

HOLLISSE/SENNATE FINANCE COMMITTEE - 1967-1982

24459

Cold Bay This was taken over on July 1, 1967 and it services mostly the carriers that are carrying only freight to and from the Orient. Mr. Kaldor said that there are 14,000,000 gallons of fuel going through a year.

This airport pays for itself, with projected revenue of \$408,000. The problems of keeping personnel at Cold Bay were discussed, the quarters are run down and no married people could be hired.

It was noted that this airport is tied into Viet Nam and if the war ended, the activity here would level off.

In answer to a question concerning the comparison of this budget for Cold Bay with FAA, Mr. Kaldor said that they couldn't get any information from FAA when the State took it over. It was mentioned that the fiscal year's budget for the state for FAA is \$33,000,000, compared to total requested by Cold Bay of \$154,200.

Contractual Services: Commissioner MacClanahan stated that this was a little lean, but he wouldn't complain if the full figure was reinstated in Intermediate Airports.

Fairbanks International Airport: The forecasted revenue for this airport is \$373,000 and in the next few years, the Commissioner stated, the picture looks much brighter for higher revenue. This has been mis-managed before, he said; also, the business is picking up in Fairbanks, resulting in more freight in and out. In comparison to Anchorage, he went on, Fairbanks runs 3-1 on freight and passengers; the percentage of increase between these two are about the same. He stated that next year the revenue at Fairbanks should be very close to the costs of operation. Mr. Miller mentioned the poor maintenance of the airport, and the Commissioner said that he was getting reports every week, and that the maintenance should be very good now. The previous poor management of the airport was mentioned again.

Engineering and Administration: This Division takes care of new construction and modifications for all airports. Mr. Borer mentioned that Mr. Freer had really cut this, but Mr. Freer said, not really, that \$165,700 of last year's bond money went into this. The committee discussed this in full, explaining this situation.

MDTA: This program was discussed, with Mr. Sackett asking questions about this program in connection with the Department of Public Works, Division of Aviation. The Commissioner was not aware of any kind of program like this.

Eng. & Admin.: Getting back to this Division, Mr. Freer said that there was an appropriation made from the 1966 bond sale here and the funds should be appropriated back. However, Commissioner MacClanahan said, when asked by Mr. Miller, that could they staff up this program.

Special Fund, Int'l. Revenue Fund: This was discussed very briefly by the committee.

The committee recessed at 3:00 p.m.

3:30 p.m.

Director's Office

Mr. Leonard Lowell, Director, Division of Buildings, entered at this time.

Pers. Serv.

Same level.

Travel:

Same level.

Contractual:

The decrease from last fiscal year was because they split communications with Planning and Design, according to Mr. Lowell.

Commodities:

Under line item 480, the figure for 1965-66 should have been \$49,000 instead of \$29,000. Mr. Lowell said Administration split this with another account. The new figure for commodities for Governor's allowance should be \$5,300 instead of \$3,300.

Equipment:

Same level.

Custodial Services:

It was noted that they cut two new positions, Labor foreman and custodial worker. It was also noted that they were transferred to the building receipt program. It should go into the receipts section of the budget and be reimbursed. They agreed that the need for the custodial worker is obvious and the Labor foreman.

Contractual:

The cut was in rents and utilities. Mr. Freer said the community building was taken out of the budget and Health and Welfare picked that up. The two people involved with the building were also transferred.

Commodities:

\$1,700 was taken out of item 440 fuel for the community building.

Equipment:

Same level.

Central Building Services

Maintenance:

In answer to Mr. Sassara, Mr. Freer said the central building services in Juneau, for instance, take care of the Capitol

Building, Alaska Office Building and the Subport.

Mr. Lowell said the amount of lease is pro-rated back to each department. Custodial is included in the lease.

Pers. Serv.

In answer to Mr. Ray, Mr. Freer said it looks like one position has been inadvertently left out. One line 2, there should have been a zero in the 66-67, that is the position that should have been reclassified in line 3. Mr. MacClanahan said the Building Management Specialist IV that is not there, that should be there. They cut the Bldg. Management Spec. II. Mr. Strandberg asked Mr. Freer to check this out and give them the information.

travel:

Same level.

Contractual:

Mr. Lowell said there was a \$25,000 general reduction in Item 340. Mr. Strandberg said they were going to remodel the whole third floor and Mr. Lowell said just a part of it and that is not reflected in the budget. Mr. MacClanahan said it came to \$37,500 for repairs for the Capitol Building and the Alaska Office Building.

Commodities:

No discussion.

Equipment:

Same level.

Planning & Design:

Mr. MacClanahan said because their budget is cut down on this item, they could do less maintenance and alterations. They have to set up adequate planning in advanced estimates. Mr. Lowell said that unless the project is authorized and fully funded, it forces them to do more of their own design work and not to do anything for the future. The result is they do not know what to plan for and their estimates are not in. Mr. MacClanahan said how can they wait until they have program receipts to do the planning.

Mr. Freer said this has been a problem in determining how much to put in, as much as possible has been charged to a specific project.

Mr. Borer questioned this way of funding.

Mr. Strandberg said that if you have a project that is funded separately through bond issues on general fund money, it is a question of how much you are going to give them for advance planning. The administration has always held this action down and had the work funded out in the project section.

Mr. Lowell said it would be better if they could hold this in suspense for a year or two.

Mr. Miller asked whether advance 18 months planning is usually done? Mr. Lowell said there is no mechanism set up to charge for that. They charge every project that they can for advance planning. Mr. Miller asked how far do they go on their planning and Mr. Lowell replied, to schematics. In reply to Mr. Miller, Mr. Lowell said they were doing part of the planning on ASHA.

In reply to questioning, Mr. Lowell said the Capital Improvement program should be done a year in advance before they can use it. Mr. Strandberg said they have held this department down, there is no question on it. He asked if they could fund this program through program receipts. Mr. Lowell said they have less money than the year before, they got a cut out of the 2% sur-tax of \$33,000.

Mr. MacClanahan said this section should have a planning program for their functions .

Same level.

Level:

Contractual: It was noted that \$6,000 was cut from Item 380, Professional

fees to architects and engineers. Mr. Freer said that should be done by their own staff.

Mr. Sassara entered at this point.

Mr. Strandberg said they not only cut out two positions, but they cut this back. Mr. MacClanahan said he strongly objected to the cut on the two positions.

**Commodities:** Same level.

**Equipment:** No discussion.

**Construction** Same level. Mr. Strandberg said there was no problem here.

**Museum Maint.** (new program). It was noted that they need a Custodial Worker II. There were no questions on this.

**Contractual:** It was noted that \$3,000 was added to item 330. Mr. Freer said he thought contractual should be pretty flexible.

**Communications:** In answer to Mr. Sackett, Mr. MacClanahan said this includes radios in small villages. Mr. Sackett said the radios in the villages were too weak. He has heard complaints from all the villages he has visited. Mr. MacClanahan said the complaints should come to his department. Besides radios they have put in H markers. Regarding servicing of the radios, Mr. Strandberg said it was cheaper to send them out for repair than to have a man go there. They should have a spare radio for these emergencies, though.

Mr. MacClanahan said that the new patrol cars for Public Safety have to have new radios. Mr. Freer said when this was budgeted, they did not know about the additional patrol cars. The radios are \$1,000 apiece and they need five. Mr. MacClanahan said the Dept. of Public Safety is very unhappy with their present radios. They have to be repaired constantly and people are used to better equipment.

Captain Gregory Mangan and Harry Jones, Div. Marine Transportation entered at this time.

This whole communications program should be re-evaluated, he said. He also said the Alaska Disaster Office should be re-instated.

Marine Transportation

Mr. MacClanahan said they are going to build three vessels to replace the Tustamena. In answer to Mr. Strandberg, Mr. MacClanahan said they have a 2-1/2 million dollar vessel that is intended for Kodiak. Mr. Strandberg said the original bond issue was for one large vessel, then the one vessel to replace the Tustamena, terminal facilities and \$200,000 for additional staterooms. Mr. MacClanahan said they were going to build four vessels, built to ocean specs, that can run any place, Southeast or Southwest. In answer to Mr. Sassara, Mr. MacClanahan said the Tustamena was not a passenger boat, it had room for 16 passengers and crew.

Mr. MacClanahan said there is a vessel intended for Southeast; it has 250 staterooms, 500 passenger capability. He said that vessel and the Tustamena will shuttle from Sitka.

Mr. Haugen said they designed this vessel for deep water so it can be used anywhere. The Tustamena will serve the areas off the primary run. They plan to use the bigger vessels in Southeast area.

Mr. Strandberg said they were 180° off what they told the people on the ferry bond issue.

Personal Ser. No new positions were requested.

It was noted the other line items were up a little from last fiscal year.

Southeastern Ferry System

Personal Serv. Captain Mangan said the only way to keep their personnel

was to increase their salary. If they laid them off a few months, then they would have to start all over again recruiting a new crew. There just aren't enough engineers available and they have to pay them over-time for doing a double shift.

Mr. Freer said the reduction was for lay-over time. He felt that personnel would be retained, that the intent was to pull some of the vessels off the line a little earlier.

In answer to Mr. Haugen, Mr. Mangan said they were going to raise the ferry rates and also the food prices. After April 1, there will be a 12-13% increase in the rates.

Travel: No discussion.

Contractual: Mr. Freer said the reduction was in Item 340, repairs, services, etc. Mr. Mangan said the repairs were getting more expensive all the time.

Lapse Funds: Mr. Mangan said in the last few years they have lapsed funds, but the picture will be different now. Mr. Freer said there was a lapse of 420,000. This year there was less increase authorized than is being recommended from this year to the next. Mr. Mangan said they have a better record to go on to base their figures. The budget they are working on now is going to reflect this. All the costs are going up and the vessels are getting older. They do not want to be forced to tie up their vessels and laying off the crew. Personnel is real hard to get, he said.

Commodities: There was a \$70,000 cut from the dept. request. The cut was in code 460, engine repairs.

Equipment: Captain Mangan requested new radar equipment because their

present equipment is outmoded. With this new equipment, they can screen out the clutter and snow, this is an important safety factor. They could save time on schedules because now they have to anchor up rather than take a chance. Mr. MacClanahan said this is lost revenue when they have to tie up.

Steward's  
Function

No new personnel were requested. Mr. Mangan said they have a contract with Universal Foods. This contract can be terminated in 30 days.

It was noted the equipment requested was granted.

Southwest  
Ferry System

In answer to a question, Mr. MacClanahan said the Chilkat will be used for Hoonah and Glacier Pay. The Tustamena will provide service between Valdez and Cordova.

The plan is to have the Tustamena operate twice a week into Homer, Seldovia, Port Lions, Kodiak, Seward, Valdez and Cordova. When they build the new ferries, they will have the small ferry, the 262', that carries 16 passengers, that will run between Homer, Seldovia, Port Lions, Kodiak, Seward. They will have another small one that runs between Valdez and Cordova.

Mr. Strandberg said the Anchorage people are going to be very irate. A lot of their money supports their subsidiaries. They are also supporting Southeast area with their taxes. They campaigned on the right kind of ferry for their use, now they have to tell them about this plan and tell them we were wrong.

Commodities: There was a cut in Item 460, Motor vehicle parts, etc.

Equipment: Same level.

Steward's  
Function

Same level, no discussion.

Other Ferry  
Operations

It was mentioned that it took \$200,000 to operate the Chilkat and \$23,000 was the total income for the vessel. Mr. Strandberg requested information on the revenue and expenditures of the ferries for the last fiscal year and this year until January 1st.

Mr. Sassara mentioned the difficulty of getting tickets in Kodiak or getting ferry schedules. He asked if some other business could be responsible for this service besides the city.

Recess:

The meeting recessed at 5:45 p.m.

8:15 p.m.

Present: All members except Mr. Ray and Mr. Sassara. Mr. Freer was

Dept. of  
Education  
Budget  
Closeout:  
Admin

also present from Budget & Management.

General Administration: It was moved and unanimous consent was asked that the figure of \$615,100 be accepted. No objection so ordered.

Board of  
Education:

It was moved and unanimous consent was asked that figure of \$3,000 as requested by the Governor be increased to \$14,000.

INCREASE:

No objection so ordered.

Advisory  
Commissions:

It was moved and unanimous consent was asked that the figure of \$50,900 be accepted. No objection so ordered.

NDEA  
TITLE X:

Mr. Freer referred to the discussion with the committee concerning the personal services and contractual services on this. He said he thought the best course would be for the Department of Administration to settle this with Education and then they could adjust the figures, and that the problem was in the data processing and where it was going to be done. The committee agreed to this. It was then moved and unanimous consent was asked that \$113,300 be accepted by the committee. No objection so ordered.

Total:  
General  
Adminis-  
tration  
Budget:

It was moved and unanimous consent was asked that \$793,300 be accepted as total figure for General Administration. No objection so ordered.

Program of  
District  
School  
Support:  
Foundation  
Program:

It was moved and unanimous consent was asked that the figure of \$20,118,000 be accepted for Foundation Program. No objection, so ordered.

Pupil

Transportation: of \$2,365,200 be accepted by the committee. No objection so ordered.

Teacher Retirement: It was moved and unanimous consent was asked that the figure of \$825,600 be accepted for Teacher Retirement. No objection so ordered.

