

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2592

SENATE FINANCE COMMITTEE SCHEDULE

<u>Week of</u>	<u>Department</u>	<u>Senator</u>
Feb. 20 -25	Public Safety (Alaska Disaster needs further study)	
	Commerce	Haggland
	Labor, Law, Military Aff.	
Feb. 21	Natural Resources	Smith
Feb. 21	Department of Revenue	
	Court System	
	Legislature	
Feb. 27 - March 4	Office of Governor	Brady
	Department of Administration	B. Phillips
	Economic Development	B. Phillips
	Education	Brady - Haggland
March 6 - 11	Fish and Game	Haggland - B. Phillips
	Health & Welfare	Engstrom - Smith
	University of Alaska	Smith - Engstrom
March 11 - 13	Department of Highways	Blodgett - V. Phillips
	Public Works	V. Phillips -Blodgett

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	Public Works	V. Phillips -Blodgett

SENATE FINANCE SUBCOMMITTEES

OFFICE OF THE GOVERNOR: Senator Brady ✓

DEPARTMENT OF ADMINISTRATION: Senator B. Phillips ✓

DEPARTMENT OF COMMERCE: *Smith*

DEPARTMENT OF ECONOMIC DEVELOPMENT: Senator B. Phillips ✓

DEPARTMENT OF EDUCATION: Senators Brady and Haggland ✓

DEPARTMENT OF FISH AND GAME: Senators Haggland and B. Phillips ✓

DEPARTMENT OF HEALTH AND WELFARE: Senators Engstrom and Smith ✓

DEPARTMENT OF HIGHWAYS: Senators Blodgett and V. Phillips ✓

DEPARTMENT OF LABOR:

DEPARTMENT OF LAW:

DEPARTMENT OF MILITARY AFFAIRS: Senators Blodgett and V. Phillips ✓

DEPARTMENT OF NATURAL RESOURCES:

DEPARTMENT OF PUBLIC SAFETY: Senator Smith ✓

DEPARTMENT OF PUBLIC WORKS: Senators V. Phillips and Blodgett

DEPARTMENT OF REVENUE:

UNIVERSITY OF ALASKA: Senators Smith and Engstrom

COURT SYSTEM:

LEGISLATURE:

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SENATE FINANCE SUBCOMMITTEES

OFFICE OF THE GOVERNOR: Senator Brady

DEPARTMENT OF ADMINISTRATION: Senator B. Phillips

DEPARTMENT OF COMMERCE: *Lewis*

DEPARTMENT OF ECONOMIC DEVELOPMENT: Senator B. Phillips

DEPARTMENT OF EDUCATION: Senators Brady and Haggland

DEPARTMENT OF FISH AND GAME: Senators Haggland and B. Phillips

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BRADY

DEPARTMENT OF ADMINISTRATION:

B. Phillips

DEPARTMENT OF COMMERCE:

DEPARTMENT OF ECONOMIC DEVELOPMENT:

B. Phillips

DEPARTMENT OF EDUCATION:

BRADY - HAGGLAND

DEPARTMENT OF FISH AND GAME:

HAGGLAND - B. Phillips

DEPARTMENT OF HEALTH AND WELFARE:

ENGSTROM - SMITH

DEPARTMENT OF HIGHWAYS:

BLODGET - V. Phillips

DEPARTMENT OF LABOR:

DEPARTMENT OF LAW:

DEPARTMENT OF MILITARY AFFAIRS:

BLODGET - V. Phillips

DEPARTMENT OF NATURAL RESOURCES:

DEPARTMENT OF PUBLIC SAFETY:

DEPARTMENT OF PUBLIC WORKS:

V. Phillips - BLODGET

DEPARTMENT OF REVENUE:

UNIVERSITY OF ALASKA:

SMITH - ENGSTROM

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UNIVERSITY OF ALASKA: Senators Smith and Engstrom

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OFFICE OF THE GOVERNOR: *BRADY*

DEPARTMENT OF ADMINISTRATION: *B Phillips*

DEPARTMENT OF COMMERCE:

DEPARTMENT OF ECONOMIC DEVELOPMENT: *B. Phillips*

DEPARTMENT OF EDUCATION: *BRADY - HAGGLAND*

DEPARTMENT OF FISH AND GAME: *HAGGLAND - B. Phillips*

DEPARTMENT OF HEALTH AND WELFARE: *ENGSTROM - SMITH*

DEPARTMENT OF HIGHWAYS: *Budget. V Phillips*

DEPARTMENT OF LABOR:

DEPARTMENT OF LAW:

DEPARTMENT OF MILITARY AFFAIRS: *Budget. V. Phillips*

DEPARTMENT OF NATURAL RESOURCES:

DEPARTMENT OF PUBLIC SAFETY:

DEPARTMENT OF PUBLIC WORKS: *V. Phillips - Budget.*

DEPARTMENT OF REVENUE:

UNIVERSITY OF ALASKA: *SMITH - ENGSTROM*

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SENATE FINANCE COMMITTEE MINUTES

February 2, 1967

8:45 a.m.

Present: All members were present with the exception of Senator Brad Phillips.

Subcommittee Work: There was a general discussion among the members concerning the actual work that is done on the subcommittees. Chairman Phillips explained that all the budget workbooks are available to the members for their review and if necessary the department heads may have to be contacted for further detailed research. Chairman Phillips stated that if the subcommittees can't get their work done, because of other conflicting committee work, a person will be hired to write the budget.

Subcommittee Assignments: Chairman Phillips asked each member to indicate by number (1, 2, 3, 4), on the department lists, which department he would like to work with. The lists were handed in to the Chairman who will work with the Vice Chairman and make the Subcommittee assignments.

Assistants: Senator Engstrom said he thought that there should be 4 or 5 additional assistants in the Legislative Council to do the detailed work on the budget. Chairman Phillips said that this would be hard to do because each committee member should be conversant in the details of the budget, in order to be able to answer any questions that may arise from his constituents.

Budget Review: Chairman Phillips commented that he would like to see that the whole budget be reviewed next year with the Governor.

Senator Blodgett discussed the way in which some departments try to hide items in their budgets.

Hearings: Senator Blodgett suggested that quite a bit of work will have to be done during office hours; and if hearings are to be held, it would be better to hold them in the evening hours.

Finance Meetings: Senator Blodgett said that last year the Finance Committee usually met at 8:30 a.m. every morning for the purpose of assigning bills. This hour was agreeable to all committee members.

Duties of Staff: Larry Montgomery commented briefly on the Finance Committee staff. It was mentioned that any analysis would be done for any member; however, if the work begins to get too heavy, the requests for analysis should be filtered through the Chairman.

Reports: Larry described the Financial Inducements to Industry Report, Taxes and Revenue in Alaska Report, and Federal Grant-In-Aid Programs in Alaska Report.

Matching Funds: Senator Blodgett requested that all matching funds available for Fish and Game be set forth for the next legislative session. *

Next meeting: Friday, February 3, 1967, 8:30 a.m.

Adjournment: Meeting adjourned at 9:15 a.m.

SENATE FINANCE COMMITTEE MEETING
February 8, 1967
9:35 a.m.

Present: All members with exception of Senator B. Phillips. Also in attendance were Mr. Richard Freer, Director, Division of Budget & Management, Department of Administration; and, Lt. Nelson, Department of Public Safety.

Senator Begich was also sitting in on the meeting.

General Meeting: Meeting was called to order by Senator V. Phillips.

Action in meeting: Senator Phillips stated that Senator Begich was welcome to sit in on any meetings of the Senate Finance Committee meetings, only if information discussed in the meeting was not passed on outside of the meeting. He further stated that any action in the Senate Finance Committee is confidential and is not for general information until the specific item is on the floor of the Senate.

Senator Begich stated that he agreed with Senator Phillips; however, he thought that all 20 Senators should be in agreement with this policy, too.

Budget; Public Safety: Senator Smith began the explanation of the Public Safety Budget, beginning with the Department Summary, page 157, 1967-68 Budget Document. He stated that the increases in the budget are reflected in the increase of the trooper strength.

and the increased training program for the troopers. Another reason for part of the increase is the rental of the Lockheed equipment (approximately \$41,000) half of which we will get back from Federal receipts.

Also, employee benefits have been upped two percent in all budgets, which is another reason for an increase. Senator Phillips asked^{why}/there was a two percent increase. Mr. Freer said it is mainly for the Public Employees' Retirement Fund, the two percent related to the money going into this fund. Before it was seven percent and now it's gone up to about 8.9 percent. Senator Smith stated that another reason for the increase of two percent is because of the increase in the Social Security contributions.

General
Admin.
Personal
Services:

General Administration - page 159: Senator Smith explained that the drop in the current year was because of the removal of some positions which will show up in the State Police budget. Senator Smith stated that \$19,000 will have to be added to \$100,800 (Personal Services 100) for three positions in the central headquarters that were taken out for the funding of the Lockheed study (data processing of information of information from the whole state for this department). He stated that the Department request was \$5,000 for the Lockheed study. The Budget Review Committee changed this to \$46,500. This is the shared cost to this department for annual contract of the Lockheed study. In answer to a question from Senator Engstrom, Mr. Freer stated that Lockheed is under contract for this study which will improve gathering of information for the whole state. Senator Blodgett asked the cost of the contract, and Mr. Freer stated the contract for the current year is \$196,000. Senator V. Phillips asked that the Commissioner of Administration be contacted to be here tomorrow to answer questions on the Lockheed study. Senator Blodgett said that if this \$19,000

was for Lockheed he would move and ask unanimous consent that this committee arrange to have a look taken into this contract.

Senator Haggland stated that he believed this should be discussed at the time the Administration comes up, and not now. Senator Blodgett moved and asked unanimous consent that his motion be withdrawn or held in abeyance. There being no objection, it was so ordered.

Senator Smith moved and asked unanimous consent that \$19,000 be added to \$100,800, bringing the total to \$119,800 for Personal Services (100), page 159. Senator Blodgett objected, and did not agree until a review is made of the Lockheed contract. There were 5 yeas and 1 nay.

A general discussion was held concerning the Lockheed study (SWISS - State Wide Information System Study). It was pointed out by Mr. Freer that the amount of \$46,000 was added by the Department of Administration after Public Safety had submitted their budget.

Senator Begich left the meeting at this point.

200
Travel

Senator Phillips asked how many people traveled. Lt. Nelson explained this included the commissioner and assistant commissioner and possibly an accountant. Senator Phillips asked who approved the travel. Lt. Nelson replied that it was usually the commissioner or himself. Senator Phillips asked if there was any outside travel included in this figure. Lt. Nelson said there was one trip to possibly New York for the International Chiefs of Police Convention. Senator Phillips stated that more backup information was needed on this travel. Senator Engstrom left at this time.

Senator Smith gave a short explanation of the trips. All other travel is related to Alaska, mainly concerning inspection trips which are made regularly.

