moved and unanimous consent was asked for acceptance of the total figure for the Northern District of \$821,400. There being no objection, it was so ordered.

TOTAL - STATE POLICE, ALL DISTRICTS: It was moved and unanimous consent was asked for acceptance of \$2,611,800 as the total for State Police, all districts. There was an objection for a question. The objection was removed, and the motion carried.

HB 159 HB 159 was given to Mr. Montgomery to be rewritten.

Mr. Kerttula entered.

Commissioner Personett and Lt. Nelson also entered at this point.

Public Safety Budget:

Alaska Disaster

Office: (At this point Messrs. Kerttula and Strandberg left.)

Personal Services: The figure of \$151,400 was agreed upon by the committee.

Travel: It was noted that this travel had been cut by Budget and Management/approximately back to last year's level, realizing they had spent more than they were authorized.

When asked where the cut might occur in travel, Commissioner Personett commented that inside Alaska travel might be cut and emphasized the importance of outside travel to the conferences where the federal monies are divided up.

Mr. Saecara stepped out.

Mr. Miller remarked that the inside Alaska travel should not be cut back.

Mr. Strandberg entered at this time.

It was moved and unanimous consent was asked for acceptance of \$7,500 for Travel. There being no objections, it was so ordered.

Mr. Strandberg left at this point.

Contractual Services: It was moved and unanimous consent was asked for acceptance of the figure of \$16,700. There being no objection, it was so ordered.

Commodities: It was noted that the increase is in item 440, Fuel, and Warehouse. Lt. Nelson stated that they previously did not have this warehouse. It was moved and unanimous consent was asked for \$5,600. There was an objection for a question. The objection was removed and the motion carried.

Equipment: Commissioner Personett mentioned that items 6 through 8 have been deleted. It was moved and unanimous consent was asked for acceptance of \$1,000. There was an objection for a question. The objection was removed and the motion carried.

TOTAL, ALASKA DISASTER OFFICE: It was moved and unanimous consent was asked to accept \$182,200 as the final figure for this section. There being no objection, it was so ordered.

Mr. Strandberg entered at this time.

Intent: The intent of the committee, concerning the situation on the Yukon River was discussed.

Mr. Haugen brought to light the problems that have been encountered with village police officers. He suggested that a training program be set up for ^{village} police officers. This thought was discussed in full by the committee. Commissioner Personett related to the committee his idea of a State Police Academy where men would be trained not only in police work, but any type of safety.

At this point Commissioner Personett and Lt. Nelson left the committee.

Mr. Strandberg also left.

Fire Prevention:

Personal Services: Mr. Ray asked Mr. Freer why the Clerk III in Juneau had been deleted. Mr. Freer answered that there are 3 clerical positions present in this section and they thought this would be sufficient, considering the number of professionals in this section now.

Mr. Ray moved and asked unanimous consent that the position of Clerk III for the Central Office in Juneau be reinstated. Mr. Borer objected. The vote was 1 yea and 4 nays. And so, the motion failed.

It was moved and unanimous consent was asked for acceptance of \$85,700 for personal services. Mr. Ray objected Mr. Miller seconded. Mr. Ray moved and asked unanimous consent to amend the original motion to \$90,000. Mr. Strandberg entered at this point. There was an objection. A vote was taken with the following result: 1 yea - 5 nays.

The original motion now being in order, the committee voted as follows: 5 yeas and 1 nay for the amount of \$85,700 for personal services.

Travel: The \$2,000 difference is for the Chief Inspector.
Mr. Strandberg left at this point.

It was moved and unanimous consent was asked for acceptance of \$13,000 for travel. There was an objection for questions. Mr. Sassara entered the room at this time.

The objection to the motion was removed and the committee agreed upon \$13,000 for travel.

Contractual Services: It was moved and unanimous consent was asked for acceptance of \$10,200. There being no objection, it was so ordered.

Commodities: It was moved and unanimous consent was asked for acceptance of \$1,600. There was an objection for questions. The objection was removed, and this figure was adopted.

Equipment: It was noted by Budget and Management that 2 vehicles had been cut out. The increase is due to the new positions. Mr. Strandberg entered.

The figure of \$3,700 was agreed upon by the committee for equipment.

TOTAL - FIRE PREVENTION: It was moved and unanimous consent was asked for acceptance of \$114,200 as the final figure for Fire Prevention. There being no objection, it was so ordered.
This concluded Public Safety in its entirety.

9:30 a.m.

COURT SYSTEM Personal Services: One Clerk Typist III position was added.

House- Out
Supreme
COURT

It was moved and passed unanimously to accept the amount of \$326,700.

Travel: A motion was made to accept the amount of \$12,000. This motion was withdrawn when it was noted that a trip to Honolulu for 10 days, for the National Conference of Trial Judges, was included in the travel request. Mr. Ray asked unanimous consent that travel be cut \$1,000, which made a total of \$11,000. This was passed unanimously. They also agreed to have the deletion

Intent: in a letter of intent that no Honolulu trip be allowed.

Contractual: The amount of \$162,500 was passed on unanimously.

Recess: The committee recessed at 10:00 a.m. for call of the House.

2:20 p.m.

Commodities: The committee accepted the figure of \$35,000, which is the amount authorized for 66-67. This was passed unanimously.

Equipment: Mr. Freer explained that Budget & Management cut out half the amount requested for shelving, which came to \$6,000, and gave them the requested amount for the new positions. It was moved and passed unanimously to accept the figure of \$14,400.

Lands & Structures: It was moved and passed unanimously to accept the amount of \$5,000 for this item.