Non-Resident Tuition: It was moved and unanimous consent was asked that the figure of \$516,000 be accepted for Non-Resident Tuition. No objection so ordered.

Johson-O'Malley: It was moved and unanimous consent was asked that the figure of \$128,500 be accepted. No objection so ordered.

Total: District School Support Budget: It was moved and unanimous consent was asked that the figure of \$23,953,300 be accepted for the budget for District School Support. No objection so ordered.

State-Operated Schools: Total: Budget The individual figures for the programs under State-Operated and Schools had been discussed previously, /since there were no questions on this total program, it was moved and unanimous consent was asked that the total program of \$12,646,000 be accepted. No objection so ordered.  
Mr. Sassara arrived at this time.

Special School Services: School Lunches: It was moved and unanimous consent was asked that the figure of \$259,100 be accepted by the committee for School lunches. No objection so ordered. It was moved and unanimous consent was asked that \$85,000 be added to the school lunch program Motion failed 2-3.

N.D.E.A. Title III: It was moved and unanimous consent was asked that \$196,500 be accepted by the committee for NDEA Title III. No objection so ordered.

NDEA TITLE V: It was moved and unanimous consent was asked that the figure of \$80,000 be accepted by the committee. No objection so ordered.

Correspondence Courses: It was moved and unanimous consent was asked that the figure

of \$76,700 be accepted by the committee. No objection so ordered.

Sabbatical Leave: It was moved and unanimous consent was asked that the figure of \$37,900 be accepted. There was objection <sup>by</sup> Mr. Sassara, and then it was withdrawn. Now being no objection so ordered.

Total: The total figure for the Special School Services Budget: was \$650,200. It was moved and unanimous consent was asked that this figure be accepted by the committee.

Vocational Education: P.L. 88-210 It was moved and unanimous consent was asked for acceptance of the figure of \$760,400. There were no objections. M.D.T.A. It was moved and unanimous consent was asked for acceptance of the figure of \$912,900. There being no objections, it was so ordered.

TOTAL: The total figure of \$1,673,300 was unanimously accepted by the committee.

Special Programs: It was moved and asked unanimous consent for the figure of \$211,900. There being no objections, it was so ordered.

Library Services: It was moved and unanimous consent was asked for acceptance Increase: from \$174,100 of the figure of \$194,700. There being no objections, it was so ordered.

TOTAL: The figure of \$329,200 was unanimously accepted for the total State Library Services.

Historical Museum: It was moved and unanimous consent was asked for acceptance of \$51,500. There were no objections.

Vocational Rehabilitation:

South Central Alaska Project: It was moved and unanimous consent was asked CUT: to delete the figure of \$274,900 for this project. There were objections and on a vote of 4-2 the motion carried. And so South Central Alaska Project was deleted.

TOTAL: Vocational Rehabilitation total was accepted by the committee, as \$672,700.

The meeting was adjourned. at 9:30 p.m. -395-

HOUSE FINANCE COMMITTEE MINUTES

March 25, 1967

9:15 a.m.

Present: All members, with the exception of Mr. Borere who was on the floor of the House.

Highways Working Capital Fund:

A memo dated March 24, 1967 from Commissioner Ward to Harold Strandberg, subject: Funding the Federal-Aid Highway Construction Program, was read.

Mr. Strandberg said that it is obvious that we didn't get enough money in the last bond issue for Highways.

Mr. Free stated that the alternative is to provide special funds for a bond issue this fall. This will cost about \$60,000; we need \$4,000,000 in cash next year until the bonds can be authorized.

Mr. Sackett left to the floor of the House. This money is above the last year's bond issue of last fall.

The \$1,000,000 for 1960 Ferries, Roads and Highways Bonds was discussed and it was the opinion of Mr. Strandberg that this should be repealed and he requested Mr. Free to get together with Mr. Ward to arrive at a conclusion on this. They referred to CH. 170 SLA 1960 and CH 142 SLA 1961 in connection with the problem. Mr. Strandberg would like to have an Attorney General's opinion on this.

Off-System Highways: The \$1,000,000 figure for Non-System Road Improvements was discussed, also, and a schedule was asked for from the Highway people.

We will meet with Highway people this afternoon at 1:30 p.m. on these questions.

It was moved and unanimous consent was asked for acceptance of the total figure of \$91,028,800 for Highways Capital Improvement Programs.

Representative Miller requested that his objection be recorded.

This portion is closed contingent on opening again.

Working Capital Fund - Buildings and Equipment, page 297 of the budget document:

It was moved and unanimous consent was asked for acceptance of the figure of \$6,076,000. There were no objections.

And so, the Highways budget is closed contingent on the two items in question.

10:15 a.m.

**Present:** Members kept a quorum present, but were in and out due to the House calendar containing all Finance Committee bills.

**Department of Economic Development Budget** Present from the Department of Economic Development: Mr. Frank Murkowski, Commissioner, Mr. Everett Bunes, Deputy Commissioner, Martin Shaefer, Directory of Tourism, Ken Carson, Assistant Director of Tourism, and Herb Adams, Executive Director, Centennial Division. Mr. Freer was also present from Budget & Management.

**Office of Commissioner: Personal Services:** Mr. Murkowski noted that the Deputy Commissioner position had not been funded in the prior year's budget, and they are requesting funds for this position, along with a secretary-librarian position. Mr. Murkowski explained that the previous commissioner had sent the department's library to the University of Alaska, and they are hopeful of having it returned. He said unfortunately it had not been catalogued so Mr. Charles Hinxson would probably have to go up to reclaim it since he was the only one familiar with the library.

**Legislative Intent:** It was moved and unanimous consent was asked that the letter of legislative intent include the following: Any books sent to the library of the University of Alaska that had previously belonged to the Department of Economic Development are to be returned promptly to the Office of the Commissioner. There was no objection to the motion, so ordered.

**Travel:** Mr. Murkowski said he was trying to revise the travel schedule; it had originally been done by the former administration and there were trips that he did not think particularly important, but others were not included that he thought were important.

**Contractual:** Mr. Murkowski called attention to the 390 item which had reference to a federal grant. He said this grant has never

been received. Under item 330, rents & Utilities, Mr. Murkowski told the committee that he felt they would need more under this if they can arrange to get the whole department under one roof. He said Division of Buildings is working on this for them, and they hope to all be in the Goldstein Building. He said it is an economy move, because then they could pool secretarial help, Xerox machine, etc. He said they would like to consolidate with Travel and the Centennial which are both separate from the Office of the Commissioner. When queried on this, Mr. Freer said this was advisable and there had been some discussion on it, and they definitely would need more for rent if they made the move. Mr. Strandberg asked how much more they would need, and Mr. Murkowski thought approximately \$6,000. Mr. Freer agreed with this figure.

Mr. Murkowski said under Item 380 (Professional Fees & Services) that \$25,000 (federal funds) of this is for the Technical Services Act which the University of Alaska is utilizing and sets up the program which is to study new programs of services to businessmen. He said since this \$25,000 is committed to this study, it only leaves them \$300 for this category.

Industrial  
Tax  
Incentive  
Study:

Mr. Murkowski said they have \$220,000,000 worth of capital improvement applications and their problem is to try and analyze the past actions of the former commissioner. He said certain qualifications have to be met at certain times, and according to the law there has to be reports sent to the Department of Revenue, etc. He said as far as he can determine

no records were kept, no reports from Department of Revenue, just a very lax situation.

He said the department can handle applications as they come in, but to do the research, interpret the act, and make it applicable to the copies they have, they need assistance. Mr. Murkowski felt it would take about \$2,000 for a firm to do this since they at present have no one on the staff to do it. He said next year they will be able to do it, but the need is for right now. He went on to say that this is of real concern to him since it hasn't been kept up, files are missing, etc., and assured the committee it could be done for about \$2,000.

Planning &  
Research:

This has been transferred to the Office of the Governor.

Alaska  
Travel:

Mr. Schaefer told the committee that the position of Director and Assistant Director had been hired at a step F which raised personal services by approximately \$14,000. When Mr. Strandberg asked why this hadn't been reviewed by the Budget Review Committee, Mr. Murkowski answered that they had not been told about going through them.

Personal  
Services:

In justification for additional funds on temporary help, Mr. Carson said the mail inquiries are about 170,000 compared to last year's 125,000. Every inquiry must be answered and they hope in the coming year to have a more efficient operation and utilize the slack season by answering some of these queries. Mr. Strandberg said this problem would be settled later by the committee.

Travel:

No questions.

Contractual: Under item 380, Mr. Murkowski said they were to get \$88,500 under Federal but were hopeful it might be raised to \$100,000.

Recess: Meeting recessed at 11 a.m.

3:30 p.m.

Present: All members along with Mr. Murkowski, Mr. Bunes and Mr. Adams.

Industrial  
Development:

Industrial Development had originally been divided into Regional Development and Industrial Development, but in the reorganization, according to Mr. Murkowski, it is now all under the heading of Industrial Development. Mr. Murkowski referred to the two studies that had been done on this, one at a cost of \$25,000 and the Arthur D. Little report for \$180,000. He said through these studies it spelled out the specifics on how to set up, man, staff and function as a department of economic development. In this reorganization they have had to stay within the budget, and since the last administration had a different concept, they have had to make a number of changes. He said the people on the staff will have to handle a rather broad field -- petroleum, power facilities, marine game, tourism, etc., -- but this new organization does call for four specialists.

Mr. Murkowski mentioned the new chemical plant in Kenai that needs assistance in the way of research. He said for a little more money they can put in a nitrogen process so they want to know how many cold storages would convert to nitrogen, which is a much quicker operation than the ammonia presently being used in the cold storages in Alaska. He said another project is the power development such as Snettisham, and Yukon-Taiisha; forestry (excellent market for spruce in Japan, where there is plentiful supply in lower Kuskokwim and could use local labor). Mr. Sackett asked if they had started their research in this field. Mr. Murkowski said no, they have no staff except for himself and the deputy and they have been

so involved in this reorganization plus budget work for the legislature, they have as yet been unable to get out in the field to do this type of thing.

A discussion on the herds of caribou for commercial basis, sea lions, federal inspection of reindeer for export purposes followed.

Mr. Murkowski outlined the following plan for which they are promoting facilities:

Arts & Crafts  
Tourist facilities  
Recreation facilities.

SBA: Mr. Murkowski discussed Ch. 162, SLA 1966 (H5 276), relating to the creation of the Small Business Development Corporation of Alaska. He said this was passed but not funded. He went on to explain it was his understanding that this had been cleared with the Governor's office for an appropriation of \$100,000 in this year's budget for implementation of this SBA 502 program and any other federal program. He gave a similar explanation that Mr. Wixie had given of the problem of the local groups raising the 20%. With this money, the state could loan 10%, the local group raise 10%, then the federal would come up with its 80%. He said this would eventually become a revolving fund for the state, as it would get repaid in the same schedule that the federal would.

Mr. Murkowski said the biggest problem is recruiting qualified personnel, the pay schedule is too low for anything but people right out of college. Mr. Strandberg asked if any of these positions are filled. Mr. Murkowski said none of them were filled. Mr. Strandberg said in that case they could go in and

**Personal  
Services:**

reclassify them since they are new positions. Mr. Murkowski said they would probably need an additional \$19,000 to upgrade these positions to a level that would attract qualified people. This figure would also include equipment for the additional help.

**Travel:**

The department request for \$40,800 was for another program so when the Governor's allowance was cut to \$21,000, this cut didn't affect the new program too much as this travel will be mostly inside Alaska. Mr. Murkowski said he might have to go outside to do some recruiting but that would probably be the only reason for outside travel under this category.

**Contractual:**

Under item 380, Mr. Murkowski said this agricultural study at an estimated cost of \$100,000 (state contribution \$15,000) will get underway very shortly.

**Development  
District:**

On page 48 of the budget request book, Mr. Murkowski referred to the program circled with red. He said they plan on setting up and establishing three development districts. He said the last administration set up this program but then did not implement it. He said they have \$110,000 from federal and \$48,000 from the state. He said the idea is to set up these three districts -- Southeast, North (includes Northwest) and South (includes Southwest). He said the basic concept is to help the unincorporated districts which cannot contract with the federal government. He said this would enable these smaller communities to build small cold storage plants, water systems, dyke areas (for river control), etc., and with this they can make a loan application to the Economic Development Administration program through the Department of Economic Development. If they don't pay it back, it is a federal loan, not a state. The state does not loan funds, but the concept was that the state is in a better position to set it up and

run it. He said they only have until June to get this set up and they have a statement from Administration that the state funds will be encumbered and they can utilize them during 1967. In answer to a question, Mr. Murkowski said they have one man employed in Anchorage on this program. He said after the state participation runs out the federal government will continue it -- the state's responsibility is to set it up and set up the districts. Mr. Sackett asked when applications could be made for this program by the small communities. Mr. Murkowski said right now, but as yet they have no director so doesn't mean they would be processed right now.

He went on to explain/<sup>how</sup>the Department of Labor enters into this picture. They must work with them, because their statistics show which areas have large unemployment, and then areas that have stable employment will not be eligible.

Mr. Kerttula came into the meeting at this time.

Travel  
Division:

The discussion reverted to the Travel Division which had been covered earlier in the day. Mr. Sassara questioned the hiring of the Director and Assistant Director of this division at a Step F. Mr. Murkowski explained that the Governor had hired them at this salary.