Senator Smith moved and asked unanimous consent that the amount of \$5,000 be considered for travel. There was no objection, and it was so ordered.

300
Contract-
ual
Services:

Senator Smith moved and asked unanimous consent for the acceptance of the amount of \$64,000 for Contractual Services. (It was noted that the \$41,000 for the Lockheed study is included in this figure.)

Senator Blodgett objected to the motion because of the pending meeting with the Commissioner of Administration concerning the Lockheed study. Senator Smith amended his motion as follows: "I move and ask unanimous consent for the acceptance of the amount of \$64,000 for Contractual Services pending committee approval." There being no objection to the motion, as amended, it was so ordered.

Senator Engstrom returned at this point.

400
Commodities:

Senator Smith moved and asked unanimous consent that the amount of \$3,100 be accepted for Commodities. Senator Phillips objected and asked what this figure represents. Lt. Nelson replied it was mainly office supplies for the commissioner's office. Senator Phillips removed his objection. There now being no objection, it was so ordered.

Senator Haggland left at this point.

500
Equipment:

Senator Smith moved and asked unanimous consent that the amount of \$1,600 be approved for Equipment. There being no objection, it was so ordered.

Federal Receipts:

It was pointed out that the amount of \$23,200 which will come from federal receipts, will go to Lockheed from the U. S. Department of Justice which will help fund half of the cost.

Total Appropriation, General Administration:

Senator Smith stated that the total for Department of Public Safety, General Administration would be \$193,500.

State Police 100:

Personal Services: The increase from the 1966-67 authorized funds to the 67-68 Governor's recommendation was discussed in detail by Senator Smith.

Senator Brady left at this point.

Senator Blodgett requested a detailed breakdown of state troopers in the Northern District, where they are physically based and what are the contractual arrangements with the various villages and cities.

Senator Engstrom was excused to the floor of the Senate for the calendar.

Senator Brady returned at this point.

Senator Smith said that in addition to \$1,816,300 (Governor's Recommendations) the additional amount of \$52,800 is required for personal services to cover the additional five troopers. This will bring the total amount for personal services to \$1,869,100. Senator Smith moved and asked unanimous consent for the acceptance of the amount of \$1,869,100. There being no objection, it was so ordered.

Recess: The committee recessed at 10:50 a.m.

Meeting: The meeting was called to order by Chairman V. Phillips at 11:10 a.m. Senators Blodgett, Smith and Phillips were present along with Mr. Freer and Lt. Nelson.

Travel 200:

Senator Smith explained this was travel of all kinds, prisoner

escort, etc. SE \$22,700; Western \$56,500 and Northern \$25,400. Senator Brady returned and announced a majority caucus immediately.

Recess: Meeting recessed at 11:15 a.m.

Meeting: The meeting was called to order by Chairman V. Phillips at 2:00 p.m. Those present were Senators Blodgett, Smith, Brady and V. P^hillips. Mr. Freer and Lt. Nelson were also present.

Travel
200: Senator Smith moved and asked unanimous consent that the amount of \$190,200 be accepted for Travel. Senator Blodgett objected, and inquired as to how extensive was the travel. This objection was discussed; however, Mr. Blodgett's objection was not removed so a vote was taken with the following results: 3 yeas and 1 nay. The motion carried and the amount of \$190,200 was accepted for travel.

Cont.
Service
300: Senator Smith discussed the difference between 66-67 and 67-68 budget figures for this item. Senator Smith moved and asked unanimous consent for the acceptance of \$456,800 for Contractual Services. There being no objection, it was so ordered.

Commodi-
ties
400: Senator Smith gave a detailed breakdown on the costs for the different districts, and stated that the total figure for Commodities would be \$43,100. Senator Smith moved and asked unanimous consent that the figure of \$43,100 be accepted for Commodities. There being no objection, it was so ordered.

Equipment
500: A general discussion was held concerning the increase in the Governor's recommendations. Senator Smith moved and asked unanimous consent that the figure of \$55,800 be accepted for Equipment. There being no objection, it was so ordered.

Total
State
Police: The total figure for State Police is \$2,615,000.

**Fire
Prevention:**

The committee discussed this item. Senator Smith moved and asked unanimous consent for the acceptance of the figure of \$13,000 for travel. Senator Phillips objected, and asked whether the fire prevention people make reports on all buildings. Lt. Nelson replied that they were. Senator Phillips removed his objection. There now being no objection, the figure of \$13,000 was accepted.

**Contract-
ual
Service
300:**

Senator Smith discussed this item and moved and asked unanimous consent for the acceptance of the figure of \$10,200 for Contractual Services. There being no objection, it was so ordered.

**Commodities
400:**

This was discussed by Senator Smith. Senator Smith moved and asked unanimous consent that this figure of \$1,600 be accepted for Commodities. There being no objection, it was so ordered.

**Equipment
500:**

Senator Smith discussed this item and moved and asked unanimous consent for the acceptance of the amount of \$3,700 for Equipment. There being no objection, it was so ordered.

**Total Fire
Prevention:**

The total figure for Fire Prevention is \$114,200.

**Alaska
Disaster
Office:
Personal
Services
100:**

This portion of the Department of Public Safety Budget was discussed at length.

Senator Haggland entered the meeting at this point. Senator Blodgett moved and asked unanimous consent that this section of the Public Safety Budget be held in abeyance before the state proceeds with the new structure, until we can determine what obligation we have with the federal government. Senator Phillips removed his objection. There now being no objection to Senator Blodgett's motion, it was so ordered.

Senator Smith asked that the committee go back to the General Administration portion of the Public Safety budget.

General
Adminis-
tration:
Personal
Services
100 :

Senator Smith explained that the salary of the new Deputy Commissioner was left out of this item. An additional \$21,000 will be needed to fund this position.

Senator Smith moved and asked unanimous consent that this item of the General Administration be reopened. There being no objection, it was so ordered.

Senator Smith moved and asked unanimous consent that the figure be changed from \$119,800 to \$140,800 changing the total figure for General Administration to \$214,500. There being no objection, it was so ordered.

The meeting was adjourned at 3:20 p.m.

Next
Meeting:

The committee will meet tomorrow morning at 8:00 a.m. to hear Commissioner Ward, concerning the Lockheed Study.

SENATE FINANCE COMMITTEE MEETING

February 9, 1967

8:10 a.m.

The meeting was called to order by Chairman Vance Phillips.

Present: All members were present with the exception of Brad Phillips. Also present were: Mr. Robert Sharp, Department of Administration, Commissioner Ward and Assistant Commissioner McDonald, Department of Administration and Richard W. Freer, Director, Division of Budget and Management, Department of Administration.

Lockheed Study:

Mr. Ward stated that the final report will be here the 15th of February, and Mr. Ken Larkin will be in Juneau at that time.

Mr. Sharp explained to the committee the present computer system: the state is operating three computer centers, all of which are overloaded at the present time.

Senator Engstrom asked what amount was budgeted for. Mr. Sharp said \$248,000. Senator Engstrom asked how much did it actually cost. Mr. Sharp said they had planned that \$50,000 would be used to commence the implementation of the study itself.

Senator Engstrom asked how much has Lockheed been paid. Mr. Sharp said that about two-thirds of the work has been done, so they no doubt have been paid approximately two-thirds of the amount.

Mr. Brady was excused at this time.

Mr. Sharp explained that phase III is the last phase in this study and will contain all the details concerning the system.

Senator Engstrom asked if all the information was sent down to California; and asked if we could hire experts in this field and let them come up to Alaska. Mr. Sharp said that the Lockheed people are in Juneau from time to time. Senator Engstrom asked why the Lockheed firm was selected. Mr. Sharp said that this firm was the most experienced of any company and that theirs

was the largest computer system in the world.

Senator Engstrom asked what was the actual job of Lockheed. Mr. Sharp replied that they were to review all the state agencies to determine the needs for the study. Lockheed will also design the equipment and system to suit our needs; they will set forth the state's cost and benefits of the system. Lockheed will give us detailed information on the cost of the system that they recommend to us.

Mr. Brady returned at this point.

Mr. Sharp gave a run-down on costs involved, financing for the purpose of implementing the study and the savings to the state if this system were to be used. The savings would amount to 1 and 1/2 million dollars and it would take about 5 years to develop the system.

Senator Blodgett asked what the cost would be to the state each year for this system. Mr. Sharp replied that it would cost \$1,000,000 per year. He also stated that something has to be done for mechanizing systems in the Department of Administration and Department of Labor and that the figure of \$747,000 has been put in (or was already there) the budget for this year. Actually, \$300,000 has been added to the budget request through various departments' budgets; \$347,000 from federal receipts; and \$100,000 for clerical staff already existing, who will be working on this system.

Senator Engstrom asked if Lockheed will get any part of the \$747,000 over and above the \$196,000. Mr. Sharp replied that the final report has not been received and there has not been any decision yet to implement the program. The amount of \$375,000 will be contracted to implement the system.

~~Senator Engstrom asked could someone in the Department of Administration run this system.~~

Senator Engstrom asked why the amount was set at \$375,000, and how was this figure arrived at. Mr. Ward stated that this was the best estimate we could make. Senator Engstrom asked how many men will this cover. Senator Phillips stated at this point that all this detailed information will be contained in the final report which will be here on the 15th of February, and we should wait until that time for these questions.

Senator Smith asked if anyone thought that the state might be getting a system that would be too complicated at this time. Mr. Ward pointed out again the overloaded conditions of the three computer systems.

A detailed discussion ensued concerning how the figure of \$375,000 was arrived at.

Senator Engstrom asked how this type of contracting is handled. Was it put out on a bid? Mr. Sharp explained that it wasn't really a bid, but they had contacted several companies before Lockheed was selected.

Senator V. Phillips suggested to the members that they study the Phase II report put out by Lockheed before February 15, when the Lockheed people will be here.

Senator Blodgett, in referring to the 1 1/2 million dollar savings to the state, asked who arrived at this figure. Mr. Sharp replied that it was an estimate by the Lockheed people.

Senator Blodgett said that what the committee was getting at was: "Do we need a Ford or a Cadillac?" or, just how far do we need to go?

Senator Blodgett stated he belived that the computer system will become a "status symbol", and that the cost of this system to the state is out of proportion to the population in the state. Senator V. Phillips stated that you can't look at the total number of people, you have to look at the total/^{amount}of the dollars coming into the state, you have to look at it like a business. The meeting concluded at this time with personnel from the Department of Administration on the Lockheed study.

Recess: The committee recessed at 9:15 a.m.

HB 75 The committee met again and reported out HOUSE BILL NO. 75.

The committee recessed again.

HB 83 The committee met and reported out HOUSE BILL NO. 83. The following bill assignments were made:

HOUSE BILL NO. 80 - Senator Blodgett

HOUSE BILL NO. 84 - Senator Engstrom

HOUSE BILL NO. 82 - Senator V. Phillips

SENATE FINANCE COMMITTEE MINUTES

February 15, 1967

8:30 a.m.