Supreme Court Total: It was moved and passed unanimously to accept the total figure of \$554,600 for the Supreme Court.

SUPERIOR COURT: Mr. Sackett asked why the attorney was deleted for Fairbanks.

Pers. Serv. Mr. Freer replied that they already had one and one was needed to serve both Juneau and Ketchikan area (this was granted).

The amount of \$789,500 was accepted unanimously.

Travel: Mr. Ray moved that outside travel be deleted from their request (trip to Honolulu). \$20,400 was the amount accepted and passed unanimously.

Contractual: The increase in the amount requested was due to the rental increase. Mr. Freer said the department attributed \$5,000 of their increase for rental and Budget & Management actually gave them an increase of \$7,000 for this item. The committee questioned the heavy use of telephones in the Anchorage office. This will be included in a general letter of legislative intent. It was moved and passed unanimously to accept the figure of \$465,700.

Commodities: It was moved to cut back to fiscal year 66-67 level, which was \$11,000. This passed unanimously and was so ordered.

Equipment: The increase the department asked for was equipment replacement plus equipment for new employees. The committee agreed to cut this amount to \$12,000. It was moved and passed unanimously to accept this amount.

Lands & Structures: The committee moved and passed unanimously to accept the figure of \$2,600, which is the amount requested and same as Governor's allowance.

Total, Superior Court: The total amount for the Superior Court was \$1,178,200.

Recess: A recess was called at 3:00 p.m. and they agreed to meet again at 7:30 p.m.

7:30 p.m.

Present: All members were present and also Mr. Freer.

Court System: It was moved and unanimous consent was asked that the **Magistrate's Court:** figure of \$679,000, as recommended by the Governor, be **Total Personal Services** accepted by the committee. Mr. Ray objected, but motion carried on a show of hands.

Travel: It was moved that the travel figure be increased to \$24,000 **Increase:** instead of \$19,000 as recommended by the Governor. Motion was withdrawn. It was then moved and unanimous consent was asked that Travel be increased to \$22,000. There was objection, and motion carried 4-3.

Legislative Intent: Mr. Strandberg requested that in the letter of Legislative Intent that the Court System be instructed that if the OEO funds are made available, they must lapse \$12,000 of the travel funds.

Contractual: It was moved and unanimous consent was asked that the \$335,900 as recommended by the Governor be accepted by the committee. There being no objection it was so ordered.

Commodities: It was moved and unanimous consent was asked that \$21,300 as requested by the Governor be accepted by the committee. There being no objection it was so ordered.

Equipment: It was moved and unanimous consent was asked that \$12,000 as requested by the Governor be accepted by the committee. There being no objection it was so ordered.

Legislative Intent: Mr. Strandberg requested that in the letter of Legislative Intent that the Court System be instructed to ^{new} equip the/out-lying magistrate offices with a minimum amount of equipment.

Lands & Structures: It was moved and unanimous consent was asked that \$500 as requested by the Governor be accepted by the committee. There being no objection it was so ordered.

Mr. Ray moved that total figure of \$1,055,000 be accepted by the committee for the Magistrate Court. The motion failed.

Total:
Magistrate
Court:

It was moved and unanimous consent was asked that the total for Magistrate Court of \$1,070,700 be accepted. There being no objection it was so ordered.

Total:
Alaska
Court
System:

It was moved and unanimous consent was asked that the total figure for the Alaska Court System of \$2,926,500 be accepted by the committee. There being no objection it was so ordered.

Dept. of Labor
Enforcement of
Labor Laws:

Administrations Personal Services: It was moved and unanimous consent was asked for acceptance of the figure of \$143,500 for personal services. There being no objections, it was so ordered.

Travel: This remained the same \$10,000.

Contractual Services: This figure also remained the same \$35,200.

Commodities: This figure was an increase of \$600 over the Department request. It was moved and unanimous consent was asked for acceptance of \$3,400 as the final figure. There being no objection, it was so ordered.

TOTAL, ADMINISTRATION: It was moved and unanimous consent was asked for acceptance of the total figure of \$193,500 for Administration. There being no objection, it was so ordered.

Industrial Safety: Personal Services: Please refer to page 104 of the House Finance Committee Minutes for details. A letter from Thomas Moore, Commissioner of the Department of Labor was read, dated February 27. Items 1 and 2 asked for an increase of \$4,100, of which the committee granted \$4,000. It was moved and unanimous consent was asked for acceptance of the figure of \$130,000 for personal services. There being no objection, it was so ordered.

Travel: It was moved and asked unanimous consent to accept the figure of \$27,400 for travel. There was an objection to the outside travel. The committee discussed this portion of the budget. The objection was removed. There now being no objection, the motion carried.

Contractual Services: It was moved and unanimous consent was asked for acceptance of the figure of \$8,700 for contractual services. There being no objection, it was so ordered.

Commodities: It was moved and unanimous consent was asked for

acceptance of the figure of \$900 for commodities. There being no objection, it was so ordered.

Equipment: It was moved and unanimous consent was asked for acceptance of the figure of \$300 for equipment. There being no objection, it was so ordered.

TOTAL, INDUSTRIAL SAFETY: It was moved and unanimous consent was asked for acceptance of the total figure of \$167,300 for Industrial Safety. There being no objection, it was so ordered.

Workmen's Comp: Personal Services: It was moved and unanimous consent was asked for acceptance of \$37,800 for personal services. There being no objection, it was so ordered.

Travel: It was moved and unanimous consent was asked for acceptance of the figure of \$10,300 for travel. There being no objection, it was so ordered.