Centennial  
Division:  
Personal  
Services:  
Travel:

There are no new positions requested, under Personal Services. Under Travel, Mr. Sassara questioned the Student Exchange (see page 92 of Budget Request). Mr. Adams said it was an exchange with Yukon Territory and British Columbia.

Contractual: Mr. Strandberg asked about the Centennial Music Festival. Mr. Adams said he assumed it had been taken out of the budget

because it had already been provided for by private funds. He said the \$1,000 scholarship had also been provided for by private means.

Lands, Grants etc: Mr. Sassara questioned Mr. Adams very closely on this request. He noted they had requested \$40,400 and the Governor's allowance was \$23,000. Mr. Adams said it was for the grant program based on the 1963 population figure. It was the plan that all communities would receive this \$1.00 per capita grant for their centennial project. The question now seems to be as to whether the communities who got started late are eligible for money under this. Mr. Sassara wanted to know what the cost would be to fully fund all these requests based on 1964 census figures. Mr. Adams said it would be \$84,304. Mr. Sassara and Mr. Adams then discussed the discrepancy in census figures -- the ones submitted by the Centennial, and the ones submitted by certain boroughs and just whose figures would be used if this grant were made. Mr. Adams said if they used the figures that the city of Anchorage wants to use, then they would need another \$9,000 for Anchorage, which would bring the request up to approximately \$94,000. Mr. Strandberg referred to the request put in by Anchorage for \$37,000 which is based on 117,000 population, and he wanted to know if other areas were making similar requests. Mr. Adams said they all want it but he hasn't received actual applications for it. Anchorage has written him urging him to do what he can, but no formal application. Mr. Miller asked for a list of these towns. Mr. Adams said he had one and it totaled \$84,384. Mr.

Miller wanted to know how much Anchorage would get on .is.  
Mr. Adams said it would be \$28,364 based on the 1964 figures.  
In answer to a question as to whether anyone else had revised  
figures, Mr. Adams said Kenai is talking about it since its  
population has grown so much.

Mr. Ray asked how many of these applications were made in 1964.  
Mr. Adams said 14. Mr. Ray noted that they presently have 41,  
and Mr. Adams agreed with that figure.

Mr. Adams pointed out that this money can only be used on a  
permanent project, and that most of the money has been used in  
federal matching funds such as campsites, which have a good  
permanent value. In answer to a question on the smallest  
village receiving funds, Mr. Adams said Gambell on St.  
Lawrence Island was the smallest, and they had completed their  
project already which was the reconstruction of an Eskimo  
Village.

Mr. Strandberg asked Mr. Adams to furnish the committee with  
a list of where they plan on spending the money.

Mr. Sackett asked if the Centennial will continue after this  
year. Mr. Adams said it would be phased out by December 31  
and will be out of existence by June, 1968.

**Industrial  
Development:**

Mr. Murkowski said he would like to revert to Industrial  
Development and advise the committee that if the new positions  
he requested are allowed he would need \$3,200 for desks  
and chairs for these people.

**Adjournment:** Meeting adjourned at 4:55 p.m.

HOUSE FINANCE COMMITTEE MINUTES

2:00 p.m.  
March 26, 1967

Present: All members were present except Mr. Ray who was excused.

The committee reported the following bills out:

HOUSE BILL NO. 15

HOUSE BILL NO. 112

SENATE BILL NO. 113 am

SENATE BILL NO. 112 am

SENATE BILL NO. 111 am

SENATE BILL NO. 188

HOUSE BILL NO. 110

A new bill was also reported out with a committee report.

(Small Business Development Corporation)

The meeting adjourned at 4:20 p.m.

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HOUSE FINANCE COMMITTEE MINUTES

March 27, 1967

8:00 a.m.

All members were present, even Mr. Sassara.

Public Works:

Close Out:

Office of the Commissioner: Contractual Services were raised to \$8,000.  
approved

Intent: The amount of \$8,000 was ~~to~~ to provide funds for moving from the present location to probably the Goldstein Building and to combine all of their functions.

TOTAL, Office of Commissioner. The figure of \$65,400 was moved and unanimous consent for. There were no objections.

Administration: It was moved and unanimous consent was asked for the figure of \$272,500. There were no objections.

Aviation: Program Administration:

Travel: It was moved and unanimous consent was asked to cut this figure to \$8,000. Mr. Freer was asked to find out what there budget was for travel at this moment and the figure are as follows:

\$8,000	authorized for this year
<u>1,094</u>	appropriated for last year
<u>\$9,094</u>	Total for the current year
- 4,884	Spent as of February 23, 1967
<u>\$4,209</u>	Left for the last 4 months of this FY.

And so the figure of \$8,000 was accepted for travel.

Contractual Services: Item 320, airport directory, was discussed and the committee decided to cut this out. It was moved and unanimous consent was asked for the figure of \$30,000. There were no objections.

It was moved and unanimous consent was asked for the figure of \$220,900 for the total of Program Administration. There were no objections.

Airport Operations:

Chief Aviation Operations: It was moved and unanimous consent was asked for acceptance of \$35,800. There was an objection concerning the increase from Step "A" to Step "C". The objection was removed and the figure of \$35,800 was accepted.

Trunk & Secondary Airports: The new position of Building Management Spec. I was discussed (see line 4, page 80 of the workbook and page 82 of the workbook.)

It was moved and unanimous consent was asked to include this position, an addition of \$11,600. There were no objections.

Commodities: It was moved and asked unanimous consent for the figure of \$48,300. There were objections, however after a discussion the objections were removed. This increase is to correct the fuel account, Item 440, which had previously not been budgeted because they were new buildings.

Intent:

Big Lake Strip:

In connection with Expenditure Classification, as listed on page 95, Mr. Sassara stated that the Big Lake strip was to have been paged last year and now it has been removed from the list. He emphasized the fact that this should be done this year.

In answer to a question concerning the cut-back on this item (Expenditure Classification), Mr. Freer stated that Budget and Management had just cut it back to this year's level.

The committee members discussed the items listed on page 95, in connection with items listed on pages 71 through 77 and it was the general feeling of some of the members that these be combined. The pros and cons were discussed on this issue.

It was moved and unanimous consent was asked for the total figure of \$781,500 for Trunk and Secondary Airports. There were no objections.

Intermediate Airports: The addition of the position in Yakutat at \$11,100 was discussed.

At this point the \$60,000 charged to the Aviation Division by the Department of Highways was discussed and Mr. Freer was asked to come back with the information concerning this in 15 minutes.

Recess: The committee recessed at this point.

Meeting: The committee met again at 10:00 a.m. with all members present. Dr. Beirne was also sitting in on this meeting.

HB 13: Mr. Miller moved and asked unanimous consent to bring up HOUSE BILL NO. 13 for discussion. There were no objections and the committee discussed this bill.

Mr. Freer returned and the committee terminated its discussion on HOUSE BILL NO. 13.

RE-OPEN TRUNK AND SECONDARY AIRPORTS:

The \$60,000 charge to Division of Aviation from Department of Highways was again discussed, and it was moved and asked unanimous consent to add \$29,000 to Trunk and Secondary Airports, bringing this total to \$810,400. There were no objections to this motion and it was so ordered.

Intermediate Airports: The position for Yakutat (equipment operator) is allowed.

It was moved and unanimous consent was asked for total figure of \$652,600 for Intermediate Airports. There were no objections, and it was so ordered.

Cold Bay: Mr. Strandberg asked about the revenue for Cold Bay and asked where the revenue (\$408,000) goes; Mr. Freer stated it goes direct to the General Fund.

It was moved and unanimous consent was asked for acceptance

of the figure of \$154,200 for Cold Bay. There was an objection and Mr. Ray questioned employee benefits on page 127. Mr. Freer explained the situation to Mr. Ray's satisfaction and he removed his objection. And so the figure of \$154,200 was accepted.

Fairbanks International Airport: It was moved and unanimous consent was asked for the figure of \$611,800. There were no objections and it was so ordered.

RE-OPEN COLD BAY: It was moved and unanimous consent was asked to re-open Cold Bay. There being no objections, it was re-opened.

It was moved and unanimous consent was asked to add \$3,700 to Equipment Rental. There were no objections and it was so ordered.

TOTAL, COLD BAY: The new total for Cold Bay of \$157,900 was moved and asked unanimous consent for. There were no objections and it was so ordered.

Engineering and Construction: The MDTA program was brought up again with the committee coming to no conclusions about this program in connection with Division of Aviation.

It was moved and asked unanimous consent for acceptance of \$131,200 for Engineering and Construction. It was so ordered.

Police Forces: Mr. Sassara brought up the fact to the committee that the police forces at the Anchorage International Airport needed more supervision.

Book 2: Buildings: Commodities: It was moved and unanimous consent was asked Director: for acceptance of \$5,300. There was an objection. The motion was amended to the amount of \$5,000 and there was an objection to this amendment. The objection was removed and \$5,000 was accepted for Commodities.

TOTAL, DIRECTOR'S OFFICE - It was moved and unanimous consent was asked for \$68,600. There were no objections, and it was so ordered.

Custodial Services: It was moved and unanimous consent was asked for  
\$230,400. There being no objections, it was so ordered.

10:35 a.m.

Present:

All members and Mr. MacClanahan, Commissioner of Public Works, Mr. Kaldor, Administrative Director, and Mr. Leonard Lowell, Division of Buildings.

Maintenance  
Services  
Personal  
Services:

Mr. Lowell explained how badly they needed the new position request which had been turned down by the Governor. There was a discussion between Mr. Freer and Mr. Lowell on the number of positions already allowed in his department. Mr. Lowell said he was satisfied with the present budget except they desperately needed this new position due to the number of schools they have taken over from the BIA. He said five years ago, they had two men and they still only have two men, while the BIA has seven men for the same number of their schools. Mr. Lowell left the meeting at the end of this discussion.

Anchorage  
International  
Airport:

Mr. Strandberg asked about the state policy on taking over the security at the Anchorage International Airport. Mr. MacClanahan said they are still working on this, but both the Governor's office and Public Safety feel this is a good idea.

Mr. Strandberg explained that this would have to be prepared before the session ends if they want to put it into operation this year, since funds cannot be transferred from one dept. to another. Mr. MacClanahan admitted that he was not aware that funds could not be transferred from one department to another. Mr. Strandberg said the authority of the Governor on transferring funds is within a program, but he has no authority to do otherwise, and that it could not be done under contractual basis either, as he did not feel

this would be legal. Mr. Freer said the type of thing that could be transferred would be two departments using one zerox, but otherwise one department cannot contract its authority to another.

Mr. Sassara said he understood the City of Anchorage was thinking of getting into the act as far as fire protection. He asked Mr. MacClanahan what he knew about it. Mr. MacClanahan said the plan is to switch these people to fire fighters and not guards, then Public Safety would furnish the police. As it stands now these people are doing both security work and fire fighting. He said, they were, however, fire fighters first, and guards second, as far as their training was concerned. He told how they must attend weekly sessions for training, and that reports are sent in weekly to the commissioner's office on these training sessions. He said this is a continuing part of the program. He did say that the City of Anchorage cannot in any way get into this program. He said the situation of these men being fire fighters and guards is a most unsatisfactory situation -- what you have is firemen carrying guns. He said they are well qualified fire fighters, but not necessarily so on the police training. Mr. Strandberg said these were combined to save money. Mr. Kaldor explained how the present system works with six men to man all of the equipment for fires, and 3 men in the firehouse all the time. Mr. MacClanahan said under the new plan of operation they would have three on duty and 4 on call. There would be 2 security police available for fire-fighting on an emergency basis which would be a total of 9

people on duty for emergencies. Mr. Borer questioned the backup in case of emergency, since the guards become firemen, and Mr. Strandberg said the state police would be called immediately, and also Spenard and the airbase are on call for fire assistance. Mr. MacClanahan said the new plan of operation would give them three 4-man crews. Mr. Strandberg noted at this point that the property is backed <sup>by</sup> up/the various local fire departments, that the main purpose of the firemen on duty at the airport is not to save structures, but to save lives. Mr. MacClanahan said they would have the same total of 23 positions at the field, but the difference would be that 13 would be from Public Works and they would have 10 (one for rotation) from Public Safety which would be considered new positions. He said the police positions are higher rating than the fire fighters, so that part would cost more money.

Personal  
Services:

Mr. Strandberg asked if all positions were filled under this and Mr. MacClanahan assured him they were. He said they must fill any vacancy immediately as all of the people are badly needed. Mr. Strandberg pointed out that the overtime, and vacancy and turnover factor is what increased this budget by about \$180,000.

Mr. Beirne came into the meeting at this time.

Mr. Strandberg said that no current positions were cut, however, overtime was cut back by the Budget Review Committee.

After some discussion by Mr. Freer concerning the analysis that was done on the capital improvement program and how they went over this budget very carefully, Mr. MacClanahan

said he was sure they could live with the budget, in this section, as it is, by economizing in certain areas. Mr. Sassara said he would object if there was any economizing in maintenance.

Contractual  
Services:

Inquiry was made on the \$25,000 requested under Item 340 for repairs to a 1950 model firetruck. Mr. MacClanahan said this item had been deleted from the budget, but he would rather wait a year anyway and get a new truck, then to repair such an old one. The new truck will cost \$70,000, and he feels the \$25,000 could better be used on a replacement. Mr. Strandberg asked if it is in the equipment revolving fund. Mr. Freer didn't know for sure. Mr. Kaldor said he thought it was on a 10-year schedule.