The meeting was called to order by Chairman Vance Phillips.

Present: All members were present with the exception of Brad Phillips and Bob Blodgett. Also present was Robert D. Stevenson, Commissioner of Revenue.

SB 82: Commissioner Stevenson gave a general run-down on SENATE BILL NO. 82. Senator Smith raised an objection to the bill in that the 1% would be taken out of the gross receipts and asked what would happen if the fee was upped to \$20. Commissioner Stevenson answered that the fee would have to be more like \$40 to cover what the 1% would do. Senator Haggland asked about using a sliding scale. Commissioner Stevenson mentioned that a bill using the sliding scale system was introduced in 1965.

Local

Governments: Senator Haggland asked why this function couldn't be turned over to the local governments. It was agreed that possibly this could be done, and Commissioner Stevenson mentioned that the boroughs do have a say in this, in that they see all permits issued. Senator Engstrom stated that the gambling law must be uniform, and must be made a state law, policed by the borough.

Senator Blodgett entered at this time.

Senator Engstrom further stated that the only function the borough would have would be issuing the permits.

A general discussion was held concerning this bill and the different aspects of gambling.

Senator Brady moved and asked unanimous consent that SENATE BILL NO. 82 be reported out of committee. Senators Smith and Blodgett objected.

The vote was as follows: 4 Yeas; 2 nays.

Sec. 05.
15.090 Commissioner Stevenson brought out the fact that if Sec. 05.15.090 of this bill were repealed, it would eliminate the whole problem, and this situation wouldn't come up each year. Senator Phillips asked if we should eliminate this section. Senator Engstrom recommended that a committee substitute be drawn up to SENATE BILL NO. 82 to repeal this section.

Senator Smith moved and asked unanimous consent that the Senate Finance Committee bring out a committee substitute for SENATE BILL NO. 82 to repeal 05.15.090. Senator Brady objected, Senator Blodgett seconded. The vote was as follows: 1 yea; 5 nays. And so the motion failed.

And so the previous motion to report SENATE BILL NO. 82 out of committee was still in order, and SENATE BILL NO.82 was reported out of the Senate Finance Committee.

Commissioner Stevenson concluded his statements saying that this bill is an approach to make bare expenses.

Commissioner Stevenson left at this point and the meeting continued.

CSHB 80 Senator Blodgett moved and asked unanimous consent that CSHB 80 be brought before the committee. There being no objections, it was so ordered, and Senator Blodgett recommended that the bill be brought out with a unanimous do pass recommendation. Senator Smith objected and asked where did the money for Adult Public Assistance (\$30,000) go. Senator Blodgett answered that it went to indigent people and so on; the money in the General Relief Medical Care portion/^{is}also used for the same purpose. The money in Juvenile Code portion goes to habilitating of juveniles, feeding, and custody in juvenile homes, among other things. There are several juvenile detention homes, which are contracted for by the state; these are simply

CSHB 80 families that take custody of juveniles. Senator Smith withdrew his objection, and CSHB 80 was reported out of the Senate Finance Committee.

HB 84 Senator Engstrom gave a detailed explanation on HOUSE BILL NO. 84 (5 new troopers and uniforms). Senator Erady moved and asked unanimous consent that HOUSE BILL NO. 84 be reported out with a do pass recommendation. Senator Blodgett objected and the vote was as follows: 5 yeas; 1 nay. And so the motion carried.

Budget
Review

Committee: Senator Engstrom brought up the idea of having a year-round budget review section or division with a director and sufficient staff. It was pointed out that the Legislative Audit Committee carries out these duties and also that in the Department of Administration there is the Budget and Management Division which also reviews all budgets of the state departments. In addition, there is a position in the Governor's office for budget review. Senator Engstrom stated, however, that he would like to see an independent committee do this.

SB 18 Senator Phillips gave a brief description of this bill and Senator Smith moved and asked unanimous consent that SENATE BILL NO. 18 be reported out of committee with a do pass recommendation. There being no objection, it was so ordered.

SB 92 Senator Engstrom moved that SENATE BILL NO. 92 be tabled. Senator V. Phillips objected, Senator Blodgett seconded. The vote was as follows: 3 yeas; 3 nays.

Senator Blodgett moved and asked unanimous consent that this matter be held in abeyance until we have a full committee. Chairman V. Phillips overruled Senator Blodgett's motion and SENATE BILL NO. 92 was reported out of the Senate Finance Committee.

Budget progress: The committee discussed the progress on sections of the budget.

Recess: The committee recessed at 9:40 a.m. until 2:00 p.m. at which time the Lockheed people will meet with the committee.

Meeting: The committees met at 2:00.

Lock-
heed
study

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

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

Doctor Chapman, Commissioner of Health and Welfare entered at this point. Senator Blodgett and Mr. O'Leary discussed the physical location of the equipment that will be used and the people. It was stated that they could be handled by Administration. Mr. Strandberg asked if this meant that there would not be any programming in Highways itself and Mr. O'Leary said no, but that he had met with the Highway people and this was satisfactory with them and it would meet their needs. Mr. Larkin continued the Lockheed presentation at this point and stated that the final report was now completed and additional copies would be furnished to the state at our request.

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

Representative Bill Ray came in at this point.

Representative Sassara left at this point.

The presentation continued. Mr. Strandberg asked that if the cost of \$293,000 for 1966 was the present and existing cost. It was answered that it is the present cost for hardware only.

Phase out
present
system:

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

The presentation continued, by Mr. Larkin.

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

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

Recess

The meeting recessed at 3:20 p.m.

at 3:30 p.m.

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

Equip-
ment

Required:

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

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

Investigate
U of A
Computer
System:

Senator V. Phillips stated that he would like to make an investigation of the University of Alaska computer system for the costs.

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

be paid to the contractor (25% of \$6,000,000); the people saved by the system; how soon will this system be outmoded and so on. Commissioner Chapman address^{ed} the committee at this point and stated that the SWIS system will be too heavy for Health and Welfare at this time. In his opinion, Lockheed hasn't been questioned enough or in sufficient detail and urged the committee to ask more and more questions to find out if we are doing the right thing. Mr. Larkin commented that the study has cost \$200,000 and as far as he was concerned it was a bad business deal. Commissioner Ward commended Lockheed on their study and timely arrive of their report on the deadline (February 15, 1967). The meeting was adjourned at 4:15 p.m.

SENATE FINANCE COMMITTEE MINUTES

February 15, 1967

8:30 a.m.

The meeting was called to order by Chairman Vance Phillips. All members were present with the exception of Senator Blodgett and Senator B. Phillips. Also representing Mrs. Alva Wisdom (SENATE BILL NO. 54) were Senator Palmer, Rep. Metcalf and Mr. Drinkell.

Representing the Department of Commerce were Commissioner Sharrock, Walter Kubley, Deputy Commissioner and Jim Fennel, Administrative Assistant.

SB 54: Senator Palmer gave the presentation on SENATE BILL NO. 54 (Appropriating \$20,000 to Mrs. Alva Wisdom) and Representative Metcalf added to his remarks.

Senator Palmer's remarks were concluded and Senator Palmer, Representative Metcalf and Mr. Drinkell left the committee.

COMMERCE

BUDGET: The committee began deliberations on the Department of Commerce budget. It was mentioned that the increase in the office of the Commissioner was merely for step increases for employees.

Lockheed: An amount of \$1,000 was shown for Commerce's share of the Lockheed study. Senator Brady suggested that all the items in all budgets for Lockheed study be listed on a separate piece of paper for easier understanding.

Central

Licensing: Personal services: Commissioner Sharrock stated that they had to hire 3 additional people to take the place of the boards. The item was increased from \$19,500 to \$30,400. Senator Brady asked if this increase would decrease the budget in another place. It was answered, generally, no.

Travel: Some of the boards have increased their membership from 3 to 5 and this increase is for their travel. Senator Phillips asked if the fees paid covered the travel and all expenses of the boards and it was answered that they did.

Banking: A Clerk-Typist position accounts for this increase.

Board Meetings: Senator Haggland asked what the boards had to meet so much for during the year - did they meet for business, or a social gathering? Mr. Fennel stated that they met at the times of examinations and also they met to grade the exams. Commissioner Sharrock stated that these meetings will be cut down by 60% .

Banking: An additional bank examiner has been deleted at this time amounting to \$15,600 savings.

Senator Brady was excused.

Weights

& Measures: **Travel:** It was recommended that all the travel be reinstated for this section since travel is necessary to go out and check fish scales, etc.

Senator Begich entered at this point.

Commissioner Sharrock commented that they have put in for a transfer of funds from personal services to travel. Senator Smith asked if the department had sufficient checkpoints and scales for trucks. Commissioner Sharrock answered that there were not enough. Senator Smith then asked if there were adequate funds to this activity and Commissioner Sharrock said yes, with the additional funds, this will be taken care of.

Senator Brady returned.

ACS: Commissioner Sharrock explained that the Public Service Commission increases in contractual services was for the sale of ACS. The original

figure was \$50,000, and it was cut to \$35,000. Senator V. Phillips asked if this figure (\$35,000) could be put in a supplemental. Commissioner Sharrock said yes this could be done, we could wait until the next legislative year, but it probably will be sold before then.

Commissioner Sharrock was excused for a meeting with the Governor.

Transportation

Commission: A general discussion ensued concerning aspects of the Transportation Commission. Senator Phillips asked that if all the rates were set, wouldn't this remove all competition from the truck industry? Senator Brady stated that the commission will hold hearings and meet with the transportation people to arrive at the set rates. Senator Phillips stated that he did not agree with this method and that this needs to be looked into real bad, and that he would like to have a hearing on this.

ACS: Senator Smith asked just what was the purpose for the proposed study to be made concerning the sale of ACS. Mr. Kubley stated that it would be made to cover the smaller communities so they wouldn't be hurt in the sale, i.e. the cost would be great for communications with the smaller communities that an independent company might just drop them. Senator Phillips asked why couldn't the PSC conduct this study, rather than contracting this out.

Senator Smith then asked if we really wanted to sell ACS or not and stated that this matter should really be looked into. Senator Engstrom asked that we meet with Mr. Sharp concerning this matter.

Reorganization: Senator Phillips asked what has been done to reorganize the department for more efficiency and less personnel. It was answered, that since Commissioner Sharrock has only been ⁱⁿ office a short time, that nothing had really been done.

SR 107
SB 109
The meeting adjourned at this point, and SENATE BILLS NO. 107 and 109 were reported out. Adjourned at 9:55 a.m.

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

Present: Chairman V. Phillips, Senator Haggland, Senators Blodgett, Engstrom and Smith.

Representing the Department of Natural Resources were Commissioner ~~Paul Holdsworth and Roscoe Bell~~, Director, Division of Lands.