Contractual Services: It was moved and unanimous consent was asked for acceptance of the figure of \$7,800 for this section. There being no objection, it was so ordered.

Commodities: It was moved and asked unanimous consent for acceptance of the figure of \$1,200. There being no objection, it was so ordered.

Equipment: It was moved and unanimous consent was asked for acceptance of the figure of \$500. There being no objection, it was so ordered.

TOTAL, WORKMEN'S COMP: It was moved and unanimous consent was asked for acceptance of the figure of \$57,600 for this section. There being no objection, it was so ordered. (\$9,000 of which are program receipts from the Second Injury Fund.)

Wage & Hours: It was moved and unanimous consent was asked for acceptance of the total figure of \$25,700 for this section. There being no objection, it was so ordered.

Employment of the Handicapped: Travel: It was moved and unanimous consent was asked for acceptance of \$2,700. There being no objection, it was so ordered.

Contractual Services: It was moved and unanimous consent was asked for acceptance of \$300. There being no objection, it was so ordered.

Commodities: It was moved and unanimous consent was asked for acceptance of \$200. There being no objection, it was so ordered.

TOTAL, EMPLOYMENT OF THE HANDICAPPED: It was moved and unanimous consent was asked for acceptance of \$3,200 for this section. There being no objections, it was so ordered.

TOTAL - ENFORCEMENT: It was moved and unanimous consent was asked for acceptance of \$447,300 for *Enforcement*. There being no objection, it was so ordered.

Sick and Disabled Fishermen: It was moved and unanimous consent was asked for acceptance of \$150,000. There being no objection, it was so ordered.

Employment Security: It was moved and unanimous consent was asked for acceptance of \$2,403,300. There being no objection, it was so ordered.

Secnd Injury: It was moved and unanimous consent was asked for adoption of the figure of \$5,000. There was an objection; however it was removed and the figure was accepted.

HB 159: This bill was discussed.

Meeting adjourned at 9:30 p.m.

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

Present: All members were present, along with Mr. Freer from Budget & Management, and Mr. James Scott, Office of the Governor.

Office of Governor Budget: Mr. Miller asked if this FY67-68 budget reflected the changes revisions of the new administration. Mr. Scott said that it did; and in answer to a question, he said he was the Administrative Officer III as shown under "New Positions" on page 8 of the Budget Request book. He said the Director of Information (same page) would be the position that would centralize all information going out of state offices. Mr. Strandberg said this would do away with information officers in other departments and it would come from the Governor's office and be handled in a more efficient manner.

Personal Services:

Travel: The request was originally \$13,300, but Mr. Scott explained that it had to be increased to \$14,800 to give the new position of Director of Information travel expenses of \$1,500.

In answer to a question on the Governor's travel, Mr. Scott said that the law allows \$21 a day per diem for state employees; however, because the law exempts the Governor from regulations of state employees, he can receive payment for actual expenses, rather than the \$21 a day.

Contractual: Mr. Strandberg noted that this item was up from \$20,000 last year to a request of \$44,200 for this year and wanted to know the reason. Mr. Scott said that there was an increase in communications; also, rent had gone up in Anchorage due to the consolidation of the state offices.

Mr. Strandberg asked about the request for \$5,000 (on page 14 of the Budget Request book) for cost of renovating and refurbishing first floor of Capitol Building. Mr. Scott said that was for the State Police quarters. Mr. Ray pointed out that Public Works received \$75,000 for renovation of first floor and could not see why this item would be in the Office of the Governor. Mr. Strandberg directed Mr. Scott to find out specifically what this was for and why it was put in this budget instead of Public Works, and to notify the committee by memorandum on this.

Mr. Scott said the reason equipment rental was \$8,000 was the \$6,000 rental for 2 IBM MTST typewriters, and \$2,000 for Xerox and Pitney Bowes machines.

Mr. Strandberg asked why the cost of the National Governor's Conference was changed from \$200 to \$2,000. Mr. Scott said that the dues had gone up to this amount -- that it was prorated among the states according to population and this was Alaska's share. He said they now have a Washington, D. C. office and they are starting a new program.

Commodities: The request on this was for \$7,400 and Mr. Scott explained they had added an additional \$100 for the Director of Information. When questioned on why the Governor's office would spend \$500 for cost of photographic materials for Travel Division, Mr. Scott said it historically had always been there.

Equipment: (See letter in file from Governor's office changing this request from \$2,800 to \$16,850, with new equipment list attached.) Mr. Strandberg said this was the equipment deleted from the supplemental request and the committee had asked

that it be included in the FY67-68 budget instead of the supplemental.

Governor's Mansion: Mr. Scott noted there was only one new position -- a domestic
Personal Services: worker -- in this request of \$16,300.
Contractual: The figure of \$20,500 was not discussed.

Commodities: Mr. Scott said the only item that had gone up in this request was the food budget.

Equipment: He said the \$1,000 in equipment was needed to replace kitchen equipment, such as frying pans.

WICHE: Mr. Strandberg said he felt that someone from the Legislature, preferably a member of the Finance Committee, should serve on the commission since many questions arise that could better be handled by someone from the Legislature.

Contractual Services: The increase in this from \$15,000 to \$22,500 was due to an increase in students, according to Mr. Scott. He said this was the fee paid to the universities for out-of-state tuition. Mr. Strandberg said he would like a statement with a clear-cut explanation on this. Mr. Scott said that a share of this amount is also for administering the program, and that there had been an increase due to the addition of the mental health program. Mr. Strandberg asked just why they had got into this mental health, and Mr. Freer said the description on page 28 and 29 of the Budget Request book was all he had on this. Mr. Strandberg told Mr. Scott to furnish the committee with a letter of explanation on this part of the WICHE program.