Mr. Hensley arrived at this time.

In answer to a question by Mr. Strandberg, Mr. MacClanahan said the Division of Aviation had said it needed replacement, and that it might be alright for structural fighting. It was questioned again if it could be in the Highway Revolving Fund and Mr. MacClanahan said it should be.

Mr. Strandberg noted that by deleting Item 340, it automatically deleted Item 350 which was freight for the replacement parts for the truck. Mr. Strandberg asked if they would have to make any transfer in funds due to the cut in Contractual Services.

Mr. Kaldor said he didn't know but he would find out.

It was noted here that the equipment purchased by Public Works goes to Highways and then Highways rents it back to the department.

Equipment:

No comments.

Total:  
Anchorage  
International  
Airport:

It was moved and unanimous consent was asked that the total figure of \$1,203,100 be accepted for Anchorage International Airport.

Central  
Buildings  
Maintenance  
Service:  
Personal  
Services  
Continued:

The committee reverted to the Program of Central Buildings, page 232, Budget Document (see page 412 of minutes for beginning of this discussion), Maintenance Service. Mr. Freer recommended, after further discussion with the committee, on the personal services allowance for maintenance, that the original request of the department be allowed. It was

Increase:

Total:

moved and unanimous consent was asked that personal services be increased by \$15,300 for a total of \$157,100. No objection so ordered.

Total  
Maintenance:

It was moved and unanimous consent was asked that the figure of \$238,700 be accepted as the total budget for Maintenance. No objection so ordered.

Planning &  
Design:

Mr. Freer said this program is 100% funded by the General Fund but since it is all advanced planning, there is no money currently available for it. He said there has been constant differences on this and Public Works feels it needs more money for advanced planning. After some general discussion on present planning and advanced planning and the need for both, it was moved and unanimous consent was asked that the figure of \$64,800 be accepted by the committee. No objection so ordered.

Total:

Construction:  
Total:

It was moved and unanimous consent was asked that the figure of \$42,700 be accepted by the committee. No objection so ordered.

Museum  
Maintenance:

Mr. Freer explained this was a new section because the building is new and will be turned over to the state by the city as soon as it is completed. Mr. Ray, in answer to several

pointed questions by Mr. Borer, explained that this building is cost \$1.7 million dollars and was funded by the Juneau Borough by imposing a 1¢ sales tax for one year. Mr. Ray went on to say that under any circumstances the state would be paying to maintain a state museum, and the grounds and building have been provided by the city and handed over to the state, and the state will provide what it has provided in the past -- heat, utilities, janitorial service, etc.

Total: It was moved and unanimous consent was asked that the  
Museum  
Maintenance: figure of \$33,600 be accepted by the committee. No objection  
so ordered.

Total: It was moved and unanimous consent was asked that the  
Program  
of Central  
Buildings: figure of \$678,800 be accepted by the committee. No  
objection so ordered.

Total: It was moved and unanimous consent was asked that the figure  
Program of  
Aviation: of \$3,823,700\* be accepted by the committee. No objection  
so ordered. (This figure was reopened later in day and changed.)

Recess: Committee recessed until 11:45 a.m.

1:15 p.m.

Present: All members, and Mr. Freer.

Communications: Discussion on Public Works budget continued.

Equipment: It was moved and unanimous consent was asked that the equipment  
Increase: for Communications be increased to \$90,000 (\$5,400 increase.)  
No objection so ordered.

Legislative  
Intent: It was moved and unanimous consent was asked that the following  
be put in the legislative intent: the \$5,000 that was put

in the equipment for Communications is to be used for the Public Safety request for radio equipment. This gives Public Safety a total of \$9,000, since \$4,000 was left in by the Budget Review Committee. When questioned on who decides on how the balance of this will be spent, Mr. Freer said it is up to the Director of the Communications Division to decide what has priority.

Total: It was moved and unanimous consent was asked that the figure  
Communications: of \$435,100 be accepted. No objection so ordered.

Marine It was moved and unanimous consent was asked that the figure  
Transportation: of \$291,200 be accepted for Program Administration. No  
Program objection so ordered.  
Administration  
TOTAL:

Southeastern There was quite a discussion concerning the losing of  
Ferries: personnel during the lay-off while ships are in drydock, etc.  
Personal The present plan is to have less vessel months in operation  
Services: which would mean longer lay-off periods for the help. Since  
many of them are highly qualified, they do not stay but go  
on to other jobs. Mr. Miller suggested that possibly they  
could save money by still having the lay-off time for the  
ships but keep the qualified help on a permanent basis.  
There was confused discussion on how many vessel months the  
ships operate on now. The following reductions were made:

\$90,000	related to lay up
13,000	" overtime
12,000	" vacation time

Mr. Freer said that every vessel month a ship is not in operation saves \$30,000.

It was moved and unanimous consent was asked that \$1,840,000 be accepted. There was objection.

It was moved and unanimous consent was asked that the motion be amended to \$1,810,000 for personal services.

Increase: After some discussion, the figure of \$1,825,100 was moved and unanimous consent was asked for adoption. There now being no objection, it was so ordered. (This is an increase of \$75,000 above the Governor's allowance.)

Travel: Figure of \$4,500 was accepted by the committee.

Contractual: Mr. Freer said that the department has had lapses of substantial amount in contractual services and commodities through the past years, so even if this seems a bit slim, he felt they could make it up throughout the program.

Under Item 340 (page 115 Budget Request book) Mr. Strandberg said he felt this equipment must be repaired and maintained or it will suddenly come up and really hit them.

Increase: It was moved and unanimous consent was asked that Item 340 be increased from \$261,200 to \$330,000 (increase of \$68,800). No objection so ordered. This brought total for Contractual Services to \$1,121,700. No objection so ordered.

Commodities: It was noted that the cut in commodities was in item 460.

Increase: It was moved and unanimous consent was asked that commodities be increased to \$625,000 from Governor's allowance of \$588,600. No objection so ordered. (This was increase of \$36,400.)

Equipment: Figure of \$12,100 was accepted by the committee.

Total: It was moved and unanimous consent was asked that total figure  
Southeastern  
Ferry System: of \$5,051,600 (which includes Steward function) be accepted by the committee. No objection so ordered.

Recess: Meeting recessed at 2:45 p.m.

SOUTHWEST FERRY SYSTEM: The schedule of the Tustamena Ferry was discussed to great length by the committee, noting the various ports to which it will go. It was noted that it will not go into the Port of Anchorage at all. From this discussion, the conversation got around to the conditions of all southeast Alaska's ports in connection with the schedule of Alaska Steam.

The subject was brought up concerning stopping at Whittier by

Intent: the Tustamena. In the letter of intent, there will be included the committee's intent <sup>concerning</sup> / / the schedule of the Tustamena, i.e., it will make stops at Whittier.

Recess: The committee took a 5-minute recess.

Meeting: The committee met at 3:05 p.m. with Messrs. Borer and Ray excused.

OTHER FERRY OPERATIONS: It was moved and unanimous consent was asked to accept the figure of \$224,300. There were no objections.

RE-OPEN INTERMEDIATE AIRPORTS: It was moved and unanimous consent was asked to re-open Intermediate Airports. There were no objections, and this section was re-opened.

Intent:

Special Maintenance Fund:

It was moved and unanimous consent was asked to add \$125,000 to the Aviation program for Special Maintenance to be used on maintenance for trunk, secondary and intermediate airports only. This fund will be allocated by the Department of Administration only. There being no objection, it was so ordered. (Refer to page 238 of the budget document book).

TOTAL, Aviation Program - This brings the total for the Aviation Program to \$3,946,700.

Mr. Borer returned.

Economic Development:

Office of Commissioner: It was moved and unanimous consent was asked for \$68,700 for personal services. There were no objections.

It was moved and asked unanimous consent for \$8,000 for Travel. There were no objections.

Contractual Services: It was moved and unanimous consent was asked for addition of \$6,000 for rent in item 330; and \$2,000 addition for the Industrial Incentive Tax Act study. The new figure for Contractual Services will be \$39,600. There were no objections to these additional figures.

Mr. Ray returned.

Commodities: It was moved and unanimous consent was asked for acceptance of \$1,000 for Commodities. There were no objections.

Equipment: It was moved and unanimous consent was asked for acceptance of \$1,000 for this. There were no objections.

Recess: The committee recessed at 3:38 p.m. to the floor of the House.

8:00 p.m.  
March 27, 1967

**Present:** All members were present with the exception of Mr. Sassara who was excused and Mr. Ray who entered later.

Mr. Freer was also present.

Department of Economic Development  
Alaska Travel Division:

Personal Services: The position of Director was discussed in relation to the step in which he is classified; the position of Assistant Director was also discussed. Apparently these people had been promised certain wages and for this reason they were not budgeted in "C" steps, but in "F" steps.

The new figure for personal services of \$137,000 was moved and asked unanimous consent for. There were objections. Mr. Ray asked that his objection be recorded: he objected to the steps in which the people were classified and maintained that they should be in "C" as the rest of the state payroll.

Info Spec. I: Mr. Miller moved and asked unanimous consent that the position of Information Spec. I be reinstated, as shown on page 33. There were objections, and on a vote of 3-3 the motion failed.

And so the previous motion was still in order and upon a show of hand, the motion carried 4-2 and the final figure of \$137,000 was accepted for personal services.

Travel: It was moved and asked unanimous consent for the figure of \$13,200 for Travel. There were no objections.

Contractual Services: It was moved and unanimous consent was asked for the figure of \$408,800. There was an objection, however the objection was removed and the figure of \$408,800 was accepted.

Commodities: Mr. Freer said that Budget Review had simply cut them down to the year before.

It was moved and unanimous consent was asked for the figure of \$19,500. Objections were heard and it was suggested that item 480 (Stationery & Office Supplies) be cut down to \$3,500.

The motion was amended to change the figure down to \$17,000 and unanimous consent was asked. There were no objections to the amended motion and so \$17,000 was adopted.

Equipment: No Change; the committee accepted \$8,200.

Code 600, Lands, Bldgs, etc.: The figure of \$5,000 was unanimously accepted.

TOTAL, ALASKA TRAVEL- The committee accepted the figure of \$589,200 for Alaska Travel Division.

Alaska Centennial Commission: Personal Services: The figure of \$33,400 was unanimously accepted by the committee.

Travel: It was moved and unanimous consent was asked to accept \$17,500. There were no objections.

Contractual Services: The figure of \$27,200 was moved and asked unanimous consent for. There were no objections.

Commodities: It was moved and unanimous consent was asked for acceptance of the figure of \$3,000. There were no objections.

Code 600, Land, Bldgs., etc.: It was moved and unanimous consent was asked to delete item 700 (Grants, Claims and Shared Revenue).

At this point the committee discussed fully the Per Capita Matching Centennial Grant Program, as listed on page 104 of the workbooks. Mr. Freer noted that had the "o" notation behind them were based on the population increase.

It was suggested that this portion of the budget be left open until tomorrow morning, when Mr. Adams would appear before the committee. There were no objections to this suggestion.

Health & Welfare

Budget, Cont.

Public Health Program of Administration

\$25,000 increase to cover salary, travel, equipment, etc.,

Increase:

Mr. Ray told about the increase needed to include a program for an alcoholism coordinator and said it would take a \$25,000 increase to cover salary, travel, equipment, etc., for this one position. It was moved and unanimous consent was asked that the budget for Program Administration be increased by \$25,000 to a total of \$259,700. There was objection. Mr. Ray said this was first conceived in January at the statewide Alcoholism conference in Anchorage, and it was suggested that the funding of this could be transferred from the liquor license fee applications. Mr. Strandberg asked how many positions, and Mr. Ray replied that just one position was needed and the balance of the money could be pro-rated throughout the budget. It was then moved and unanimous

Total: Program Administration:

was asked for the total for Program Administration of

\$298,800. Objection was heard. Mr. Freer asked if this would be fully funded by the state and Mr. Ray said yes it would be. Motion for acceptance carried 4-3.

Community Health:

Communicable Disease:

It was moved and unanimous consent was asked that the figure of \$54,500 for Communicable Disease. No objection so ordered.

Health Education:

It was moved and unanimous consent was asked that the figure of \$43,000 be accepted. No objection so ordered.

Medical Care:

It was moved and unanimous consent was asked that the figure of \$191,000 be accepted by the committee for Medical Care. No objection, so ordered. It was noted this is 100% federal funds.

Health Referral:

It was moved and unanimous consent was asked that the figure of \$24,100 be accepted by the committee for Health Referral. No objection so ordered. Noted that this is 100% federal funds.

Total:  
Community  
Health:

It was moved and unanimous consent was asked that the figure of \$312,600 be accepted as total for Community Health. No objection so ordered.

Laboratory  
Services:

It was moved and unanimous consent was asked that the figure of \$266,900 be accepted as total figure for Laboratory Services. No objection so ordered.

Environmental  
Health:

It was moved and unanimous consent was asked that the figure of \$329,100 be accepted as total for Environmental Health. No objection so ordered.

Child Health:  
Maternal  
Child Health:

It was moved and unanimous consent was asked that the figure of \$119,100 be accepted for Maternal Child Health. No objection so ordered.