Budget - Natural Resources:

Off. of Commissioner - Increase of \$1700. This was explained as increment increases for Commissioner, Deputy Commissioner and Administrative Assistant.

Equipment - Increase \$200. This is for tables and chairs for conference room in Goldstein Building.

Contractual Services - This item was explained for 1966-67 and itemized as follows: Headquarters \$18,100; Co-op Ag. Fur Farm, (U of A) \$25,000; and Northwest Railroad Study \$8,500; totaling \$51,600. For fiscal year 1967-68 the Fur Farm was dropped; Northwest Railroad Study \$8,500; SWIS \$33,200; and general headquarters \$8,400; totaling \$50,100.

Northwest Railroad

The breakdown is as follows: Personal Services - \$3,000; Travel \$3,300 and \$200 Commodities, Contractual Services \$8,500.

It was noted that on page 175 of the Budget Document, Code 300 Contractual Services the Governor's Recommendation will be less \$15,500 which was for implementation of NWRR which was never used.

Changes -
Budget
Document

It was noted at this point that on page 178 of the Budget Document the following items should be changed, in accordance with letter from Commissioner Ward: Code 10, Administration: General Administration should be changed from \$283,400 to \$292,400. Code 18, Parks and Recreation: Change \$225,100 to \$244,600. On page 177, Code 100, Personal Services the Governor's Recommendation was \$1,153,300 was changed by this letter to \$1,181,800.



there was

Travel: It was noted that/a \$26,000 increase in travel. This is reflected in Parks and Recreation where there is an increase of \$10,000 for travel, for roadside camps. \$6,500 is for Water Use Act; \$8,000 is for the Forestry Branch (part of this \$8,000 is for inventory of timber in Susitna Valley and Haines areas). Senator Blodgett suggested that the state make^a/more comprehensive inventory, rather than skimming over it lightly. Senator Smith noted that if a more comprehensive inventory was wanted, more money would have to be budgeted for.

\$1,000 is budgeted for hearings for Native Land Claims. There was a general discussion concerning coordination between the agencies working on Native Land Claims.

Contractual Services: An increase of \$24,000; the breakdown as follows: \$5,000 Parks and Recreation; \$10,000 Forestry; \$7,000 for Water Use Act. Water Use Act uses this for advertising.



Equipment - Parks & Rec., Code 500 \$3,200. Senator Blodgett asked if this equipment is used on federal projects. Mr. Bell stated that these projects are small ones that do not fall under federal projects. Senator Blodgett asked where does the money go that the state receives from the 50/50 federal projects. Mr. Holdsworth answered that when the state gives the federal people the itemized billing for rental of equipment, etc., they in turn give us credit.

Fire Suppression Fund: \$7,000 for equipment. This was explained to the Committee by Mr. Bell. The state has a contract with BLM. Our field people are trained to be fire hoses and we are reimbursed for their time in this training and for overtime our people put in on fires. The state gets credit just as if these people are full-time fire fighting people. This fund is a contingency fund set up for incentive pay for these people to go out and fight fires.

Parks and Recreation - Senator Blodgett asked for an explanation of the term "BOR". It was explained that it stood for Bureau of Outdoor Recreation and Mr. Bell explained the state program in connection with this Bureau.

Roadside camps: Senator Blodgett asked for a breakdown of all roadside camps.

A general discussion followed concerning a boat ramp at Harding Lake; how the grading of roads was handled; air charter, justification for, etc. Senator Blodgett stated he would look into this boat ramp at Harding Lake - he was under the impression that the state built one of the water fuel tax act and he would check this through the Water and Harbor's Budget.

Mr. Bell explained to the committee how grading of roads was handled by the Division of Lands. Most usually, he stated, they had someone locally do it, with someone from the division on location at all times. Each project is inspected before it is approved.

Senator Blodgett questioned item 360 - Equipment Rental, specifically Air charter for 10 hours at \$45/hr. It was explained that air charter was used when only necessary.

The committee then recessed to the floor of the Senate and Natural Resources budget will continue later on in the day.

SENATE FINANCE COMMITTEE MEETING
February 23, 1967
8:15 a.m.

Present: All members with the exception of Senator Brad Phillips were present. Also, Mr. Phil Holdsworth, Commissioner of Natural Resources, and Mr. James Williams, Director, Division of Mines and Minerals.

Parks & Recreation: Senator Blodgett moved and asked unanimous consent that the Commissioner prepare a written report on the parks and recreation program in the state, including the \$255,000 in FY 66-67 budget, and have this report be made available to each legislator. Senator Brady objected to ask a question, then withdrew his objection. Mr. Holdsworth said he would prepare this and submit it to the legislature.

Budget Cont. Personal Services: (100) Mineral Resources Mr. Williams said the increase under personal services for the Mineral Resources budget was due to the addition of two petroleum engineers, working primarily in Cook Inlet and other offshore areas. He told of their various duties that these two engineers would have. Senator Smith asked how many more rigs were there in the area this year. Mr. Williams said there would be 8 more platforms in the Inlet, but he was not sure how many float rigs but there would be quite a few more, he felt. They won't be producing this year but they will be starting to drill, according to Mr. Williams. A discussion concerning problems of hiring top notch engineers for these jobs ensued, and Mr. Williams pointed out that they needed men with a great deal of experience, since they were dealing primarily with industry people who were experienced, and young men just out of college simply couldn't handle this.

Mr. Williams asked that the one engineer for Anchorage be raised from a 20 to a 22 grade, and it would help in recruiting for this job. He would like to make the Anchorage position a Chief Engineer. He also pointed out on pages 262-263 of the budget request book that the figures are wrong, but Administration did not correct them. Senator Smith asked that this information be put in a letter and submitted to the committee.

Travel:
(200)

Senator Smith said the increase in travel was brought about by general increases in other areas, such as more people in the Anchorage area, and they just have to spend more time up there. Also on page 238 of the Budget Request book, there is more travel due to more geological and geochemical work going on in this area. Mr. Williams said as they get work completed in more accessible areas, they must go into the inaccessible areas which costs more money. It was pointed out that the per diem runs higher because a man is out in the field for longer periods of time.

Proposed
Division of
Petroleum:

Senator Blodgett asked Mr. Holdsworth about the feasibility of creating a division of Petroleum, and this was discussed by the group. Mr. Holdsworth pointed out that the Division of Lands and Division of Minerals had to handle certain portions of this work, and he thought they would just be creating another division that would have to work with these two. He added, however, that some day the industry may be big enough that this should be done.

On page 285 of the Budget Request book, Mr. Williams said this travel was necessary due to the economic geological work going on in remote areas, and also for the first time they are asking for helicopter money for easier working conditions. On outside travel, Mr. Williams said that he felt it was necessary for these geologists to go to these conferences to keep in touch with other geologists, and that this particular conference, the men were rotated, and so one man was allowed to go every three years.

Contractual
Services:
(300)

Senator Smith said part of the increase in this item of the budget was due to the move from the Capital Building to the Goldstein Building. Mr. Williams said the mail volume was up and also the increase in long distance phone calls which was due to more people in the Anchorage office, and also because of the increased work with the petroleum industry.

Mines &
Minerals
Move to
U of A:

A discussion was held on the request of the Governor for moving the Mines and Minerals Division to the U of A campus. Senator Smith elaborated on the thinking on this, and the plans of combining it with federal offices. Mr. Holdsworth said the Interior Department has plans to set up an Arctic Mineral Center on the campus and that the state office could be under the same roof. This way they could prevent overlapping of services, and also be able to consult with each other. He said the federal plan would probably be in operation in about two years.

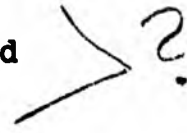
Equipment:
(500)

Senator Smith pointed out the reason for the \$6,000 increase was for two new pieces of equipment. One, which would cost \$5,400 was an atomic absorption spectrophotometer for laboratory work in this division. Mr. Williams explained the purpose of this piece of equipment and said that in the past they have had to send these samples outside but with this equipment they could do their own testing plus general run of assaying work. Senator Smith pointed out that many man hours could be saved with this. The other peice of equipment -- a spectroscope -- which would cost \$1400 and be in the Anchorage office.

Econ-Geo-
logical
Program:

Mr. Williams discussed this program and told the committee that they had a directive each year from the Governor telling them not to expand unless it was absolutely necessary. He said they would expand the program any time they received the direction to do it, and it costs about \$30,000 for each engineer (salary, travel, equipment, etc.)

Promotion
& Regula-
tion
Agriculture:

Senator Smith discussed this budget, and the committee did not feel it was necessary to go into detail. Mr. Holdsworth explained the increase for the milk sanitation area, and said that it had been transferred from Health & Welfare last year, since it was more properly an agricultural function. 

Reindeer
(BIA)

Senator Blodgett discussed his letter to Senator Bartlett on this program, and his ideas of transferring this program to the state.

HB114 am:

This bill was reported out by the committee to the Senate.

Adjournment: Meeting adjourned at 9:30 a.m.

SENATE FINANCE COMMITTEE MEETING

February 24, 1967

8:00 a.m.

Present: All members were present with the exception of Senator B. Phillips.

Military

Affairs: General Elmore, Colonel Byington and Adjutant General Necrason were present representing Military Affairs.

Roofs: A general discussion was held concerning roofing of 8 armories which need this work done quite badly.

Additional

Armories: General Elmore explained the desire to get better armories at Kenai, Homer, etc. which will be funded 75% by federal funds and 25% state funds.

Senator Blodgett requested the Military Affairs to give the committee a memo concerning rent and utilities at various office locations.

Colonel Byington explained that in Juneau the cost was approximately 35.4 cents per sq. ft. for rent lights and water.

Move

to Anchorage: Senator Vance Phillips asked about the advantages of moving Military Affairs to Anchorage. General Elmore stated that the State Police, Military Affairs, Highways and Civil Defense should be all together in the building on Tudor Road. A general explanation was given concerning advantages of moving to Anchorage; for one thing, they would be closer to the Unit Command, and they could operate more efficiently.

Senator Blodgett asked if they would pull out of this budget the cost of travel figures involved in transportation, i.e. travel, per diem and communications due to the fact that the headquarters are in Juneau.

**Report
of travel
costs:**

Communications: On page 10, line 9, The extension of present radio communications was discussed. General Necrason said that a request has been made to the Air Force and Army to determine how we might better increase the efficiency of the communications system.

Armory Sites: Senator Blodgett asked about land for the proposed armory sites.

The Kenai site was discussed and it was noted that Military Affairs deals with Division of Lands for these sites.

(Senator Engstrom left at this point)

Travel: It was noted that the Department Request for travel was \$32,300 and it was cut to \$21,900. Of this \$21,900, \$10,000 is 100% federal funds, and \$11,900 is state funds. It was explained that the federal funds are in support of the scout battalions. General Elmore stated that already this year they are out of travel money..