Council of State Govt. The request of \$4,000 was explained by Mr. Freer and he said this is a professional group which acts as a secretariat

(S)
to budget officers, purchasing officers. They act as a clearing house for the various states, and combine information and dispatch it to the proper agencies. He said the charge was based on population.

Employment
Advisory
Comm.:

No questions on the request for \$23,300, by the committee.

Mr. Ray and Mr. Sassara left at this point.

Mr. Strandberg asked Mr. Scott to please furnish the com-

Athletic
Commission:

mittee with a report from the Governor's office on the activities of this commission.

Contingency
Fund:

Mr. Scott explained the increase from \$83,000 to \$92,000 was a 10% increase over last year.

Secretary of
State:

Mr. Scott said the reason for the large increase from \$65,600 to \$139,300 was due to combining the budget with Elections. Mr. Strandberg asked what the increase would be in the Secretary of State's office without the election budget combined, and Mr. Scott said there was no increase, and was essentially the same budget as last year. He said there was one new position of Administrative Assistant II in the Secretary of State's office, but they were absorbing without additional funds.

Alaska
Pioneers
Home:

\$647,600 was requested for the Sitka home and \$317,900 for the Fairbanks home. Mr. Scott said he has reviewed the total budget with the Superintendent, Mr. Harrigan, and said his office was in the process of studying and evaluating this program. He said no changes, however, were being contemplated, but they wanted to become familiar with the program so they could understand it.

There was discussion concerning having Mr. Harrigan appear before the committee, and Mr. Strandberg said they would decide on this later.

Local
Affairs
Agency:
Personal
Services:

Mr. Strandberg questioned the increase from last year of \$130,000 to \$152,600 for FY67-68.

Mr. Scott noted there were no new positions, but there was a step increase for the Director from a pay range 22 to a 23.

Travel:

He said travel has remained about the same as last year.

Mr. Strandberg asked about the Washington, D. C. trip and

Mr. Scott said it was a conference of assessors, which they felt was necessary, as the assessor in turn provides

the boroughs with advice. Mr. Strandberg remarked that the only worthwhile function this agency performs is the

assessing. Mr. Ray said that since most boroughs have their own assessors, he could see no need for one on

the state level. Mr. Miller said that since some boroughs don't always evaluate at 100% as they are supposed to,

they need a state assessor to watch this. Mr. Strandberg said this agency was created to assist the boroughs

get set up but these boroughs were all pretty well organized and the need for the agency was questionable now. Mr. Ray

said at this stage, the work could be done on a contractual basis and save the state a lot of money. Mr. Strandberg

said with all the problems the cities are having, it would be more justifiable to have a city affairs agency.

Contractual: Mr. Scott said that \$12,000 of the requested \$19,500 for contractual services was for maps for various areas. The

manual (Property Appraisal Manual for Alaska Assessors) was discussed and Mr. Scott noted that this request was

not included in the budget. Mr. Freer said they reduced the request under 380 (Professional Fees and Services)

by \$25,000, then added \$5,000 for the maps, which gave a net reduction of \$15,000 from the \$34,500 requested by Local Affairs.

Equipment: Mr. Freer said they reduced the request of \$4,500 to \$3,900 because \$600 of it was tied into new positions which had been denied.

Rural Development: Mr. Strandberg said the committee wanted to take a hard look at this program. There was a discussion between Mr. Strandberg and Mr. Freer concerning the amount spent on administration. Mr. Strandberg said it cost \$92,000 to administer \$300,000.

Personal Services: Under this category the agency had requested 3 new positions and were granted 2 -- an assistant director and a clerk-Steno I.

NYC Funds: Mr. Strandberg and Mr. Freer discussed the federal receipt figure which was not shown in the budget this year. Mr. Freer said the federal government doesn't seem to allot this money on a FY basis, and consequently it was extremely difficult to know when to show this money. Mr. Strandberg told Mr. Freer that he wanted a memorandum from Mr. Ward on the \$1,129,600 figure (as shown on page 116 of the Budget Request book). Mr. Freer said that figure represented what was encumbered out of the first grant that was received, plus extensions. Mr. Strandberg asked if there had been any kind of report done on this, and Mr. Freer replied that they had one. Mr. Strandberg directed him to release it as a report to the legislature, as they want to know what is happening to this money.

Rural Development
Neighborhood Youth

Corp: Mr. Strandberg said that he wanted Mr. Co of the NYC program to appear before the committee.

State Commission on

Human Rights: It was noted by Mr. Strandberg the increase from \$46,400 to \$53,600 for this total program. Mr. Scott replied that this was basically the same as last year.

Personal Services: Increase from \$33,200 to \$35,600. No new positions.

Travel: No questions:

Contractual Services: Mr. Borer noted that this was almost doubled. The consolidation of the offices in Anchorage was discussed to some extent by the committee. Mr. Borer asked how much space was needed. Mr. Freer answered approximately 20,000 sq. ft. right now. Mr. Scott mentioned that they have found so much duplication in machines and personnel in the offices that possibly the consolidation would cut down in some areas. Mr. Scott noted that there is a study out on this and also a proposal is out now. Mr. Strandberg noted that this building would probably cost somewhere around \$500,000 or \$600,000, at \$30 per sq. ft. Mr. Freer stated that the bid went out last Friday on this; Mr. Strandberg requested a copy of the bid and further noted that this will have to be approved by the legislature. Mr. Borer asked when they would have to move in and Mr. Freer said if a suitable place was found they would start to move at the end of this year.