Crippled  
Children:  
INCREASE:

It was moved and unanimous consent was asked that this budget be increased by \$30,500 to a figure of \$337,100. No objection so ordered. Mr. Strandberg said a letter of legislative intent would be drafted instructing the department how this was to go to ARCA for use of teaching hard of hearing in the ACCA center as discussed on pages 367-369 of the minutes.

Legislative  
Intent:

Ear Project:

It was moved and unanimous consent was asked that the figure of \$57,700 be accepted. No objection so ordered.

Child Center  
Study:

It was moved and unanimous consent was asked that the figure of \$76,800 be accepted. No objection, so ordered.

Medical  
Social Study:

It was moved and unanimous consent was asked that the figure of \$38,800 be accepted. No objection so ordered.

Exceptional  
Children:

It was moved and unanimous consent was asked that the figure of \$25,000 be accepted. No objection, so ordered.

Total  
Child Health:

It was moved and unanimous consent was asked that the figure of \$654,500 be accepted as total for Child Health. No objection so ordered.

Public Health Nursing: It was pointed out that this section has never been fully staffed. Mr. Freer was asked to find out just how they stand right now, are they fully staffed or not.

Mr. Ray pointed out the need of the department for the South East Regional Officer for the continued high operation of the department.

Mr. Strandberg mentioned that this department has been given one year to straighten out their budget.

It was moved and unanimous consent was asked to cut personal services back to \$700,000. A discussion ensued concerning permanent employees and temporary employees; Mr. Freer pointed out that there were 2 new positions, as shown on page 305.

The motion was withdrawn.

Mr. Freer stated he would get some personnel figures for the committee tomorrow.

The total figure of \$1,012,800 for Public Health Nursing was moved and asked unanimous consent for. There were no objections.

Tuberculosis Control: It was moved and unanimous consent was asked for acceptance of \$706,500. There were no objections.

Greater Anchorage Area Borough Health District: It was moved and unanimous consent was asked for the figure of \$125,200. There were no objections.

TOTAL, HEALTH AND WELFARE - PUBLIC HEALTH It was moved and unanimous consent was asked for the figure of \$3,706,400. There were no objections.

The meeting adjourned at 10:00 p.m.

Meeting tomorrow morning at 8:00 a.m.

House Finance Committee Minutes  
March 28, 1967  
8:00 a.m.

Present: All members were present; Mr. Freer was also present.

Fairbanks Jail - Department of Health and Welfare

Heating Plant: The committee discussed the central heating plant and Mr. Borer said that it would cost more to put in a central heating plant than to maintain two separate heating plants. Therefore, the maintenance man will be left in the budget.

Personal Services: (Contractual Services) It was agreed by the committee to delete \$20,000 from Item 330 -/ Rents and Utilities and place it in personal services. The position of Building Equipment Maintenance Tech. III was allowed, increasing personal services by \$10,600. The total figure for personal services was changed to \$315,000.

TOTAL FAIRBANKS JAIL: This changes the total for the Fairbanks State Jail to \$426,200.  
The committee unanimously accepted this figure.

State Chaplaincy Program. Mr. Kay read a letter from Richard B. Lauber, Director HB 142: of the Division of Youth and Adult Authority concerning the cost estimate for implementation of HOUSE BILL 142. They estimated a cost of \$52,275.00. (See file on Department of Health and Welfare).

It was moved and unanimous consent was asked to include \$52,000 in this budget for State Chaplaincy Program. The Chairman ruled the motion out of order.

TOTAL, FAIRBANKS STATE JAIL: It was moved and unanimous consent was asked for acceptance of \$426,200. There were no objections.

TOTAL, YOUTH AND ADULT AUTHORITY - The figure of \$2,750,600 was unanimously accepted.

Adult Conser-  
vation Camp:

It was reported to the committee that the Adult Conservation Camp has been checked out and there seems to be no prob<sup>l</sup> ere.

Book 3, Department of Health and Welfare:

(July 1, 1968)

Mental Health: It was noted that Morningside should be phased out very soon./

The committee discussed the Valdez Community Hospital and Harborview Memorial Hospital and the fact that they should be able to enter into a short term contract with Morningside in case they need to.

Intent: The committee recognizes the fact that the three hospital funds, i.e. Code 2, Hospital & Nursing Home Contracts \$475,500; Code 4, Harborview Memorial Hospital \$1,491,100; and Code 5, Alaska Psychiatric Institute \$2,343,300 will be interchangeable. Mr. Strandberg asked Mr. Haugen and Mr. Borer to draft up the letter of intent concerning this.

TOTAL, MENTAL HEALTH PROGRAM: The total figure of \$4,361,800 was moved and asked unanimous consent for. There were no objections to this figure.

Hill-Burton  
Projects:

A memo of February 23, 1967 was read by Mr. Borer and Mr. Strandberg. asked that it be spread in the minutes. (please see next page).

# MEMORANDUM

# State of Alaska

TO:  R. R. Borer  
Finance Committee

DATE : February 23, 1967.

FROM: <sup>TB,</sup> Ted Borden, Coordinator  
Health and Welfare Facilities

SUBJECT: Summary Hill-Burton Projects

1. Forty-Bed Nursing Home Addition to Ketchikan General Hospital -Cost \$1,500,000. Federal Funds \$600,000. State Funds \$300,000. Project under construction.
2. Twelve-Bed General Hospital at Wrangell. Cost \$525,000. Federal Funds \$192,000. -State Funds \$144,000. Applications approved. Will go to Bid within 30 days.
3. Twenty-five Bed General Hospital at Kodiak. Total cost \$1,000,000. Federal Funds \$400,000. -State Funds \$300,000. Local Bonds approved, Applications being processed and plans being drawn. Will go to Bid by June 30, 1967.
4. Twelve-Bed Nursing Home addition to Petersburg General Hospital. Cost \$400,000. Federal Funds \$200,000. -State Funds \$100,000. Local Bonds approved, Applications being processed and plans being drawn. Will go to Bid by September 1, 1967.
5. Eighty-Bed General Hospital at Juneau. Cost \$4,000,000. Federal funds \$1,400,000. -State Funds \$950,000. Local Bonds approved. Applications being processed, plans being drawn. Will go to Bid by June 30, 1968.

The Hill-Burton Program is one of three Federal Programs requiring annual plans. The other two are "Construction for Facilities for Mentally Retarded", for which we have one Project in process; and the Construction of Community Mental Health Centers.

Department of Health and Welfare

Capital Improvements: (page 274, budget document)

It was moved and unanimous consent was asked for the figure of \$281,000. There were no objections and it was so ordered.

YAA  
PROGRAM  
Admin.  
Persnl  
Services:

Mr. Haugen asked to return to Youth & Adult Authority, Program Administration, Personal Services (Book 1, Budget Request book, page 131) and to consider making the Wrangell & Petersburg Area Probation Counselor a full time position. There was no objection to this request, and Mr. Haugen was requested to write the legislative intent stating that this would be full time instead of part time but would be funded from the budget as it is.

Capital  
Improvements:

Alaska  
Court  
System:

It was moved and unanimous consent was asked that the figure of \$8,000 be accepted by the committee for the Alaska Court System. No objection so ordered. (Page 271, Budget Document)

Depart-  
of Educ.

Mr. Strandberg said the committee should have Dr. Hartman over on the capital improvements for that department. In answer to a question, Mr. Freer said they had to get some balance by doing some of this building by general fund and not getting everything into bonds. Mr. Strandberg asked if there was money available in the bond fund. Mr. Freer said he didn't know offhand how that money was committed, but he was quite sure it was all committed. This will be postponed until Education people arrive.

Public  
Safety:

After discussing the <sup>proposed</sup> Emergency Operating Center in Anchorage Mr. Strandberg quoted from page 275 of the Budget Document: "Space for this structure has been allocated within the new State Highway Complex site in the vicinity of Boniface and Tudor Roads near Anchorage." The committee decided that this program

decrease:

will be deleted until a final decision has been made on the State Highway Complex, so on page 275 of Budget Document, this figure was not approved (\$639,000).

Natural Resources:

It was moved and unanimous consent was asked that the figure of \$70,000(in accordance with letter from Mr. Ward, and Governor's request of 2-14) be accepted. No objection so ordered. Mr. Freer explained this was for future planning, they had enough money for present but had none for future planning.

Dept. of Education:

Dr. Hartman and Mr. Isaac arrived from Dept. of Education and Mr. Lowell from Division of Buildings to discuss Capital Improvement request of \$362,000 for Dept. of Education. Mr. Strandberg said his first question was to find out why this did not come out of bond issue instead of general fund. Mr. Lowell replied that these particular schools were originally approved by ASHA rental program.( HCR 18) He said that in order to qualify under this program the state has to be able to lease the land to ASHA but since it is public domain (underBJM) it has not been surveyed and therefore they cannot acquire title to it. Mr. Miller wondered why these could not come in the bonding program and Mr. Lowell said these schools could, but the last time they were submitted/<sup>for approval</sup>they were put in under ASHA. He said this was an administration determination, not his. Mr. Strandberg was not impressed with the excuse that possibility of Indian land claims and lack of survey had held this up. Mr. Lowell said if they don't have title to the land they would be building it on public domain. Mr. Strandberg said with this situation they cannot put

them in the ASHA program so it means state must come up with general funds.

Mr. Sassara asked why the state can't get a lease. Mr. Lowell said because it hasn't been surveyed. Mr. Sackett asked if the people of Ambler had been requested to release their claims to the land. Mr. Lowell said no because they don't know yet what they want to claim. Mr. Strandberg said then that they are being asked to put up money for a school on land they don't have title to but why shouldn't the state have as good a title as the federal. Mr. Lowell said it was a calculated risk, but they don't feel anyone would take the land away from them, once they built a school on it. Mr. Strandberg asked if they delete it would Mr. Lowell be able to get it straightened out by next year. Dr. Hartman said that they have 55 children at Ambler and if they don't get this addition, it just means double shifting for two more years. Mr. Strandberg asked that if the committee took this out of the budget could they work it out with ASHA? Mr. Lowell said no, not until they get title to the land. Mr. Strandberg said exclusive of land problems on these schools, could they qualify under ASHA. Mr. Lowell said that Ambler and Stony River could qualify but Ekuk could not. Mr. Sackett said he thought \$125,000 was a lot for relocation of school. He wondered if there would be any left to build at Pitka's Point. Mr. Isaac said it could be done but this amount pre-supposes a contract but if it could be done by force account and using relocatable building it can be done for

somewhat less than \$125,000, probably 25% less. Mr. Lowell added that in his experience with these pre-cut or so-called relocatable buildings, they often run same cost because of isolated areas cause high freight, etc. Mr. Haugen asked if it could be done for \$90,000 and Mr. Lowell thought it could be. Dr. Hartman this would leave \$35,000 for Pitka's Point, but in an earlier conversation with Mr. Sackett, he had hoped there would be enough for Russian Mission; however, this would not cover it. Mr. Sackett said he had understood Dr. Hartman to say there was enough in the budget as it is to take care of Russian Mission. Mr. Isaac allowed as how they could probably scrounge enough, with surplus property and maintenance funds to handle Russian Mission, and put together a school out there.

Dr. Hartman asked Mr. Lowell if they could put up a school at Pitka's Point for \$35,000. Mr. Lowell said it would take \$45,000 for a one room school.

There was a discussion on the possibility of people of Ekuk moving from this area and that is one reason why they wanted a relocatable school there. Dr. Hartman outlined various reasons why these people leave -- lack of firewood, economy, hunting, etc., forces them to leave and go into another area.

Mr. Strandberg said they went into the ASHA program so they could stretch out the state budget through that vehicle and now they are tied up with legal difficulties and he felt this was a good place to get it straightened out. He felt the state would be in trouble if they couldn't solve

problems of this magnitude.

Vocational  
Rehab:

Dr. Hartman brought up the fact that the House Finance had cut out the Southcentral program for rehabilitation. Mr. Strandberg said this had started out after the earthquake as a 100% federally funded and each year the state was paying more and more of it out of general funds but they would have Mr. Craft of Vocational Rehabilitation over before the session closed.

Dr. Hartman, Mr. Isaac and Mr. Lowell left at this time.

HB 13

Relating to agricultural fairs. Mr. Miller moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HB 13 replace the original HB 13. No objection so ordered, and after a short discussion CSHB13 was reported out of the committee.

Office of  
Governor:

Mr. Jim Scott was present from the Governor's office.

He gave the committee new pages for OEO, VISTA, Council on the Arts and NYC, and Technical Assistance.

OEO:

He said the pages for OEO were new and did not change the amount they were asking, it was just an explanation of it.

Council of  
the Arts:

Mr. Scott said they were bringing in a totally new budget on this which changed the total to \$77,500. The Governor is requesting this change and has done by letter, so this will be an administration change according to Mr. Scott.

OEO - TA

This will reduce the request to \$5,000 for this item.

Recess:

Committee recessed to go down for joint session.

11:45 a.m.

Meeting: The committee met after the Joint Session at which Senator Bartlett spoke.

Office of the Governor:

Economic Opportunity: New pages were submitted, replacing Travel for Technical Assistance (page 166) at \$5,000 rather than \$7,500; and making the total travel for Economic Development Opportunity (for the Governor's Recommendation) \$11,000 rather than \$13,500.