Outside Travel: Senator Blodgett asked about outside travel. General Elmore stated that this outside travel was needed very badly. It was explained further that if Alaska wasn't represented at all these conferences, they sort of forget about us.

Senator Blodgett stated that he would get together with Sharp and the Budget Review Committee to go over this to see just where they made the cut.

State Militia: This subject was discussed briefly.

Civil Defense: Senator Phillips asked for opinions concerning taking Civil Defense out of Public Safety and putting it under Military Affairs. This idea was agreeable to everyone and this will be studied by the committee later.

The meeting adjourned at 9:30 a.m.

SENATE FINANCE COMMITTEE

March 3, 1967

8:00 a.m.

Present:

All members were present and also Mr. Glenn Huff from the Department of Administration.

Natural
Resources
Pers. Serv.
(100)

\$1,715,000 was the total summary amount allowed for personal services. The amount allowed for lands was \$1,181,000 which was an increase of \$28,500 from the Governor's allowance. This increase was due to the hiring of a reindeer herder.

Travel
(200)

The \$2,000 increase in travel, Sen. Smith said, was due to hiring a reindeer herder. Most of his proposed activities would be by charter aircraft. It is necessary for an interchange of visits between this employee and the state veterinarian, responsible for the Nunivak operation, to help each other. Under agriculture, the figure for travel was changed to \$26,500. The total travel increase amounted to \$161,400. Senator Brady asked if the department was going to add this \$20,000 (total increase for reindeer herder) to the budget or delete it somewhere in the budget. Senator Blodgett informed them that there is approximately \$100,000 in the Technical Assistance Program available through federal funds- with state matching funds- through the Department of Economic Development, that would lapse about July 1st. He said the Hickel Administration requested an extension to the end of the calendar year so they can pick up this land on a contractual basis until January 1, 1968. If this Technical Assistance Program Fund works out, it is possible to continue for 18 months which means the department would save \$20,000. However, there is no assurance that the state will get this fund yet. Sen. Phillips said they would pick up the \$20,000 somewhere in the budget - it was not going to be added to the budget. There was no objection to the travel money allotted.

Contractual: There is \$3,000 allotted for charter aircraft. The total
(300) amount came to \$674,000.

Commodities: This figure is up \$1,000 from Governor's allowance for
(400) Lands, which makes a total of \$9,100. The total summary figure is \$72,800 instead of \$71,800.

Equipment: This figure remained the same as the Governor's allowance,
(500) \$39,100.

Total Appropriation: The total appropriation is \$2,745,500. The total general appropriation is \$2,437,300.

Senator Blodgett objected to the area of Parks and Campgrounds. A vote was taken and all were in favor except Sen. Blodgett.

HB 153: House Bill 153 was brought up next (appropriations for \$54,800).

Dept. of Labor Senator Phillips said the sum of \$7,000 was requested for Joe Armstrong who lost his job as representative of the Electrical Union. This work is done now and the Legislature has to pay for it.

HB 153:
Military Affairs The next item was \$16,500 appropriation for the Dept. of Military Affairs. The reason was to pay for the change in administration when they added a new general. In answer to Sen. Blodgett, Senator Phillips said the \$16,500 was to pay General Elmore through the 30th of June. Senator Blodgett then asked why they were keeping General Elmore when he had been replaced. Sen. Phillips informed him he would have to ask the Governor. Sen. Brady said the way the law reads, they are allowed an Adjutant General who is placed in charge of the Air Division of the National Guard. The second in command has been an army general who serves without pay. The Adjutant General was commissioner of Military Affairs and also commander in charge of the air guard. When General Necrason replaced

General Elmore, it was decided that General Elmore would be in charge of the air guard, which is a new position; the Adjutant General being over them. Senator Blodgett said that there are 251 bodies in the air guard and there are 2,200 in the army guard and there are three general officers. Sen. Blodgett was of the opinion that General Necrason could take care of the air guard himself. Sen. Blodgett said he was in favor of funding this position until June 30 and having a budgetary cut in that position July 1st. Senator Haggland moved that they delete this position altogether. Senator Brady and Senator Phillips expressed their opinions that they carry General Elmore through June 30. This would amount to over \$6,600. Senator Phillips said the motion was before them to cut the \$16,500 out of the bill. Dr. Haggland voted in the affirmative and the others voted negative.

HB 182
Education:

It was decided that the \$2,500 requested for the State Library would be decided on the floor.

HB 183
Economic
Development

\$28,800 is requested for the Dept. of Economic Development for the fiscal year ending June 30, 1967. Sen. Phillips said before the new commissioner took over his new position, he submitted a complete internal audit. This appropriation was due to mismanagement of the department. Sen. Phillips said the audit would be read on the floor.

Miss Susan Harris entered at this time.

Dept. of Law
Pers. Ser.
(100)

The budget for the Dept. of Law was discussed next. Sen. Phillips said they had an attorney law clerk in Juneau for three months so that amount was deleted. He did not think the state should train some young fellow just out of school.

They also had a salary raise for the district attorney of \$1,104. This would make him on the same salary scale as a Deputy District Attorney. Employee benefits amounted to 15%. They took out the increase for the Secretary I. Sen. Phillips said they could get by with one clerk steno III instead of two which they requested.

Senator Thomas left at this time.

It was in mutual agreement with the Dept. of Law and the Senate Finance Committee to delete the court transcriber position and hire someone to come in on a contractual basis. Sen. Phillips said that by deleting this position, they would save \$9,225. This makes the total for personal services, \$796,100.

Travel:
(200)

There was a \$2,000 cut in travel. Sen. Phillips said this is 20% higher than they had. This was voted on and passed unanimously.

Contractual:
(300)

This was reduced to \$180,800 from the Governor's allowance of \$191,800. \$6,800 is budgeted for additions in equipment rentals. This includes two IBM magnetic tape selectric typewriters for the Attorney General's Juneau and Anchorage offices at \$240 per month. \$620 has been requested for xerox rental for Attorney General in Juneau. Sen. Blodgett moved that in the letter of legislative intent, that they request the use of the IBM magnetic tape selectric typewriters be used on a joint basis rather than have one in every office sitting idle most of the time. This motion was moved and passed.

Commodities:
(400)

Sen. Blodgett said that the funds that were intended for the Nome law library were diverted by the court to the Attorney General's office in Anchorage. This puts the clients, attorneys

and judges to a severe disadvantage. He made the motion that in the letter of legislative intent that the Department of Law be directed to upgrade the Nomelaw library. Sen. Phillips requested him to withdraw this motion until they get through the Courts budget and Sen. Blodgett withdrew his motion. There was no objection to the \$12,800 allowance for commodities.

Equipment: The Department requested \$13,700 and they were allowed \$8,000.
(500)

Land & Structures: This is budgeted for attorney's fees and court costs awarded
(600) by the courts against the State of Alaska. Sen. Blodgett said he would like to know what the status would be after they have six months experience. Sen. Blodgett moved they allow \$3,000 for this item and there were no objections.

Total: The total amount allowed for the Dept. of Law came to \$1,030,700.

cess: They recessed at 9:45 a.m.

2:15 p.m.

Present:

All members were present with the exception of Senator Thomas. Miss Susan Harris was also present.

Military Affairs

The amount allotted for personal services in the Dept.

Pers. Serv.:
(100)

of Military Affairs was \$311,300. The position of Specialist III was cut. After a review with the Department, the committee will reconsider the Specialist III position next year.

Travel:
(200)

Sen. Blodgett moved that in the letter of legislative intent that the adjutant general be prepared to lapse travel and per diem funds during fy 68, based on the move of headquarters to Anchorage. There was no objection and it was so moved and passed. *

Contractual
(300)

They were allowed \$185,400 by the committee, they had \$159,700 authorized last year and the governor's allowance for this year was \$185,400. The cut came from repairs, services and alterations. This program includes resurfacing the roofs on a lot of armory buildings in Juneau, Kenai, Ketchikan, etc. Sen. Phillips requested that the Division of Buildings be contacted regarding this. Sen. Smith said the armory building in Fairbanks needs a new floor.

Commodities:
(400)

There was no change from the \$65,000 figure recommended by Governor.

Equipment:
(500)

The figure of \$500 was accepted on this.

Total:

The total appropriation comes to \$584,100.

Sen. Phillips moved that in the letter of legislative intent, addressed to Governor Hickel, incorporated in letter to General Necrason, that headquarters should be in the Anchorage area with a liaison office to be maintained in Juneau. This was moved and passed unanimously. *

The total federal receipts came to \$217,200 and general fund receipts came to \$366,900.

Dept. of Labor

Administrative Pers. Serv.
(100)

The legislative allowance on this is \$143,500. There was a decrease of \$600 in the pay range of an employee who had been given the wrong classification and he had to be reclassified. \$191,500 is the total for Administration in personal services.

Travel:
(200)

This is the same as the Governor allowed - \$10,000.

Contractual:
(300)

The committee allowed \$35,200 which is same as Governor's recommendation.

Commodities:
(400)

The Governor allowed \$3,400 and the committee recommended \$2,800.

Equipment:
(500)

No money was allowed for this. Sen. Phillips recommended that they take two of the used typewriters from the Governor's office and that will save the purchase of two new ones. This was made into a motion and passed unanimously.

Correction Pers. Serv.

Miss Harris recommended that \$5,400 be taken out of the personal services total because this amount was to pay half of the Specialist salary. This would reduce personal services to \$138,100. The total amount for personal services would then be \$186,100 instead of \$191,500. The total for federal fund would be \$171,100. The \$5,400 would be funded directly to the Employment Security Division. These figures were unanimously accepted.

Industrial Safety

This is in reference to HCR 32. This resolution instructs the Legislative counsel to come up with a study so an industrial safety director will not then be needed. Senator Brady said the Governor pledged himself to more industrial safety in his speeches. Sen. Phillips said the Department requested two industrial safety inspectors and one electrical safety inspector and they should delete one contractualesafety inspector and

Letter to Scott

and one electrical safety inspector. It was moved to delete the two inspectors and was passed unanimously. Sen. Blodgett said that two years ago the Commissioner of Labor in concert with the Electrical Union, drafted up a national electrical code that was put in the Administrative Procedures Act. They held hearings in Juneau, Anchorage and Fairbanks and in 30 days it became law. This is one of the inequities of the legislature, that after 30 days, it becomes law. The Legislative Council should be directed to study this to change the administrative procedure. Sen. Blodgett said that he has a resolution regarding this, which has already passed the Senate.

Pers. Serv.: The total for personal services is \$110,662.
(100)

Travel: \$22,700 is the average of what they were allowed for travel
(200) in the past. Sen. Phillips made a motion that in a letter of legislative intent that there will be no outside travel for safety inspectors. Sen. Blodgett amended this motion by adding that there will be no request in the 68-69 budget request also. This motion was passed unanimously.

Contractual: The committee allowed them \$8,000. The reduction was due
(300) to the two positions that were deleted.