Anchorage
Consolidation:

Alaska Far East Trade Office: The fact was established that there is someone now in this office, and that there were reports which come to the Governor's Office setting forth the progress of this office.

The fact that this office is under the Governor's Office and not the Department of Economic Development was discussed fully by the committee. Mr. Strandberg noted that he would like to see the Governor take a real hard look at this and noted that the legislature may possibly move this into Economic Development.

Economic Opportunity: Mr. Strandberg asked if there was going to be some kind of report out on these programs. It was noted that very little detailed information had been made available. Mr. Scott noted that the state is receiving \$30,500 for VISTA and Technical Assistance; to which the state contributes \$80,000. Mr. Borer noted that he would like to cut out VISTA. Mr. Scott mentioned that it is federally funded.

Mention was made to a memorandum from Mr. Klein, Director of Economic Opportunity Division, to Mr. Strandberg, dated March 7, 1967 concerning the activities of the Office of Economic Opportunity. Mr. Strandberg stated that he would like to see more detailed information and analyses on these programs, and requested Mr. Scott and Mr. Freer to get together and give the committee more detailed information.

Technical Assistance: Personal Services: The new position of Community Development Specialist was discussed in connection with supervision of the various programs. Mr. Sackett asked why the Director couldn't do this, and it was pointed out by Mr. Scott that the Director just could not cover all the meetings and meet with all the people.

Travel: It was noted that there was a reduction from 66-67 of \$42,000 to the Governor's Allowance of \$7,500. It was explained by Mr. Scott that they have reduced the personnel drastically. Mr. Sackett asked when ASCAP left the Governor's Office and it

was answered that they had left approximately last October. The fact that \$7,500 was allowed for only two people to travel was emphasized. Mr. Scott explained that this extensive travel would be a guarantee of knowing what is going on in all areas concerning these programs.

Another point that was brought out was that there was no money allocated for charter air service for these two people. Mr. Strandberg said that there would have to be a line item transfer for air charter.

Mr. Strandberg requested Mr. Scott to prepare some type of schedule ^{this} for/travel; he also requested Mr. Scott to make a further review of this portion of the travel.

Contractual Services: Mr. Strandberg asked if item 330 was for the local office, to which Mr. Scott answered that it was.

VISTA : Travel: It was noted that the amount of \$7,000 was based on only one person, as noted on page 173 of the workbook. Again, more detailed information was requested. Mr. Scott explained that this travel will be used to go out to the bush, looking in on the VISTA volunteers.

Mr. Sassara entered at this point.

Mr. Borer left to be on the floor of the House for HB 217.

Mr. Strandberg stated the committee wants an analysis of how this figure (\$6,000) was arrived at.

Contractual Services: Again, there was a lack of detailed information. Mr. Scott noted, however, that there was an over-expenditure of \$18,000 in contractual services.

Commodities: The committee remarked on the fact that the Governor's recommendation was only \$1,000, as compared with actual 65-66 of \$74,300!! In explanation, Mr. Scott stated that some of the

equipment is still down in the ASCAP offices that was loaned to them. There is a request in the Attorney General's office for the return of this equipment, which is desks, chairs, etc. (He further stated that agreements had been found concerning this equipment, to the effect that ASCAP was to have purchased this equipment.)

Planning and Research: Mr. Strandberg stated that he felt there was a direct conflict; either Planning and Research should be in Economic Development, or the whole Department of Economic Development should be under the Governor's Office.

Travel: Mr. Strandberg asked if Mr. Scott had taken into consideration the fact that the position Mr. Saroff had held (now vacant) was vacant at the time the supplemental was made up. Mr. Scott replied that the position would be filled very shortly. Mr. Pavitt, previously State Federal Assistance Coordinator, has been filled by Mr. Shepard..

Contractual Services: There were no questions.

Commodities: There were no questions.

Equipment: Mr. Sackett asked why they couldn't use surplus furniture.

Council on the Arts: This is at the approximate same level as last year. Mr. Scott mentioned that this is one program that they cut down quite a bit. Mr. Scott mentioned that there have been meetings scheduled this Friday and Saturday with the Arts Council to solve the problems in this area. He further stated that the state can get \$50,000 a year from federal funds which the state must match. However, he said they did not want to set up a permanent position. Mr. Strandberg stated that we want to be sure that no federal

2-12
funds are lost. He requested more information on this program and emphasized the fact that this information must be received in time or we will lose this federal money.

Mr. Sassara asked why only \$15,000 is shown as federal grants. Mr. Scott answered that even though \$50,000 is available, they felt that at the present time the Council just doesn't have the information ready.

Mr. Strandberg requested that the committee be advised of the results of the meetings with the Council on Arts.

Status of Women: There were no questions.

Special Litigation: Transferred to Department of Law.

The meeting recessed until 2:00 p.m.

Meeting: The committee met at 2:00 to review the Department of Highways Budget. Representing the Department of Highways were Commissioner Gonnason, Mert Charney and Lee Hubbard. Mr. Freer was also present.

Department of Highways: Mr. Strandberg asked where the state stood on the funding for highway federal has Federal Cut-back: the/programs in light of the/cut-back that/been mentioned.

Commissioner Gonnason stated that the latest information was that hearings were scheduled to be held on March 1 and just during those hearings, there were \$1,625,000 released for Alaska's portion. At that same time, there was an agreement between the White House and the Congressional committee that there would be additional releases between now and July of approximately \$400,000,000.

With that additional release, our program should be ready to call for bids on all projects that we were going to do. Mr. Strandberg asked if it looked like the whole amount could be restored eventually. Commissioner Gonnason said that they were really not quite sure or clear as to how this will be handled.