Council on the Arts: New pages were submitted with items as follows:

<u>New figures:</u>	Travel	\$10,700	(These figures are Dept. Requests)
	Cont. Serv.	6,250	
	Commodities	550	
	Grants, etc.	60,000	
		<u>\$77,500</u>	Total

It was suggested that we ought to give them \$30,000 based upon the contributions which will be used on the outlying projects and leave in the federal portion, letting the cities match it.

Mr. Scott from the Governor's Office entered at this point.

Mr. Strandberg asked if the program is lined up now and Mr. Scott said that the application was sent today for the federal funds, which will be \$50,000.

In a general discussion of the new figures submitted by the Governor's Office, the committee noted that \$17,500 is for administration and \$60,000 is for projects, of which \$30,000 is federal funds.

It was moved and unanimous consent was asked that the Governor's revised recommendations be accepted, subject to reopening of this portion. There were no objections to this motion.

Mr. Scott was asked about a list of projects under this program.

And so, the final figure of \$77,500 was accepted for Council on the Arts.

The meeting recessed at 12:05 for lunch, to meet at 1:30 p.m.

1:30 p.m.

**Capital Improvements:**

**Water & Harbors:**

All members were present, with Messrs. Freer and Mr. Statter.

The Water and Harbors projects as listed on page 283 of the budget document were discussed. In addition to these projects, a supplemental Appropriation for Water & Harbors Improvement Projects was submitted by memo of March 15, 1967 from Commissioner MacClanahan to Commissioner Ward.

**Additional Projects:**

They are listed as follows:

Priority 13 - Funter Bay	\$20,000
14 - Wrangell Inner Harbor	\$10,000
15 - Seward Boat Harbor	\$35,000
16 - Sitka City Float Sitka Crescent Harbor	\$30,000
17 - Angoon Gridiron Kake Portage Cove	\$22,000

Mr. Statter noted that Kake was a very low priority project and the Corp of Engineers has just recently taken favorable action on this.

**Tatitlek:**

Mr. Borer asked Mr. Statter why Tatitlek had been ignored for so many years. Mr. Statter said that they have never received any requests from them, and the department itself doesn't sponsor any projects, they have to be requested by interested parties.

**Whittier:**

Mr. Sassara asked several questions concerning the status of the Whittier harbor and asked who had built the docks prior to the earthquake. Mr. Statter said that they were privately owned, possibly. The many and varied problems in this area were discussed and Mr. Statter mentioned that their files were pretty sparse concerning Whittier.

Mr. Sassara asked how something could be organized in Whittier by this Spring and Mr. Statter said that it was pretty impossible. The fact that there is no protection in Whittier for floats was brought up, in addition to all the other problems. There are also problems in land access, too.

Mr. Statter suggested that the most expedient thing to do would be to build a launching ramp. He went on to say that even if we could get the problems solved for this, it wouldn't be completed this year.

Mr. Sassara asked if this project could come under federal funds and Mr. Statter said that it could fall under B.O.R., and if they went ahead, the paper work to apply for these funds would take several months.

Mr. Sassara asked if B.O.R. funds could be used to build a short stretch of road to Shot Gun Cove. Again, here access problems were brought up.

Mr. Sassara emphasized the fact that a shuttle railroad system and the ferry shuttle system is being worked upon for Whittier.

Mr. Strandberg asked how this supplemental list of projects was arrived at and Mr. Statter said it was made of suggested projects by individual legislators who have contacted Water & Harbors.

Mr. Strandberg asked why so much money was being poured into the Sitka harbor and Mr. Statter explained that the new boat harbor, which is 1/2 done, is right down town and they were getting pressure by local government people and others to complete it.

Mr. Strandberg asked if this was for their fishing fleet and Mr. Statter said it was mainly. He went on to explain the three things that this proposal would include:

1. Repair Breakwater at Thompson Harbor
2. Replace log float at City Float
3. Completion of the project that they had last year. They ran into a number of problems and couldn't award some of this project.

Mr. Strandberg asked what percentage of dollars in the entire fleet program was used for fishing/as opposed to pleasure craft. Mr. Statter replied they used a rule-of-the-thumb percentage of 75% fishing and 25% pleasure.

Motor Fuel Tax: Mr. Ray asked about the motor fuel tax and noted that the last legislature made available \$20,000 for more personnel to check this. Mr. Statter replied that he thought it was working out pretty well, that there was one case of non-compliance.

However, it was noted that there are problems in the stationery fuel. People will come in and load up with 5,000 gallons of diesel and 5,000 gallons of stove oil, and turn around and use it all as their fuel, avoiding paying tax on that portion. This problem was discussed by the committee and several ideas came up including a rebate; or taxing all fuel, etc.

Recess: The committee recessed to a call of the House.

4:00 p.m.

Meeting: The committee met again, with Commissioner MacClanahan and Mr. Freer.

Department of Public Works  
Capital Improvement: Aviation

Replacement sheets were passed out to committee members. These replaced pages 230 through International Airport Projects on page 282.

Program Requirements  
Airport Projects:

Barrow: Commissioner MacClanahan explained that is was no change; they had a program which was to have been under way by July 1, before the federal money lapsed. This was not included in the budget document because it was part of last year's intent. (FY66-67) The new figures are State - \$785,000 and Federal - \$1,315,000.

Wrangell: This was included in FY 66, as was Tenakee.

At this point the Commissioner stated that they had held back on the 1966-67 money and they were now working on 1968 federal money and they were now catching up. He further explained that some of the money should have been spent before, but it hadn't.

Kenai: This was explained as a change to \$264,000 from \$237,000. Commissioner MacClanahan said there had been a misunderstanding on someone's part concerning as to what the state's share was to be.

Homer: This was in FY 67 budget. It is the same, no change.

Anchorage: Mr. Strandberg mentioned that he would have to have the backup information that the House had last spring.

Mr. Kerttula entered at 4:10 p.m.

The backup information is concerning the 10.5 million dollar bonds.

Concerning the work on the Anchorage Airport, Commissioner

MacClanahan stated that it was moved up one year for the 1st phase which does not include paving. It will take roughly \$4,000,000 out of the bond fund, approximately 40%.

Andreafsky: This is suitable for a 727 Jet.

King Cove: This is the FAA's highest priority in the state.

Ketchikan: The Commissioner stated that they have to have all their commitments in by April 26 of this year or they will lose the money. They have applied for \$4,000,000. FAA said they have a good chance for these discretionary funds. He further stated that if we miss these funds, we will get held back.

to  
In connection/the Ketchikan work, Mr. Strandberg explained that this is an effort to get SE Alaska on wheels. Commissioner said that Ketchikan has the 4th highest in-plane passengers in the state.

Nenana and Nome: were discussed. It was noted that the work for Nome is to get jets in their.

Petersburg: Mr. Hugen asked what year they would be under construction and the Commissioner said they were to advertise in winter of 67-68. He further stated that we're moving '69 up to '68 and a lot will not be under construction in 67 but will be in 1968.

Secondary Airports: Commissioner stated that this program differed from last year's only in respect to Seldovia, which is 100% state participation. He stated that there had been some confusion regarding this, that nobody knows whether it is available for federal funds or not, but he was under the impression that it is.

South Naknek: Commissioner mentioned that no federal money had been spent on this, and now we have to come back for more work on this for reconstruction.

Mr. Kerttula left at this time.

Advance Design: It was mentioned that the \$118,000 will lapse July 1 and the department is afraid that if we don't commit it, we will lose it, (this is on a 50-50 basis).

At this point Mr. Strandberg pointed out that there had just been a bill for a supplemental appropriation of \$118,000 which apparently is a coincidence.

The money is split between Petersburg and Ketchikan.

Mr. Freer said that \$3,000,000 was appropriated for Trunks and Secondary last year and \$75,000 for bush airports.

Mr. Strandberg asked about the change on page 280 and how it would affect the bond construction fund, and he further just what would the changes be in the funding.

Commissioner MacClanahan said he met with Department of Administration and they said they could meet these requirements with their September sale of bonds. However, Mr. Freer said that the appropriation is what we were worried about right now.

The paving of Anchorage International Airport was discussed and it was noted that \$2,000,000 would be needed to match the federal money for this, which would take the whole program appropriation for 1 year.

The subject centered on whether or not the state had ever had discretionary funds before and the Commissioner stated that we had never used them before. The state just lost these funds simply because we never asked for them.

Mr. Strandberg requested Mr. Freer to figure out the funding for him.

Discretionary Funds

New Funding:

Fairbanks International Airport: Commissioner MacClanahan noted that \$62,500, as shown on page 282 of the budget document had been taken out because of \$200,000 authorized for Fairbanks two years ago. Mr. Freer said that there was still quite a lot left in that fund, but wasn't quite sure just how much. He mentioned that approximately \$1,933,000 was authorized and approximately \$1,538,000 was spent.

Anchorage  
Int'l.

Mr. Borer asked who the private capital was for the \$3,000,000 bond sale, and it was answered that Sommers and Smith were. There was a general discussion concerning FAA and the Fairbanks International Airport. FAA said they would pay up to 15% of the cost of the building per year.

Kotzebue:

Mr. Sackett asked if a 727 could land there and the Commissioner stated they could, but it is not a very desirable situation.

Fairbanks  
Int'l.

Mr. Miller asked what goes out of the airport fund and what goes out of the bond issue fund. Commissioner MacClanahan said that the International Revenue Fund is only available to work only on international airports.

Mr. Miller asked if there would be any work done to the runway at the Fairbanks Airport and Commissioner replied that Fairbanks the only thing this airport needs work on now is lighting.

Category Two  
Lighting:

This subject was discussed quite thoroughly and extensively by Mr. Miller and Commissioner MacClanahan. They explained that this type of lighting was a high intensity lighting to be used for low minimum landings. Mr. Miller asked when this lighting will be installed at the Fairbanks Airport and the Commissioner stated when the money becomes available to purchase it. He explained further that there is quite a time lag in receiving this, also. He noted the reluctance of FAA to give him any

answers to this problem.

A lengthy discussed ensued concerning where the money would come from for the category two lighting for this airport.

There seemed to be a confusion in this area and Mr. Miller noted that he would be in contact with Commissioner MacClanahan later concerning this subject.

The Anchorage Airport was mentioned in connection with this lighting system, and it was pointed out that they could not qualify for it yet.

Commissioner MacClanahan mentioned that Public Works was not at this time making application for the category two lighting for the Fairbanks Airport.

Bonds: At this point, the committee began a long and very detailed discussion concerning bonding in connection with users agreements.

The commissioner noted that at this stage, they weren't making final decisions on the bonds, whether they'll be spread over 7 years or 10 years. Mr. Sassara asked about the revenue from Cold Bay in connection with this.

The committee continued discussions on this subject, bonding for aviation and the complications of tying up the \$4,000,000 bonds and the international airports.

Request Freer: Mr. Strandberg requested Mr. Freer to get the funding straightened out on this.

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Office of Governor:

ASCAP: New figures were entered in Economic Opportunity as follows:

Line 700, page 23 of the budget document, add the amount of \$23,000 under Governor's Recommendations for a new total of \$131,500.

This includes the new figure for travel of \$11,000 rather than \$13,500.

Mr. Freer stated that the \$23,000 is a grant to ASCAP that they will use to match \$23,000 federal funds for legal aid programs. No action was taken on this portion of the budget at this time.

The meeting was adjourned at 5:30 p.m. and will meet at 8:00 a.m. tomorrow morning and work straight through the day until the budget is complete.

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House Finance Committee Minutes  
March 29, 1967  
8:00 a.m.

Present: All members with the exception of Messrs Ray and Sassara who were excused and who entered at approximately 8:30 a.m.

Mr. Freer and Mr. Brooks were also present.

Department of Fish and Game

Request for addition

of committee cuts: A letter from the Governor to Senator V. Phillips was read concerning restoration of an appropriation of \$356,000.

Studies

game resources:

Mr. Brooks noted that this request came as a result of meetings with the Senate Finance Committee. He went on to say that they have never had the back ground work to do the studies for the game. They have not been able to development sufficient information about the game resources to tell the public what they are doing.

The total in the fund at the end of February was \$3,090,000, of which \$1,300,000 was game money. This money accumulates faster than they spend it; some of it is encumbered. He further stated that the 1967 license fees will accumulate fast enough so that this fund wouldn't go below \$1,300,000. Of this \$1,300,000 balance approximately \$150,000 is encumbered for the rest of the year. So, there would be around \$1,000,000 clear money. Again, he mentioned that as they use this money, there are new license fees accumulating.

Another point brought up was that their federal aid program is not approved until June 1, and this cushion in their fund helps to juggle.

Mr. Strandberg asked what would happen to this fund when new employees are added; how would this fund be affected a few years from now.

Mr. Brooks said in answer to a question from Mr. Strandberg, that if this additional program was accepted, and even if the license program levels off, it will take over 10 years to delete the balance of the fund. But the license <sup>sales</sup> /have been going upwards each year. The department may overspend for 2 or 3 years, but we will not use this extra money.

Mr. Strandberg asked what would happen if a 1/2 million dollar project was taken out of this surplus.

Mr. Sassara entered.

Mr. Brooks said, in answer to Mr. Strandberg's question, that this fund could stand a 1/2 million dollar project easily.

Mr. Ray entered.