Commodities: \$900 is the same figure as the Governor allowed.
(400)

Equipment: \$300 is the same figure as the Governor allowed.
(500)

Total: The total figure for Industrial Safety came to \$141,900.

Employment Security
Workmen's
Comp. \$57,600 was the total for Workmen's Compensation which the Governor's committee allowed. The Senate committee agreed with all line items and it was moved and passed unanimously to accept the total figure of \$57,600.

Wages &
Hours:

\$25,700 was the total for Wages and Hours from the Governor's allowance and this total figure was accepted by the committee.

Employment
of the
Handicapped:

Sen. Phillips recommended that this be taken out of this department and studied under the state employment division.

They have a program operating exactly like this. Senator Smith moved they delete this division and it was unanimously accepted.

Employment
Security:

The total figure of \$2,403,300 was accepted unanimously.

2nd Injury
Benefits:

The total figure of \$5,000 was accepted unanimously.

Total:

The total figure for the Department of Labor came to \$2,954,600. This figure will be double checked later.

Legislative
Council:

Senator Phillips expressed the opinion that the Legislative Council needs reorganization.

Pers. Ser.
(100)

Sen. Phillips recommended that they delete one secretary. The reason for deleting this position, he said, is because they do not use any dictating equipment. The total amount for this deletion will be \$8,400, plus 10%, which would come to \$9,240. He further said he hopes the Legislative Council will try some new types of equipment when they get organized. He also recommended that the Division of Legislative Audit be brought over so they are all on the same floor. The total salary for legislative permanent employees is \$167,750. The increase was \$5,400; however, the executive director was decreased to a salary of \$16,188. \$80,304 is the total amount for temporary employees. It was recommended that they delete four clerk positions. The total salary for the Legislator's was \$379,000. This figure was reduced because the budget was figured for 60 days. If it goes over, they will

have to submit a supplement.

Travel:
(200)

The total for travel came to \$159,500. The reason for the cut in travel and per diem was that it was figured on the 60-day basis. Under transportation, they left this figure at \$12,000.

Contractual:
(300)

\$45,500 which is the same as the Governor's allowance.

Commodities:
(400)

\$22,200, this is the same as the Governor's allowance.

Equipment:
(500)

\$3,000, This is the same as the Governor's allowance.

The purchase of an electric punch and binder was discussed.

Sen. Phillips suggested they look into the matter of the five manual typewriters to see if they are needed.

Total:

\$857,200 is the total amount for the Legislative Affairs Agency.

Legislative
Audit

Pers. Serv.
(100)

The total for personal services in the Legislative Audit is

\$176,000. This increase is because they added a new position of special investigator at a salary of \$15,000 yearly. Sen.

Phillips said this division needs a certified public accountant.

Travel:
(200)

\$21,500 is the amount allowed. This is up \$3,500 from the Governor's allowance.

Contractual:
(300)

\$12,300, this is the same as the Governor's allowance.

Commodities:
(400)

\$1,000, this is the same as the Governor's allowance.

Total:

The total for Personal Services is \$803,000

Travel 181,000

Contractual 57,800

Commodities 23,200

Equipment 3,000

\$ 1,068,000

This total amount was accepted unanimously.

Adjournment:

The meeting adjourned at 4 p.m.

SENATE FINANCE COMMITTEE MINUTES

March 11, 1967

8:15 a.m.

Present: All members were present with the exception of B. Phillips, Maurice Smith and Elton Engstrom. Mr. Freer was also present.

Commerce Budget: Personal Services: **Office of the Commissioner:** The position of Deputy Commissioner was discussed. The amount of \$91,400 was adopted for personal services. The total figure for Office of the Commissioner is \$121,500.

Central Licensing: Personal Services: A Clerk Steno III, at the salary of \$6,180 was cut out of this section. The total figure for personal services adopted was \$23,400.

Travel: This figure is cut from \$28,000 to \$22,500. This will cut the board meetings down per year.

Equipment: This was cut from \$1,700 to \$900, which accounts for the equipment for the Clerk Steno III which was not allowed.

TOTAL, CENTRAL LICENSING: The total figure of \$69,600 was accepted.

Banking, etc.: Pers. Serv. The position of banking examiner has been deleted, also a Clerk Typist, bringing the total for Personal Services to \$38,100.

Travel: This item was cut by \$300, the total figure being \$2,000.

Contractual: This item is \$6,000.

Commodities: This figure is \$1,800.

Equipment: The final figure for equipment is \$300. The additional equipment is deleted for the positions which were deleted.

TOTAL, BANKING, ETC.: The total figure of \$48,200 was accepted for the Banking Section.

Insurance: No change in personal services. \$73,000

Travel: This figure will be \$1,500.

Contractual: This figure will be \$6,600.

There was no change in commodities or equipment.

TOTAL, INSURANCE: The total figure accepted for Insurance section was \$83,600.

Weights and Measures: There was no change in any figures in this section. \$195,400

A discussion ensued at this point concerning travel requests for this section.

Senator Engstrom entered at this point.

Motion: Senator Blodgett moved that all outside travel be reduced by 50% right across the board.

Haggland
Senatory ^{Haggland} stated he would leave Weights and Measures travel at \$10,800. Senator Blodgett objected and asked if this was all inside Alaska travel. Dr. Haggland answered that this was inside travel.

It was moved to accept the figure of \$10,800 for travel. A vote was taken with 3 yeas and 2 nays. The motion carried.

Senator Blodgett's previous motion as underlined above was still

Intent: in order. It was generally agreed that there should be a letter of intent concerning outside travel. ^{It is the intent of the committee} that all outside travel be cut to a minimum.

Public Services

Utilities Commission:

Personal Services: The positions of Technical Writer and Clerk-Steno II were not allowed. The final figure of \$74,500 was accepted for personal services.

Travel: Travel was cut to \$11,000.

Contractual: This item was cut to \$18,000. It was noted that the consultants were cut for the ACS Sale.

Comodities: This item was cut to \$2,000.

Equipment: This item was cut to \$2,300. The equipment for the two new positions that were deleted were cut out.

TOTAL UTILITIES: The total figure accepted for Utilities Commission was \$107,800.

Transportation Commission: Personal Services was not changed \$168,200
Travel was not changed. \$16,500

Contractual: The figure accepted is \$30,000. Commodities was not changed.

Equipment: This item was cut to \$1,600.

TOTAL TRANSPORTATION COMMISSION: The total figure accepted was \$219,100.

There were no changes to Civil Air Patrol, Veterans Affairs, or Veteran's Service Council.

COMMERCE TOTAL FIGURE: The total figure for the Department of Commerce budget will be \$1,075,500. It was moved and asked unanimous consent for the acceptance of this figure. Senator Brady objected to the cut in travel in the Weights and Measures portion. The vote was 4 yeas and 1 nay. And so the motion carried.

SWIS: Senator Engstrom moved and asked unanimous consent that the amount budgeted for for the SWIS (\$375,000) in all budgets, be cut out. He stated that he thought that we just were not quite ready for SWIS, and that the state needs a year to evaluate this whole system. However, he stated, this would not eliminate the 5 new positions nor would it eliminate one additional new machine.

The committee discussed this Lockheed system and Senator Blodgett stated he did not feel that the state was using the present computers to the fullest capacity right now. Senator Phillips noted that we are at the point right now where something has to be done; that the machines are being used to full capacity. Senator Brady commented that he would like to know how the

House Finance Committee felt about it and also, how the Governor felt about it.

After a long discussion concerning SWIS, Senator Engstrom's previous motion was still in order. (See page 45 of the minutes). A vote was taken with 2 yeas and 3 nays. And so the motion failed.

Alaska Court System:

Supreme Court: Personal Services: The position of Clerk Typist as an assistant to the law librarian at Anchorage was not allowed. It was moved and unanimous consent was asked for acceptance of the figure of \$320,500 for personal services. There being no objection, it was so ordered.

Travel: The subcommittee allowed \$10,000 for travel, which, it was noted, was a 10% increase over what was actually spent in 65-66.

Outside travel: It was moved to delete all outside travel and
Intent: that the \$10,000 be used strictly for inside travel; and that the letter of intent reflect that the \$10,000 will be used for inside travel only. The motion passed.

Contractual Services: Senator Engstrom moved that the portion of the SWIS figure (\$47,000) in Contractual Services for the Court System be cut out of this budget. Senator Blodgett seconded the motion. Senator Engstrom went on to say that in his opinion the SWIS is not applicable to the Court System, and further,

Intent: that he would like the letter of intent to reflect that the whole SWIS system should be evaluated by a CPA firm. He stated again that he was opposed to going ahead on this system this year. It was further noted by Senator Engstrom that the funds for this system should not have been put in the budget the way they were (in Contractual Services); they

should be in Administration, for them to be allocated to where they thought best applied.

Senator Brady moved and asked unanimous consent that for the rest of the budget review, the committee does not argue about SWIS. There being no objection to this motion, it was so ordered.

Continuing in Contractual Services for the Supreme Court, it was moved and unanimous consent was asked that \$5,000 be dropped from Special Counsel Costs. It was noted that this amount has already been deleted by the subcommittee.

It was moved and asked unanimous consent that the figure of \$15,000 for Judicial Administrative Costs be cut down to \$3,000. Senator Phillips seconded the motion. Senator Smith entered.

The motion was amended as follows: "delete \$15,000 entirely". There was no objection to this amendment and it was so ordered.

Contractual

Services Total: The total figure for this item was \$140,000.

Intent: The letter of intent will reflect that the committee cut out Judicial Admin. Studies and Special Counsel Costs.

It was moved and unanimous consent was asked for acceptance of the final figure of \$140,000. There being no objection, it was so ordered.

Commodities: It was moved and unanimous consent was asked for acceptance of \$35,000. There being no objection, it was so ordered.

Equipment: This was cut to \$7,000. It was moved and unanimous consent was asked for acceptance of this figure. There being no objection, it was so ordered.

Code 600 - Lands, Bldgs, etc. - The Governor allowed \$5,000; the committee did not allow this amount. The committee allowed nothing in this section.

Intent: The Senate Finance Committee would like to see more detail as to what was requested from the previous year, so a comparison could be made from what was requested last year to what is being requested this year.

Senator Engstrom was excused.

TOTAL SUPREME COURT: The total figure for the Supreme Court is \$512,500.

Superior Court:

Personal Services: The subcommittee cut the following positions: Attorney III

Intent: in Southeastern; Secretary I in Anchorage; Deputy Clerk II in

Cut positions Anchorage; Deputy Clerk I in Anchorage which leaves the total for new positions at \$7,256, from \$60,400.

It was moved and unanimous consent was asked for acceptance of the above cuts and for acceptance of the total figure for personal services for the Superior Court as \$736,500. There being no objection, it was so ordered.