This cutback will cut down the amount of construction volume between now and July, Commissioner Gonnason stated.

However, he continued, with the first release of \$1,625,000, plus \$400,000,000 in additional releases, these amounts will make it to June with no slow down, and June jobs will have to wait until July.

Mr. Charney stated that the White House and the Congressional Committee had informally agreed that there would be no further deferrals.

Commissioner Gonnason stated that in the 1966 program, concerning \$70,000,000 to be spread over a 5-year period, the President has not included this appropriation for the present year. However, he stated that we have been assured by Congress that we will get this.

Commissioner Gonnason continued by saying that this means that there will be approximately \$14,000,000 to accelerate various highway programs for maintenance, construction and access roads. There was some confusion at this point whether this money could be used for the three items mentioned above, or if it was only to be used on federal aid systems. Commissioner Gonnason stated that it appeared to be quite flexible.

Mr. Charney said this will be on a reimbursable basis, rather than an outright grant. Commissioner Gonnason stated that this is the Alaska Assistance Chapter.

Mr. Strandberg requested the Highway people to furnish the committee with all information available concerning this program.

In answer to a question from Mr. Strandberg, Commissioner Gonnason said that there was no specific dollar amount stipulated for maintenance.

The committee discussed in full the priorities, the most important of which was Bristol Bay. Nome to Fairbanks and Juneau to Haines was also discussed.

The possibility of using these funds in lieu of state funds was discussed; the highway people said these funds would not be in addition to the state funds.

Mr. Sassara entered at this point.

Spec. Maint.
Projects:

Mr. Strandberg mentioned that last year the Finance Committee gave Highways \$300,000 for special maintenance projects over and above the amount that was in the budget. He further asked how they proposed to use that, or was that left over.

North
Slope
Study:

Mr. Strandberg requested a copy of a report showing in detail how this money was spent. Reference was made to the letter of intent for last year's budget concerning this money in connection with the study on the North Slope. In answer to questions about the study on North Slope, it was determined that it had not been completed, but it has been started, Mr. Strandberg noted that he would like a copy of any information as a result of the study.

Special
Projects
Juneau:

Mr. Ray asked specifically about any special projects that were on the list in the Juneau District. Mr. Hubbard stated the Juneau District has been completed. However, noted that the Thane Road had not been on the list of special projects. Mr. Hubbard stated that maintenance efforts had been done on the Thane Road last year and no doubt would continue this year.

Off-System
Roads:

Mr. Strandberg stated that \$1,000,000 had been put into last year's budget for off-system roads, and emphasized the fact that these type of roads are the ones that they were really concerned over.

Commissioner Gonnason stated that they had received several requests that might qualify for this type of program, but that they did not include these in their budget request; however, he added, the Governor did include it in the Highway Budget. Approximately \$750,000 was earmarked for the North Slope Project.

Concerning the 1966 Bond Fund, Commissioner Gonnason stated that it is in the budget, but they haven't developed this program yet. All requests are being kept, though.

In answer to a question by Mr. Ray, Commissioner Gonnason stated that requests received would be divided among the districts. Commissioner Gonnason then noted to the committee that the Governor has not instructed the Department of Highways to spend these funds as yet.

Juneau-
Haines:

Mr. Ray asked about the Haines-Juneau road in connection with the Forest Services funds and state funds. Commissioner Gonnason stated they were continuing down the west side of the Lynn Canal. Mr. Ray asked what the timing was on that. Gonnason stated it was in the top priority in the Governor's to be completed program, within the next five years.

Glacier
Highway:

Mr. Ray asked about the Glacier Highway Outer Drive Program, relating the fact that this is the shortest stretch of road with the highest fatality rate. Commissioner Gonnason stated that this would also be completed within the next five years.

Minnesota By-
Pass:

In answer to a question from Mr. Strandberg, Commissioner Gonnason stated this should be under construction within 60 days. He further stated that they were able to salvage most of the work done previously. Mr. Strandberg asked if there would be any delay and Gonnason stated possibly some initial delay.

Forest Funds: Mr. Borer asked if all the available Forest Service funds are being used and the Commissioner stated he wasn't sure, but added that they use all federal funds available.

Mr. Haugen mentioned that 25% of the stumpage fees go into the state fund for schools and roads. The committee continued this discussion of Forest Service Funds.

Copper River

Parkway:

Mr. Borer asked what position the Department of Highways would be taking on the Copper River Parkway. The Commissioner stated he was not aware of this program at this time.

Eielson -

Ft. Wainwright

Road:

Mr. Miller asked about doing the first 6 miles again.

The committee discussed the problems on this road that occurred after paving. The Commissioner stated that the completed project had been accepted by BPR and the State, but that something had gone wrong. It was noted that it cost \$3,000,000 for 6 miles of highway, but it needs more money to get it in shape. Mr. Strandberg asked for an estimate on what this would cost, to redo this portion of the road.

The committee discussed the fact of whether or not this repair could come out of the general fund or maintenance. Commissioner Gonnason stated they would try to see if they could get the money from the federal funding.

Outer-Drive: Mr. Ray asked when the construction will start on Outer-Drive.

The Commissioner stated that it could be this year; however, there is still some negotiating that has to be completed with the City of Juneau, but bids should be out within the next three months.

Department of Highways Budget: Administration:

Personal Services: There was no change.

Travel: The W.A.S.H.O. Conference was discussed, concerning the change from Phoenix, Ariz. to Hawaii. Commissioner Gonnason noted that the Governor has invited W.A.S.H.O. to Alaska in 1968.