Mr. Strandberg asked what the reason for holding this money back in the first place. Mr. Freer answered that the first year the money was taken out <sup>of</sup> the general fund until they could accumulate some receipts.

In regard to the game portion of the budget, Mr. Brooks stated that the present budget is lower than last year's; they have not been permitted to expand their game program. He further stated that \$202,000 will be federal dollars, with some of it going into management (which is 100% state).

It was noted by Mr. Brooks that on page 200 of the budget document there was an error, there are only 45 positions rather than 73 as shown. (Plus 6 or 7 new positions if approved.)

Senator Hammond entered.

In answer to a question concerning what would happen to this money if it was approved, Mr. Brooks said they would use it for studies to find out the number, sex and ages of moose, caribou, bear and sheep.

Mr. Strandberg asked Mr. Freer to figure out the new funding in accordance with this request from the Department of Fish and Game.

Mr. Brooks left at this time.

SB 184: SENATE BILL NO. 184 has been referred to Finance in Second Reading. Senator Hammond outlined this bill for the committee.

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Office  
of  
Governor:  
Rural  
Development

Increase:

Total:

It was moved and unanimous consent was asked that the figure of \$392,700 be accepted for Rural Development Agency. There was objection and the figure of \$425,000 was moved as an amendment. After objection and some discussion the committee agreed on \$72,200 for Program Administration and \$370,500 for Grants. It was moved and unanimous consent was asked that the total for Rural Development of \$442,700 be accepted by the committee. No objection so ordered.

**ECONOMIC  
OPPORTUNITY  
Technical  
Assistance**

The committee agreed to add \$20,500 to Technical Assistance. This is per the Governor's request. This would bring the total for Economic Opportunity to \$131,000. There was a motion to accept this figure. No objections, it passed unanimously.

**Local  
Affairs  
Agency:**

There was a motion to re-open Local Affairs Agency. A discussion was held on the pros and cons of keeping this agency in operation. There was a motion to amend the figure to \$130,000. There was an objection. By a show of hands, it passed 5-2. It was so ordered to authorize \$130,000. Mr. Strandberg said Local Affairs could reallocate the money the way they think necessary.

**Data  
Processing:  
SWIS**

It was suggested that the committee cut this figure back to \$897,100. This is cutting \$200,000 out of it. This is \$180,000 more than they had last year.

**Letter of  
Intent:**

The committee feels they want to slow up the implementation of SWIS. The phase of this system should be directed to the areas where there is federal funding. After they have worked on this for a year, it will be reconsidered next year by the Legislature.

There was a motion to accept the figure of \$897,100 for data processing, code 600. Mr. Borer objected. The motion passed by a show of hands, 4-2.

**Retirement  
Benefits**

Mr. Freer asked about a bill specifically for five people for the 25% retirement benefits. This came under the provisions of ch. 102, SLA 1951.

There was a motion to amend this figure to \$9400 for these five people. There were no objections, so ordered.

**Letter of  
Intent:**

Mr. Haugen asked that this committee be supplied with a list of accounts receivable in the surplus property in administration for the next legislative session.

Dept. of  
LAW

Mr. Ray made a motion to amend the figure to \$1,050,000. He said the money in special litigation fund can be picked up in the Dept. of Law. There was an objection. By a show of hands, the motion lost 6-1. So the figure remained at \$1,066,100.

REVENUE  
Alcoholic  
Beverage  
Control Bd.

Mr. Ray made a motion to reopen this budget. There was an objection and the motion lost by a show of hands, 6-1.

Mr. Ray objected to the office being moved to Anchorage.

Alaska Court  
System  
Kodiak:

There was a motion made to reopen this budget. Motion passed. Mr. Freer said there has been an increase in the rental for the Kodiak Court from .32¢ a sq. ft. to .50¢ a sq. ft. The owners will not settle for less. There is a plan now to add on a building under the ASHA program to provide space for the Court, but this won't be completed until next year. This will cost the State \$6,200 in additional rental, but the figure could be rounded to \$6,000.

There was a motion made to add \$6,000 to code 31, Alaska Court System. There was an objection, the motion passed 6-1 by a show of hands.

Petersburg: Mr. Haugen had previously discussed the need for a judge in the Petersburg area. He read a letter from the Chief Justice, which gave the total figures for a judge in that area. It came to a total of \$27,439, including everything. Mr. Haugen made a motion and asked unanimous consent to adding \$27,500 for the magistrate court in District 2. There were no objections, so ordered. *See intent 4/50*

Bethel: Mr. Strandberg read a letter requesting for increased appropriation of \$13,000 for a district judge in Bethel. Mr. Miller said this was badly needed. A motion was made requesting

this appropriation. There was an objection. The motion passed 6-1 by a show of hands. It was so ordered.

Mr. Ray said the people in Bethel were satisfied with the magistrate there. (He had traveled through Bethel and talked to them.) Mr. Strandberg asked Mr. Ray to check this out with the people.

**Recess:** The committee recessed for a call of the House at 10:40 a.m.

**Meeting:** The committee met again at 11:15 a.m.

**Court System:** The committee finalized its discussion on the court system,

**Intent:** noting that there will have to be legislative intent for Nulato.

**TOTAL:** The new total for the Court System is \$2,973,000.

**Intent - District 2:** Mr. Haugen requested that there be legislative intent for District 2 concerning the city in which the magistrate court will be located. It is the intent of the committee that this location will be determined by the Chief Justice.

**Bethel:** Mr. Ray removed his objection to the motion requesting the appropriation of \$13,000 for a district judge in Bethel.

Retardation

**Intent: Mental Health/Coordinator:** Mr. Borer is to write up a paragraph concerning this coordinator.

**Coast Guard Building:** (which is occupied by Department of Health and Welfare)

Mr. Ray moved and asked unanimous consent to restore \$5,000 for remodeling of this building. There was some discussion following objections to this motion. Upon a show of hands the motion failed 2-4.

Education - South Central Alaska Project:

A memorandum was referred to concerning Vocational Rehabilitation Budget which included details on the South Central Alaska Project. The memo was dated March 28, 1967 to Mr. Strandberg from Mr. Craft through Dr. Hartman. (see Dept. Education File) Mr. Craft was present and presented details concerning the South Central Alaska Project. He mentioned his concern over the deletion of this project and was sorry he had been ill and not been able to make the first presentation for the project. He explained that this is not strictly a south central project, people all over the state are helped. The title "South Central" was just an identifying name recommended by the federal people. Actually, he said, this has never been just a disaster project, but an extension of the whole program. Mr. Craft noted that they realized that this will be eventually phased out.

Mr. Craft went into some detail concerning the matching ratio for the state and federal portions of monies. At one time the ratio was to have been 3-1 (75/25) funding for the rehabilitation programs. However, the Hill-Burton ratio was recommended. He said that just recently they learned that instead of the \$480,000 available previously, to match \$160,000 state, we would only get \$357,000.

The review concluded, with Mr. Craft commenting that the title is very mis-leading and emphasized that people from all parts of Alaska are helped, not just South Central people.

Mr. Craft left at this point.

Mr. Sassara commented on figures that he had received concerning this program and it was noted that these figures were contained in the letter of March 28, 1967, as noted above.

South Central It was moved and unanimous consent was asked to restore  
Project Restored: \$274,900 for the program of South Central Alaska Project.

There were no objections and this amount was restored.

New Total - Vocational Rehabilitation: The final total for this section was  
changed to \$947,600. (same as the governor's recommendation.)

COMMERCE  
(reopen)

The committee wished to restore the positions of Technical  
Writer and Clerk Steno II, which were deleted before.

This would come to \$18,900 additional. It was moved to  
accept this figure and unanimous consent was asked for.

There were no objections. It was so ordered. This made  
the total for the Utilities Commission, \$165,400 and the  
total for Public Service, \$382,200.

Letter of Intent: Mr. Ray asked that in the letter of intent that the Licensing  
Central Board allow the District Board to become members of the  
Licensing American Medical Association.

This costs \$200, which the committee believes can be absorbed  
in the budget.

Regulation of  
Business and  
Professions

Mr. Haugen read a letter from Felix Toner, wherein he  
requested the law be changed to allow them to raise their  
dues from \$10 to \$20 in order to have two more meetings a  
year. This would allow one examination for architects and  
one for engineers. Their operating budget came to \$18,800,  
which included a full-time clerk also.

Mr. Freer said they had a balance of \$6,000 in their account  
at the beginning of the year. Budget and Management ap-  
propriated their estimated receipts and they have a little  
surplus left.

It was noted they had \$15,900 under program receipts in  
the budget. An additional \$2,900 would give them their

total of \$18,800. A motion was made to give them the additional \$2,900. This was passed unanimously.

Total, Regulation of Business and Professions: This brought the total to \$575,100. The \$2,900 increase was put in travel, which changed the travel item to \$96,600.

Letter of Intent:

Mr. Ray suggested a letter be written requesting that they be allowed to raise their dues from \$10 to \$20 a year so they could operate on a full-time basis and allow for the two extra examination trips for the architect and engineer.

Recess:

Meeting recessed at 12:15 and planned to meet again at 1:15 p.m.

1:30 p.m.

**Present:** All members, along with Mr. Freer.

**Natural Resources:** This Agricultural Loan Fund figure had been left open on  
**Agricultural Loan Fund:** page 186 of the Budget Document. Mr. Sackett explained that an audit study had been done on this after some adverse publicity. There being no objection, the committee accepted

**Total:** the figure of \$45,000 for this which in turn gave a total figure of \$262,800 for the Program of Promotion & Regulation of Agriculture.

**Mines:** In answer to a question by Mr. Ray, it would cost \$102,000 to move the division of Mines to the University of Alaska.

**Department of Fish & Game:** In compliance with letter of March 4 from Mr. Kirkness  
**Division of Game:** the sum of \$5400 was deducted for travel from the Division  
**CUT:** of Game (see page 199 Budget Document), for a total of \$99,300 in travel. There was no objection, so ordered.

**Commercial Fisheries:** Under Travel for Commercial Fisheries (see page 195 of  
**Cut:** Budget Document) it was moved and unanimous consent was asked to decrease travel by \$5,600 for a total of travel figure of \$117,300. No objection so ordered.

**Administration:** Under Travel for Administration (page 191 of the Budget  
**Cut:** Document) it was moved and unanimous consent was asked to decrease travel by \$2,500 for a total of \$40,700 for travel in Administration. No objection so ordered.

Mr. Stevens and Mr. Kerttula arrived at the meeting.

The <sup>committee</sup> /reverted to discussion of new bills. It was moved and unanimous consent was asked to report out a new bill by the Finance Committee concerning \$5,000,000 for Department of Highways bond issue. (This was later numbered HB 331.) There being no objection it was so ordered.

**H B 331:**

HB330:

It was moved and unanimous consent was asked that the Finance Committee report out a new bill relating to ratification of capital improvements. There being no objection it was so ordered. (This was later numbered HB330.) Mr. Kerttula and Mr. Stevens left the meeting at this point.

HB329:

Mr. Ray presented a bill and moved and asked unanimous consent that the Finance Committee report out this bill relating to Advisory Board on Alcoholism. There being no objection it was so ordered. (This was later numbered HB329.)

Highway Working Capital Fund:

Mr. Sassara moved and asked unanimous consent that \$50,000 be included in Highway Working Capital Fund for a new <sup>fire</sup> truck for Anchorage International Airport. He said the estimated cost of the truck was \$60,000. There was a discussion on purchasing new equipment versus a replacement which this truck would be. Mr. Strandberg said that this would increase the amount through this appropriation of the working capital fund. After some discussion concerning depreciation and the amount of depreciation going back into this fund, Mr. Sassara withdraw his motion. Mr. Freer said that whether you are buying a new piece of equipment and replacing it, the money must be appropriated for it.

Increase:

It was moved that \$70,000 be added to the Highway Working Capital fund for equipment, which brings the new total to

Total:

\$6,146,000. No objection so ordered.

Legislative Intent:

The letter of legislative intent concerning this \$70,000 is to say that the Finance Committee increased this for the fire truck for the Anchorage International Airport.

Recess:

Meeting recessed for 5 minutes.

After Recess: Mr. Freer mentioned that Commissioner Ward suggested repealing CH.142, SLA 1961 on the Highways. This has been talked about with the AG's office.

CH 142, SLA  
1961

Mr. Strandberg requested an AG's opinion on this immediately. The committee recessed for 5 minutes and Mr. Strandberg attended a press conference on bonding.

Recess: Recessed at 2:35 p.m.

Meeting: The committee met at 2:50 p.m. with Commissioner Ward present to talk specifically about the SWIS program, of which \$200,000 has been cut by the Finance Committee. He presented the following information:

<u>Programs left in</u>	<u>General Fund</u>	<u>Federal Fund</u>
Courts	dropped entirely	
Education	\$30,600	\$37,700
University of Alaska	dropped entirely	
Fish and Game	7,200	16,400
Spec. Fund	---\$7,200	
Health and Welf.	30,600	37,700
Labor		57,000
Natural Resources	30,900	2,300
Public Safety	dropped completely	
Revenue	61,300	

These figures have been rounded out. This represents basically the funding with the \$200,000 deletion that has been made. Commissioner Ward noted that these figures were compiled on the spur of the moment and they were trying to analyze the program and put the money where it is needed the most. It was noted by the Commissioner that the computer will arrive by next January and they will have programs ready for it when it gets here.