Travel: The committee discussed in length outside travel, specifically the College of Trial Judges for the two Superior Court Judges. The problem of a backlog in cases was brought to light and it was recommended that these people not travel, but stay here and clean up all this backlog.

Intent: It is the intent of the Senate Finance Committee to direct the judges to remain in Alaska and wait upon cases that have been pending, and it is further the intent to not allow any outside travel. There was a motion stating this, and there was an objection to this motion, for questions. A vote was taken with 4 yeas and 1 nay. And so the motion carried.

And so, the College of Trial Judges has been deleted from this portion of the travel for the Superior Court.

The final figure for travel is \$16,000.

Contractual: The figure for this item is \$406,700.

Commodities: This figure was cut to \$11,000 cutting down on the supplies that were figured for the people that were cut.

It was moved and unanimous consent was asked for the acceptance of this figure. There being no objection, it was so ordered.

Equipment: The figure of \$5,400 was considered for equipment. This cut was mainly the new equipment asked for in connection with the positions that were cut. It was moved and unanimous consent was asked for acceptance of \$5,400. There being no objection, it was so ordered.

Code 600, Lands, Etc. This was not changed. \$2,600.

TOTAL SUPERIOR COURT: The total figure for Superior Court is \$1,178,200.

Magistrate Court: Two Deputy Clerk I positions were cut from Anchorage.

Personal Service:

The figure agreed on for personal services was \$665,800.

Travel: Senator Blodgett asked if this travel will increase for the bush magistrates. Reference was made to page 73 of the work book in which the Northwestern Magistrates were listed.

Senator Phillips noted that the subcommittee did not take the travel out for these people, but that the Governor had. It was further noted that the subcommittee had allowed \$17,000 for travel, which was \$6,000 more than in 1966.

It was moved and unanimous consent was asked to increase this travel from the original subcommittee recommendation of \$17,000, to \$19,000. There being no objection, it was so ordered.

Contractual Services:

Communications: \$20,000. A motion was made to accept this figure. Senator Brady left at this point.

Rents: \$237,000, this figure was accepted.

Professional Fees: This figure is \$65,000.

The total Contractual Services figure for Magistrate Court is \$329,500. It was moved and unanimous consent was asked for acceptance of this figure. There being no objection, it was so ordered.

Commodities: This figure is \$21,000. It was moved and unanimous consent was asked for acceptance of this figure. There being no objection, it was so ordered.

Equipment: It was moved and asked unanimous consent for acceptance of \$10,000 for equipment. There being no objection, it was so ordered.

Code 500. Lands. etc.: This was not changed. \$500

TOTAL, MAGISTRATE COURT: The total figure for Magistrate Court was \$1,045,800.

TOTAL, COURT SYSTEM: \$2,736,500.

Nome Library: Senator Blodgett brought to the attention of the committee the fact that the Nome Law Library was badly in need of new books. He moved that there be included in the letter of intent that the library court administrator proceed to update the Nome Law Library out of the present budget and report

Intent: the action that they have taken, in compliance with this directive, and report to the Senate Finance Committee in the next legislative session. There was an objection for questions. There was a second. The objection was removed and it was so ordered.

Recess: The committee recessed for 15 minutes.

11:15 a.m.

Highways
Adminis.
Revol. Prog.

The Dept. requested \$98,700, the Governor allowed this amount and the committee allowed the same.

Public
Relations
Office:

The Dept. requested \$30,300 and the Governor allowed \$21,200.

The committee recommended that this be cut from the budget.

Senators Smith and Engstrom expressed the opinion that they could get good public relations from the newspaper and that it was hard to get actual information from a public relations man, they only gave the rosy side of the picture.

Mr. Freer stated that he thought it was an essential part of the program. The Highway Dept. can get into trouble because they do not get the story out to the people in the right manner.

The committee did not think this position was necessary and it was passed unanimously to cut this item from the budget.

Adminis-
tive
Director:

The Dept. requested \$42,900 and the Governor's allowance was \$40,500. The committee recommended \$39,500. The \$1,000

decrease from the Governor's allowance was for the Highway Service Award Program. This certificate is signed by the

Commissioner and the Governor. It was decided to cut this from the budget this year and see if Mr. Gannason recommends it for next year. It was passed unanimously to delete this amount.

Finance:

The committee unanimously passed on the \$324,600 amount which was the same as the Governor's allowance.

Internal
Audit:

The committee unanimously passed on the \$34,800 amount which was the same as the Governor's allowance.

Personnel:

The Governor's allowance was \$60,100 and this figure was unanimously agreed upon by the committee.

Supply &
Services:

The Dept. requested \$356,200 and the Governor's allowance was \$343,000 which the committee unanimously accepted.

Total: The total amount allowed for the Administrative Division was \$802,000, which is \$1,000 less than the Governor's allowance.

Construction Division: Engineer's Office: The committee unanimously agreed to the \$36,600 figure which the Governor recommended.

Road Design: There was unanimous consent for the \$75,500 allowance by the Governor.

Materials: The Dept. had \$63,100 authorized last fiscal year and the Governor allowed them \$54,400 and the committee recommended \$53,400.

An assistant engineer was transferred is the reason the allowance is lower. Sen. Phillips recommended the travel amount be the same as it is necessary for the materials engineer to go right to the factory when he purchases bridge materials, steel, etc.

Bridge Design: It was unanimously passed on the \$49,200 amount which is the same as the Governor's allowance.

Right-of-Way: The Division had \$128,200 last fiscal year and the Governor allowed them \$131,600. The committee allowed them \$130,000.
Pers. Ser. (100)
The increase from last year was due to personnel step grade increases.

Travel: (200) The Division requested \$10,500 and the Governor's allowance was \$6,600. The committee allowed them \$5,000. Sen. Phillips suggested that they stay within funds available because federal funds have been reduced 13 million. This was passed unanimously.

Contractual: The committee unanimously agreed to \$3,300. This is a raise of \$100 over the amount authorized for last year.

Equipment: No money was requested.

College Lab: The amount of \$18,100 was unanimously agreed upon by the committee.

Pers. Serv. (100) This is the same as the Dept. request and the Governor's allowance.

Travel: (0) Sen. Phillips suggested they stay within funds available because federal funds have been reduced 13 million. Passed unanimously.

Contractual: Sen. Phillips questioned the \$3,000 allowed for a coordinator.
Prof. Fees & Services (380) Mr. Freer recommended that this be studied more before they

made this cut and volunteered to look into it. This amount was not closed pending more information.

Total: The committee's recommendation of \$20,500 total was not closed until they had additional information.

Maintenance Engineer: The Dept. requested \$52,400 and the Governor's allowance was \$52,300 and the committee recommended \$52,000. This amount was passed unanimously.

Construction Engr. Pers. Ser. (100) It was passed unanimously to allow \$202,300, which was the same as the Governor's allowance.

Travel: (200) The Dept. requested \$22,900, the Governor's allowance was \$18,000 and the committee recommended \$15,000 due to the decrease of federal funds.

Contractual: (50) The committee recommended \$10,000, which was a cut of \$1,500 from the Governor's allowance. Sen. Phillips said there was a duplication of service and they could organize better.

Commodities: (400) \$4,300 was the figure passed on by the committee.

Equipment: (500) \$1,500 was also accepted unanimously.

Total: The total legislative allowance was \$233,100 and this was passed unanimously.

Anchorage District Administration Pers. Ser. (100) The Dept. requested \$350,000 and the Governor's allowance was the same and the committee recommended \$339,400.

The increase from last year was due to the addition of a Teletype Operator I and a Storekeeper II by reallocation in fiscal 1966. Employee benefits for these totaled \$1,451. The decrease the committee made was for the accounting clerk and two temporary clerk typists (6 months each) which came to a reduction of \$4,500.

The committee passed unanimously on the following line items:

Personal Services (100)	\$339,400
Travel (200)	8,000
Contractual (300)	127,600
Commodities (400)	9,500
Equipment (500)	1,500
Total	<u>\$485,500</u>

A discussion was then held on the federal funds that were used and available for the Highway program.

Fairbanks
District
Adminis.
Pers. Ser.
(100)

The Dept. requested \$307,900 and the Governor's allowance was \$307,600; the committee recommended \$292,100. The committee deleted one stock handler and two temporary clerks.

Travel:
(200)

The Department requested \$3,300 and the Governor's allowance was the same. The committee allowed them \$2,500 which they felt was sufficient as it was \$300 over the amount authorized last year.

Contractual:
(300)

The committee allowed \$172,000 which is the same as the Governor's allowance and the amount requested by the Dept.

Commodities:
(400)

The committee allowed the same on this, \$8,000.

Equipment:
(500)

The Dept. requested \$6,700 and the Governor's allowance was \$5,000. Sen. Phillips recommended \$1,500, but Sen. Blodgett thought they should cut it to \$1,000 as he knew this office and what equipment they had on hand. It passed unanimously to allow \$1,000.

Total:

The total amount allowed was \$475,600 which was \$20,300 lower than the Governor's allowance of \$495,900. It passed unanimously. Mr. Brady was excused to work with another committee on HB 4.

Juneau
District:
Adminis.
Pers. Ser.
(100)

There was no change in personnel and the Governor's allowance of \$185,300 was accepted.

Travel:
(200)

The Dept. request was for \$9,800 and the Governor's allowance was \$8,800 and the committee recommended \$5,000. They did not feel that Juneau needed as much travel money as the other areas.

Contractual: The Department requested \$23,900 and the Governor allowed same.
(300)
The committee allowed them \$19,000.

Commodities: The Governor's allowance was \$1,600 and the committee allowed
(400)
them \$1,300. It was noted that there were 20 people on the
letter: payroll and there were 6 business telephone lines and 22
extensions. Sen. Phillips requested that Commissioner Gonnason
be notified of the surplus of telephone lines.

Equipment: The Department requested \$1,000 and the Governor allowed same.
(500)
The committee allowed them \$200.

Total: The total amount allowed for the Juneau District was \$210,800,
which was passed unanimously.

Nome District There was no change in the amount from the Governor's allowance
Pers. Ser.
(100) of \$65,800.

Travel: The Dept. request was for \$4,800 and the Governor allowed same.
(200)
Sen. Phillips recommended \$3,800 and Sen. Blodgett moved the
figure be changed to \$2,400. This was passed unanimously.
Sen. Blodgett said the man in the Nome office spent too much
time traveling unnecessarily when he should be in the office.

Contractual: The committee allowed \$21,100 which is the same as the Governor's
(300) allowance.

Commodities: The committee allowed \$1,300 which is the same as the Governor's
(400) allowance.

Equipment: No money was allowed for this item. The Governor's allowance
(500) was \$900. Sen. Blodgett had inspected this office personally
and said this equipment request was not necessary.

Total: The total amount allowed was \$90,600. The Governor's allowance
was \$93,900.