Contractual Services: Item 390, in the amount of \$7,300 was discussed. The committee was told that this item was for SWIS

and that it has not been budgeted for. Mr. Freer added that Highways probably will budget for SWIS in another year. Mr. Charney noted that this had been for Administration, and further stated that there is about \$30,000 in Engineering. Mr. Borer asked where the rent was for the Commissioner's Office. Mr. Charney replied that it is in the Supply and Services section.

Public Relations: Personal Services: Mr. Strandberg stated that there will be a Public Information Officer in the Governor's Office. He pointed out that possibly the Public Information Officer in the Department of Highways was a duplication of services. Mr. Strandberg requested the Commissioner to talk with the Governor's Office to find out if there is any conflict concerning these two positions.

The meeting was adjourned because of a Republican Caucus.
Next meeting scheduled for tonight at 7:30 p.m.

7:30 p.m.

Present: All members were present except Mr. Ray, and Mr. Gonnason, and Mr. Charney from Department of Highways, and Mr. Freer from Dept. of Administration were also present.

**Highways
Budget
Continued**

Commissioner Office Mr. Gonnason gave Mr. Strandberg 7 copies of Report to the

Continued: Legislature on Special Maintenance Funds Appropriated to the Department of Highways During the Second Session of the Fourth Legislature. Mr. Strandberg said he would have 60 copies made and see that each member of this Legislature received a copy.

Travel: This is the same as last year -- no change.

Contractual: There was no explanation (page 23 of Budget Request book) of the \$2200 and Mr. Strandberg said he did not appreciate blank pages and in the future the department was to give a complete description of what they intended to use the money for, no matter how small the amount.

Commodities: Mr. Strandberg asked what the movie camera film would be used for, and Mr. Charney said they took movies of various projects and also used it for training purposes. He said the man who previously had this job had not used the camera but the new man wanted to do this. Mr. Strandberg questioned the use of this equipment and wondered if it was really worth the money. Mr. Borer suggested that instead of the

Equipment: camera they are planning to buy (as shown under Equipment) possibly they should look into the SONIE TV camera for about \$1100. He said this camera is strictly for TV audiences and he thought it could do an excellent service and be more effective from a public relation standpoint.

He said the tapes can be used over and over again, and he felt the cost was much smaller and made much more sense than a 16 MM camera. Mr. Strandberg thought this was a good idea and could see where they could get much more use out of the TV camera, than a 16 MM camera, and he suggested that the department review this item.

Administrative Div. Personal services and travel were approximately the same as last year.

Admin.

Director

Contractual: It was noted that the Service Award Program was deleted and there was a discussion on the merits of this program:

Finance: The request for this under personal service was \$268,600 and
Personal Services: one new position request.

Travel: Same level.

Contractual: This had gone from \$34,200 last year to a request for \$45,400 this year. Mr. Charney said that there will be a reduction in contractual services in Internal Audit, and that this increase is a reimbursement to the data processing section. He said the programmers have been charged to the computer section and it is work done primarily in the Finance section. Mr. Strandberg said if they get any of this into the wrong budget, it could end up being total state funds instead of shared with the federal.

Commodities: Same level.

Equipment: Mr. Charney explained that the reason they need \$4,200 each year is that they revolve their adding machines, calculators, typewriters, etc., so that two are replaced each year, and that way they don't have to have them replaced all at one time. He said the life of this equipment is usually 8 years.

Internal
Audit:

Mr. Charney gave an explanation of this section and how they are now able to be on a concurrent audit with the BPR. He went into the past history of reimbursements from the federal and problems encountered. He said in the past the BPR would reimburse on a project basis; however, they would not audit the cost on that project until ^{the} final figure was complete, which could mean 5 or 6 or even 8 years before an audit was done on a project. Consequently records would be lost or other problems encountered and he said it was simply not a satisfactory way to handle it. He said the concept of this was changed by the federal government when they finally realized the state was having serious problems, and the BPR agreed to the State's proposal if the state would adopt certain accounting procedures. This was done and then the BPR was able to audit on a cycle of either four or six months and they then reimburse automatically. He also noted that once these records have been audited, they do not have to be done again when the project is completed. Mr. Strandberg told about how the state had to come up with \$4,000,000 (in 1962 or 1963) out of the general fund because of this former way of auditing and this was when they got on the concurrent audit. He asked Mr. Charney if they had any problems in this area. Mr. Charney said the procedures are set out for them and they occasionally have a problem on just how it should be carried out but it was nothing serious and it was not because of any failure in the system. In answer to a question by Mr. Strandberg, Mr. Charney said there should not be any projects that the state will have to pay out of the general fund due to this system.

Mr. Strandberg asked Mr. Gonnason to provide the committee with a list of the contingent liabilities that could be against the federal-aid program. Mr. Gonnason said they have a complete status of all of these claims, but they could only estimate on whether the BPR will participate in these settlements.

There was some discussion concerning the internal audit report, and Mr. Charney explained that this report does not go over his desk -- that the report goes directly to the commissioner.

In answer to a question by Mr. Borer, Mr. Charney said the \$34,800 as shown on page 45 of the Budget Request book for the Internal Audit is paid out of the general fund.

Budget:

It was explained that this section was incorporated with Finance and that is the reason there was no request for funds.

Personnel:

In answer to a question by Mr. Strandberg, Mr. Charney said that now that they do their own recruiting, examinations and hiring, ^{it is better,} but to get job reclassifications they still had to go through personnel. He said it was frustrating because they managed to have lots of meetings with them but very little was accomplished.