At this point Commissioner Ward left..

Working Capital Fund  
Public Works:

It was moved and unanimous consent was asked for approval of the Governor's recommendations of the Working Capital Fund for Public Works, Buildings Working Fund, which is \$1,243,700. There were objections and it was mentioned that this figure would no doubt have to be amended at some time depending on how much money will be kicked back. The objections were removed and \$1,243,700 was approved.

SB 131

Bounty Hair Seal: Mr. Miller moved and asked unanimous consent that SENATE BILL NO. 131 be brought up before the committee for discussion. There being no objection, it was so ordered.

Mr. Strandberg entered at this point.

The committee discussed this bill thoroughly and Mr. Haugen moved and asked unanimous consent that this bill be reported out of committee with individual recommendations. There being no objections, SENATE BILL NO. 131 was reported out of committee.

Fish and Game Department:

Bounties:

It was moved and unanimous consent to accept the figure of \$117,000. There were no objections.

Fish and Game  
Gov. Request:

Mr. Sackett said that we should just cut this request in half and specify that it be used for moose and caribou only. The request from the Governor concerning an addition to the Fish and Game Budget was discussed. (See Fish and Game File).

During this discussion Mr. Freer said that the Game program lapsed \$86,000 last year because of the vacancies in the personnel section.

Mr. Freer said the original department request was \$1,274,800 and Budget Review reduced it to \$1,197,300, the difference

of \$77,500. The Governor would like this \$77,500 restored plus \$356,000.

The committee discussed the letter from the Governor

requesting the legislature to increase the Fish & Game budget on the program of Game. They discussed including \$200,000 for special recreation projects under this program. Mr. Miller asked Mr. Freer if at the rate of natural increase of expenditures and natural increase of the fund, at what point will the revenue catch up with the expenditure? Mr. Freer said it would take about 10 years. There was some discussion of putting \$400,000 as a special appropriation. Mr. Sassara suggested \$200,000 in Management and \$200,000 for the special recreation projects. It was finally agreed

Increase:

that the committee would add \$250,000 to Code 1 and 2, Management and Research (page 200 of the Budget Document) to be divided as the department would decide. Then they would add Code 3, entitled Special Recreation Projects,

Increase:

and give \$200,000 for that. The \$200,000 would be all state funds, and Mr. Freer was instructed to call Fish & Game to get the funding on the \$250,000 since a portion of that would be federal funding. Mr. Strandberg said this \$250,000 is what the committee will allow of the \$435,000 requested by the Governor. The committee agreed with this,

NEW TOTAL:

and there being no objection, the new total for Program of Game will be \$1,647,300.

Legislative Intent:

The Committee wanted \$13,400 under the Program of Game which will be spent for predator control as will be outlined in detail in a letter to the Commissioner of Fish & Game.

Economic Developmt:  
Industrial Dvlpmnt:

It was moved and unanimous consent was asked that on page 218 of the Budget Document, a new Code No. 3 be added, and \$100,000 increase be put in for Ch. 162, SLA 1966 (HB276)

Increase:

funding for SBA loans. No objection so ordered.

Legislative Intent:

The committee wanted the legislative intent to indicate that these funds be given as wide a distribution as possible.

Increase:

It was moved and unanimous consent was asked that \$2,000 be added to this budget for the Industrial Incentive Tax Study as requested by the department.

Total:

This increased the total budget for the Program of Industrial Development to \$427,000 which the committee accepted.

Legislative Intent:

The committee intent on the \$2,000 is that it is appropriated for this tax study.

Centennial:

It was moved and unanimous consent was asked that the committee adopt the figure of \$92,600 in lieu of the \$23,000 as requested

Increase:

by the Governor. It was then moved and unanimous consent was asked that \$100,000 be adopted by the committee for Grants, Claims & Shared Revenue on page 222 of the Budget Document. There being no objection it was so ordered. This

Total:

changed the total budget for the Centennial Commission to \$181,100, which was moved and unanimous consent was asked for adoption. No objection so ordered.

Shared Revenue:

On page 260 of the Budget Document, it was moved and unanimous consent was asked that the Program of Shared Revenues with Political Subdivision for a total of \$4,039,500 be accepted by the committee.

Total:

No objection so ordered.

Bond  
Committee  
Redemption  
Debt Svc.

On page 260 of the Budget Document, it was moved and unanimous consent was asked for the acceptance of \$4,764,000 by the committee. No objection so ordered.

Salary  
Increase  
etc.

It was decided by the committee that if this money was needed it could be done by an appropriation bill, so no funding was made for this.

Recess:

Committee recessed at 5:00 p.m., and will return to finish the budget at 8:00 p.m.....

8:00 p.m.

**Present:** All members, along with Mr. Freer from Budget & Management and Mr. Lowell from Division of Buildings.

**Public Safety:** Mr. Strandberg read a letter concerning the Emergency Operating  
**Alaska Disaster Office:** Center in the Capitol Building from Mr. Ward. He requested that \$3,500 be added to the budget for purchase and installation of a 40 KW generator (see letter of 3-28 in

**Increase:** files). It was moved and unanimous consent was asked that the \$3,500 be accepted by the committee, thus increasing

**Total:** the Alaska Disaster Office Budget to a total figure of \$185,700. There being no objection it was so ordered.

Capital Imprvts:

**Dept. Education:** Pitka's Point was discussed concerning using a Forced account for this.

It was moved and unanimous consent was asked for approval of the amount of \$362,000 for the Department of Education

**Intent:** Capital Improvements with the committee intent as follows:

- Pitka's Point: 1. Pitka's Point will be added in this \$362,000.
- Ambler - Ekuk: 2. Forced Account will be used for Ambler and Ekuk and the possibility of including Ambler and Ekuk under the ASHA program will be reviewed.

There were no objections to this motion and it was so ordered.

**Publ. Bdg. Projects:** Leonard Lowell was present to explained the Capitol Site Master Plan, as on page 282 of the budget document. He pointed out that this request has been in their budget for at least 4 or 5 years. He mentioned the City's development plan in connection with the Capitol Site Complex. Mr. Lowell noted that there is 46,000 sq. ft. of office space needed right now, with the rate at \$25 per sq. ft. By 1972 the state will need approximately 100,000 sq. ft. of office space.

Land acquisition

for Capitl. complx. This subject was discussed in length with pictures, blue prints, etc., passed around to the committee members by Leonard Lowell showing exactly where the land was located that is to be part of the complex. The present Juneau City Jail will eventually not be in Juneau, with the capitol where the jail is now.

Travel-Lodge: The land tied up with the Travel-Lodge was discussed and it was concluded that they would probably go for a comparable site, so that this land could be acquired by the state for completion of the chunk of land for the complex.

It was estimated that there is 20 acres of land tied to the complex, of which we own about 10-15 acres.

The figure of \$285,000 will purchase approximately 48,000 sq. ft. of land

Mr. Miller asked Mr. Lowell how long would he anticipate the master plan to take and Mr. Lowell stated it would be ready for the next session of the legislature.

Mr. Miller asked if all the details will be looked into, as to what it will cost for land acquisition and so on. Mr. Lowell answered that along with the completion of the master plan, all details will be explored.

Mr. Lowell pointed out to the committee, concerning location of the capitol site, that the state has just always left the city "on the hook" and has never given them any direction. It was moved and unanimous consent was asked to accept the total Public Building Projects, as shown on pages 282 and 283 of the budget document.

PUBLIC BLDG. PROJECTS

*Capital Improvement Projects*

Fort Yukon Bulkhead

A motion was made to add ~~\$10,000~~<sup>47,000,000</sup> for the Fort Yukon bulkhead. ✓  
There were no objections, so ordered.

Whittier Rail Ferry

Mr. Strandberg said the people in the Anchorage area want to have some way of connecting with Whittier over to Valdez to make that loop. The railroad is willing to bring the rail cars in and load at Portage. The railroad has an agreement with Marine Transportation to make that link. This is for the railroad to be able to load and unload their cars.

A motion was made to approve the figure of \$60,000 for the Whittier Rail Ferry. There were no objections, so ordered.

This was added to contractual services, Program of Administration. The total for this would be \$397,900.

Legislative Intent:  
PUBLIC WORKS

It is the intent of the committee that advance planning and design on airport construction for Kaltag and Nulato be made this coming season and a report be made available to the Legislature by next January. ✓

Airport Projects Remaining

Mr. Wreer gave the following breakdown on the federal funds:

	Fy 67	Fy 68	Total
Federal Funds	\$7,990,000	\$5,429,500	\$13,419,500
1966 Airport Bond Constr. Fund	3,875,000	<u>4,901,500</u>	8,776,500
Total for Fy 68		\$10,361,000	

The new total for federal receipts, code 300 comes to \$5,772,000. Program Receipts, \$68,000; Special Funds, -0-; General Funds, \$4,901,500, which makes the new total \$1,330,200.

Legislative Intent:

It is the intent of the committee that \$200,000 be appropriated for the Fairbanks General Aviation Facility and \$137,500 be appropriated for the Anchorage Cargo Terminal Ramp. Both of these will come out of the Anchorage International Airport Fund.

11:00 p.m.

U of A

It was moved and unanimous consent was asked to add \$600,000 to the University of Alaska Budget. Objections were heard. The objections were removed. The final figure for University of Alaska was \$8,861,900. This \$600,000 increase can be straightened out by the University.

INCREASE:

Fish and Game: The final figures on the Fish and Game budget are as follows:

*Game Program:* (taking into account the \$5,400 cut previously by the committee)

Personal Services: The final figure agreed upon was \$824,500 (an increase of \$106,000).

Travel: The final figure agreed upon was \$124,600 (added \$25,300)

Contractual Services: Final figure was \$333,000.

Commodities: Final figure was \$70,200.

Equipment: Final figure was \$38,600.

(These figures were worked up by Mr. Freer-these changes were made because of an addition of \$250,000 to this department)

Special Projects: \$200,000 (code 500) (this was added earlier)

Contingency Fund: \$51,000.

Federal Receipts: \$817,200

Special Funds: \$824,700

TOTAL - \$1,641,900

Page 200  
budget dcmt.

Mr. Freer noted that the \$5,400 cut in travel was taken out of Management. Management total was \$352,400

Research: Final Figure: \$1,089,500

Special Recreational Project Fund: \$200,000.

Adjusting figures

Page 55:

Court:

Courts were adjusted from \$2,973,000 to \$2,926,500 because of deletion of SWIS portion.

*SWIS*

Superior Court: The figure of \$554,600 was reduced by \$46,500, which left \$508,100 for Superior Court.

The federal receipts of \$2,300 were "zero'd" out, leaving a new final total for courts of \$2,926,500.

Public Safety: General Administration - Office of the Commissioner: reduced \$144,800 by \$46,500 which left a total of \$98,300 for office of commissioner, page 160 of the budget document.

Page 159: The federal funds of \$23,200 were taken out, leaving  
out  
\$149,000 even coming /of the general fund.

**TOTAL  
PUBLIC SAFETY:**

University of Alaska \$71,300; Labor and ESC \$36,600 were taken out of Department of Administration. These two figures were really not added in, so they weren't taken out of the departments' budgets, but they were taken out of Department of Administration's program.

Legislative  
Affairs  
Agency:

Mr. Strandberg read a letter of March 29 from Mr. John Elliott, Executive Director of the Legislative Affairs Agency, detailing why they needed an increase from \$948,800 to \$969,400. (See letter in Legislative Affairs Agency file.)

Total:  
Increase:

It was moved and unanimous consent was asked that the figure of \$969,400 be accepted by the committee. No objection so ordered.

Legislative  
Audit

A letter from George Morrison, Supervisor of Legislative Audit was read by <sup>Mr.</sup> Strandberg, requesting an increase. (See letter in Legislative Audit file.)

Total:  
Increase:

It was moved and unanimous consent was asked that the budget of \$210,800 be accepted. No objection so ordered.

Adjournment: Meeting adjourned 12:05 a.m. !!!  
...  
-400-

HOUSE FINANCE COMMITTEE MEETING

March 30, 1967

8:00 a.m.

Present:

All members were present.

The committee met at 8:00 to go over the budget document.

At 9:00, they reviewed and worked on the letters of Legislative Intent for the Governor's Office.

Commissioner Ward, Mr. Freer and Mr. Carruthers from the Department of Administration arrived at 10:20 to work on the salary increase bill for State employees.

Salary  
Increases:

Mr. Carruthers said the Governor had requested a 3.6% increase for state employees plus an additional 2% for Southeastern. Mr. Strandberg said the committee had considered adding another \$900,000 or a million dollars for the pay increase. He asked Mr. Freer how they would allocate that money.

Mr. Freer said part of this increase will be absorbed by the departments, they only funded this at 60%. They have always lapsed 50% of this before.

Commissioner Ward gave the total figures in the fund and said that 40% of this is federal funds.

Call of  
House

The committee received a call of the House at 10:35. It was decided that this will give the men from Dept. of Administration time to work on the figures requested by Mr. Strandberg.

11:30 a.m.

Salary  
Increases  
(cont'd)

Commissioner Ward said they rounded the figure to a million dollar increase. That included the cost adjustments within the grades, closing the gap to 5% for Juneau. This made a total package of five million dollars that would leave