There was quite a lengthy discussion on "outside" hires for summer jobs and Mr. Gonnason told the committee that they have a definite regulation that Alaskans must be hired but since the members knew of a number of instances where this wasn't always so, he said any time that a case was brought to his attention he would certainly investigate it. Mr. Borer

said he thought that part of the problem was with the Alaskan. He said many of these boys try to get on to the better paying jobs with private construction companies, then when they don't get hired, they try to get on with the State, and complain because the job has already been filled. Mr. Charney said that does happen quite often, and the problem they have is that they must start hiring early in the season so they can be ready to go when the project is ready.

There were no questions on the breakdown of this section and it was noted that the requests by the department were at approximately the same level as last year.

Supply &
Services:
Personal
Services:

Mr. Charney said the reason for the decrease in personal services from \$140,200 last year to the request of \$114,200 for this year was due to transferring four janitors from this section into the building operation where they should have been all along.

Travel: This is the same as last year.

Contractual: Mr. Charney said the increase in contractual services, from \$170,500, to \$212,100 this year was due to the transfer of charges for services from the reproduction sub-unit to this section. He said the reason for the transfer was that under the old section it was funded by 100% state funds, but now under this, they can charge 60% of it to federal aid projects (the other 40% to administration) and that this is where it belongs.

The rent on the Douglas office building for Highways was discussed and Mr. Strandberg thought that 50¢ per square foot was rather outrageously high. Mr. Charney reminded the

the committee of the resolution passed by the last legislature which gave approval for the purchase of the Island Center Building under the ASHA program, but he said no action had been taken. He went on to say that the owners of the building must paint it every 5 years and it is due to be painted this summer, so he hoped now that no action would be taken until after they got the paint job finished. Mr. Strandberg suggested to the Commissioner that he send an inquiry to see if they are going to do anything about this resolution, and also to find out the valuation of the building. Mr. Strandberg said the committee would also inquire about the resolution and see what could be resolved. There was a discussion on the construction of certain buildings for the Department of Highways by Public Works, and Mr. Gonnason said they were unhappy with them, mainly because they ended up costing more money than Highways felt was necessary. He said in most instances, they want a simple maintenance building, but since Public Works did the design, they (Highways) didn't have much to say about it. He went on to say that he and the commissioner of Public Works were meeting on this and he thought they could resolve it on future buildings. He said the Fairbanks complex was too far along and it was too late to straighten that out. Mr. Strandberg requested the commissioner to furnish the committee with a memo on how much they have advanced Public Works on this whole program. Mr. Lorer noted that Highways pays 1 1/4¢ a mile in their

car rentals, and all other departments only paid 13¢ a mile. Mr. Charney said that it was an error on the part of the person who worked on the budget and was a carry-over from the past.

Pre-Construction Division: It was noted that the budget for the Pre-Construction Engineering Division:

Pre-Construction Engr: was essentially the same as last year.

Road Design: Mr. Strandberg again questioned the blank page (page 94 Travel:

in the Budget Request book) where they request \$5900 for travel in the Road Design section, but give absolutely no breakdown as to whether it is inside or outside travel, how many trips, where, etc. Mr. Freer said that in the case of Highways they have been allowed to transfer their money around within the agency -- they submit the request to the Department of Administration, but it does not go through the Governor. Mr. Strandberg said this was not the legislative intent -- that Executive Order 20 was for this purpose and any transfer/^{or program change} was to be approved by the Governor. He said the Governor must make all decisions on any program change. Mr. Charney explained that they must figure their budgeting almost two years in advance, and in maintenance funds, for example, sometimes they have short-changed one district and been over in another, and so they have been allowed to switch money from one district to another. He said that with regard to travel, that all of their outside travel is approved by the Department of Administration -- each and every trip. Mr. Strandberg said he could understand the problem in maintenance but not otherwise.

Commodities: Mr. Strandberg noted another blank page (page 96 in the Budget Request book) with a request of \$2,200 and no breakdown.

Materials: Mr. Charney said one person under personal services was
Personal
Services: transferred to construction engineer section because they could then get about 60% federal funds in this area.

Bridge
Design: Mr. Borer questioned Mr. Gonnason on the bridge design for Chitina on the Copper River crossing. Following this discussion, Mr. Sackett asked about the Healy railroad bridge. Mr. Coghill said that the fact that this had not been completed had nothing to do with the state but a decision by Mr. Manley, the manager of the railroad.

Right of Way: There was a short discussion concerning SENATE BILL 90 which is in the House Finance Committee and has to do with the declaration of taking. Mr. Strandberg asked if they are still having problems hiring competent appraisers. Mr. Charney said that for the first time they have more applicants than jobs.

Personal
Services: Mr. Charney said that they had asked for two new positions in Right of Way -- one was a Supervising Appraiser and the other was a Clerk Typist III. Both were turned down by the Budget Review Committee. Mr. Gonnason said they had written the Governor, requesting that these positions be put back, but he said they were told they would have to do this within the framework of their budget, so he hoped the Finance Committee would give this favorable consideration.

College
Lab

There was a discussion on appraisers, and Mr. Strandberg said he would look into this.

Mr. Charney said they transferred some of the expenses out of this category, such as commodities had been transferred to the engineering section, and they do all the testing on a rate basis. Mr. Strandberg said there was not too much that the legislature could do about this budget, since it is one of the requirements to meet BPR specifications for the highway department. Mr. Charney said he understood that the engineering school at the University of Alaska wanted this removed from the University as they needed the space for the engineering school. Mr. Strandberg said they had set it up at the University at the request of the school so let them grumble.

Adjournment: Meeting adjourned at 9:45 p.m.