Sen. Blodgett requested that the Highway district combine with the Division of Aviation. This merger, he said, would save the State several thousand dollars a month. The finance committee agreed with the merger. Sen. Blodgett gave a rundown on the irresponsibility and careless expenditure of state funds by Mr. Tope and recommended that he be terminated. Sen. Phillips read a letter confirming this fact. Sen. Smith objected to this procedure and said that the commissioner should be made aware of the facts and that he do the firing. Sen. Blodgett moved that this information be called to the attention of Mr. Mac Clanahan and that he reply to this committee by letter this week. This was passed unanimously.

Sen. Blodgett also wanted the committee to review this man's personnel file in the Dept. of Administration.

The Dept. request was for \$285,900 and the Governor's allowance was \$283,900 and the committee allowed them \$273,900. Sen. Blodgett said that part of that district was being transferred to the Fairbanks district. One temporary clerk typist was deleted. He wanted to know if the state pay increases would be in addition to the salary raise requested in the budget and Mr. Freer informed him that the state pay raise would supplant the budget request.

Travel:
(200)

The Dept. requested \$7,600 and the Governor's allowance was \$6,600 and the committee allowed them \$6,000.

Contractual:
(300)

The Dept. requested \$135,900 and the Governor's allowance was \$131,900 and the committee allowed them \$127,400.

The reduction was due to lowering the amount requested for equipment rental. They wanted to drive 68,000^{miles}/@ 12¢ a mile and their area only covers 160 miles.

Commodities: The committee allowed \$6,700 which is the same as the
(400) Governor's allowance.

Equipment: The committee allowed \$900 which is the same as the Governor's
(500) allowance.

Total: The total amount allowed was \$414,900 which was passed
unanimously.

TOTAL HIGHWAY BUDGET:	Commissioner's Office	97,800	
	Administrative Div.	802,000	
	Pre-Construction Div.	365,200	(open)
	Construction Division	233,100	
	Maintenance Division	52,000	
	Anchorage	485,500	
	Fairbanks	475,600	
	Juneau	210,800	
	Nome	90,600	
	Valdez	414,900	
	TOTAL	3,228,000	(open)

Special Funds: This amount is the same as the Governor's, \$750,000.

General Funds: This amount is \$2,478,000.

Working

Capital Fund: Sen. Blodgett moved that the Legislative Audit conduct a private audit on the working capital fund in the Highway Department. He said the Division of Aviation and the Department of Public Safety are two of the principal raiders of this fund. The purpose of this fund is to upgrade their equipment. They are now three million dollars behind what is needed for maintenance. The equipment, he said, is on dry-rental from the working capital fund from the Dept. of Maintenance from the Division of Aviation. The Dept. of Public Works furnishes the fuel, repairs and operators. The money for this is coming out of the maintenance budget of the Div. of Aviation. All of this equipment is old and only 50% operable. He said they keep their best equipment closest to the shop and send their poorest equipment out of the area,

which is adverse to the way it should be.

Sen. Blodgett said they needed \$500,000 a year added to the working capital fund from the general fund .

Sen. Phillips said they have allowed \$1,230,600 for new equipment. He said the Dept. of Public Works rents the equipment and charges so much for it.

Sen. Phillips said they needed to get together with the Department of Highways to find out what their exact needs are. If they could get a complete breakdown of the equipment needed, they could get a better projection of this.

Recess:

A fifteen minute recess was called.

Book 2, Highways: Maintenance

Total Anchorage:

It was moved and unanimous consent was asked for acceptance of \$2,652,100 for Anchorage Maintenance. There being no objection, it was so ordered.

Fairbanks:

Personal Services: No change. \$1,024,000

Travel: This item was cut down to \$35,000, which was the authorized amount for 66-67.

Contractual Services: This figure was cut down to \$841,700. The cut was taken out of equipment rental.

Commodities: No change.

Equipment: This was cut down to \$2,000, upon a recommendation by a committee member. There being no objection, it was so ordered.

Sen. Smith entered at this point. Also, Mr. Free came in.

Total, Fairbanks: The total figure for Fairbanks Maintenance is \$211,700.

Juneau:

Personal Services: No change. \$392,500

Travel: No change. \$5,000

Contractual: This figure was cut down to \$361,700. The cut was in equipment rental.

Commodities: No change. \$58,000

Equipment: No change. \$1,000.

Total, Juneau: It was moved and unanimous consent was asked for acceptance of \$818,200 for Juneau. There being no objection, it was so ordered.

Nome:

Personal Services: Under line 10, overtime, \$15,000 was restored for overtime, bringing the total for personal services to \$176,600.

Travel: The Program and Procedures trip from Nome to Juneau was cut, decreasing line 210 from \$300 to \$200 which made the total for travel \$8,600.

Contractual Services: No change. \$176,000

Commodities: This was cut from \$21,600 to \$21,000. This is on line 450, the lumber, signs and culverts was cut from \$15,252 to \$12,500; leaving a total of \$21,000 for this item.

Equipment: Request for office furniture of \$200 was cut out. The total for equipment is \$500. (The desk and chair for Teller Maintenance Station were cut out.)

It was moved and unanimous consent was asked for acceptance of the final figure for Commodities at \$21,000 and for Equipment at \$500. There being no objection these figures were accepted.

Total, Nome: The total figure for Nome Maintenance District is \$382,700.

Valdez: Personal Services: No change. \$681,400

Travel: No change. \$18,600

Contractual Services: No change. \$618,600

Commodities: This figure was cut from \$117,600 to \$100,400.

The cut appears in the amount per mile requested for Valdez.

\$500 was requested per mile, and the subcommittee cut this down to \$100 per mile.

Equipment: It was moved and unanimous consent was asked for deletion of this item. There being no objection, it was so ordered, and \$1,800 was not allowed for equipment.

Total, Valdez: The total figure for Valdez Maintenance Station is \$1,419,000.

Special Projects: Senator Engstrom commented that in his opinion this Special

Projects portion is a mistake, and that permanent improvements should be made rather than keeping these roads up temporarily year after year. He stated that we need something more than minimal maintenance.

It was asked why \$100,000 was cut from Special Projects, and Mr. Freer answered that it was strictly dollars.

It was moved and asked unanimous consent to accept the figure of \$300,000 for Special Projects. There was an objection, and an amendment was offered to the figure to bring it back down to \$200,000.

A vote was taken on this item, Special Projects, and the vote was 3 yeas for the figure \$300,000. And so the final figure for Special Projects was \$300,000.

Total Spec. Proj.:

Senator Brady left.

Total. Maintenance Division: The total figure for this division was \$7,683,700.

Working Capital Fund: EDP: No Change. \$339,400 It was moved and unanimous consent was asked for acceptance of this figure, There being no objection, it was so ordered.

Sign Shop: No change. \$67,500 It was moved and unanimous consent was asked for acceptance of this figure. There being no objection, it was so ordered.

Equipment Section:

Headquarters: No change. \$59,300 It was moved and unanimous consent was asked for acceptance of this figure. There being no objection, it was so ordered.

Anchorage: No change. \$995,300 It was moved and unanimous consent was asked for acceptance of this figure. There being no objection, it was so ordered.

Fairbanks: No change. \$876,900 It was moved and unanimous consent was asked for acceptance of this figure. There being no objection, it was so ordered.

Juneau: No change. \$263,900. It was moved and unanimous consent was asked for acceptance of this figure. There being no objection, it was so ordered.

Nome: Personal Services: Line 11, the amount of \$8,642 for overtime was restored, bringing the total for personal services for Nome to \$75,700.

Travel: This amount (\$800) was deleted.

Contractual Services: No change. \$23,300

Commodities: No change. \$50,300.

Equipment: This amount was deleted entirely. (\$1,900).

It was moved and unanimous consent was asked for this deletion. There being no objection, it was so ordered.

It was also moved and unanimous consent was asked for the deletion of the amount of \$800 for Travel. There being no objection, it was so ordered.

It was moved and unanimous consent was asked for acceptance of the figure of \$75,700 for Personal Services. There being no objection, it was so ordered.

Nome Total: \$149,300 It was moved and unanimous consent was asked for acceptance of this figure for Nome District, Equipment Section. There being no objection, it was so ordered.

Valdez: No change. \$495,400 It was moved and unanimous consent was asked for acceptance of this figure for Valdez District, Equipment Section. There being no objection, it was so ordered.

Building Maintenance: Headquarters: No change; \$391,700

Bonds for purchase
of various office
buildings:

Senator Engstrom asked about the bonds for the purchase of the Highway Building in Douglas, Alaska. It was mentioned that no one would buy the bonds. Senator Engstrom requested Mr. Freer to check into this and get a timetable as to when they can proceed with the sale of these bonds so that the state can buy these various buildings they are now paying rent on.

Anchorage: No change. \$215,300 It was moved and unanimous consent was asked for acceptance of this figure. There being no objection, it was so ordered.

Fairbanks: No change. \$421,500. Unanimous consent was asked for acceptance of this figure. There being no objection, it was so ordered.

In answer to a question as to where the budget review committee cut ^{the} in/Contractual services, Mr. Freer said it was cut in items 340 and 390.

Juneau: No change. \$59,700. It was noted that approximately \$200,000 was moved from this section to Headquarters. (See page 191 workbook) It was moved and unanimous consent was asked for acceptance of \$59,700 for Juneau Building Maintenance. There being no objection, it was so ordered. Senator Brady entered at this point.

Nome: Contractual Services: Item 390 was cut by the following: \$1,500 was cut for installation of new furnace; and \$1,650 was cut for installation of new roof, leaving the total for 390 at \$600. The total figure for Contractual services was \$12,300.

Commodities: Item 440 is \$12,900. \$1000 was cut from item 450 and \$900 was cut from item 490. Leaving \$12,900 as the total for Commodities. In answer to a question as to why all this was being deleted, the subcommittee answered that it was because the shop will be moved July 1, 1967 in with the FAA.

Equipment: All items with the exception of #5 (cook stove) were deleted, leaving a total amount of \$400.

Total Nome Building Maintenance: \$25,600.

Valdez: Personal Services: No change. \$146,700

Travel: No change. \$1,000

Contractual Services: Cut it back to \$80,000, which is the amount allowed for 66-67.

Unanimous consent was asked for acceptance of the figure of \$80,000 for Contractual Services. There being no objection, it was so ordered.

Commodities: This figure is a rounded-off figure much the same as 66-67. \$165,000.

Equipment: This is cut to \$2,700. It was noted that Valdez received quite a bit of equipment from ^{federal} earthquake funds. Unanimous consent was asked for this figure and there were no objections.

Total Valdez District Buildings Maintenance: \$395,400

Supply and Services: No change. \$63,600.

TOTAL, BUILDING MAINTENANCE: \$1,509,200

The meeting was adjourned at 4:45 p.m.

SENATE FINANCE COMMITTEE MEETING

March 14, 1967

8:00 a.m.

Present: All members were present except Senator Brad Phillips.

Mr. Daryl Conrad, Department of Administration was also present.

Dept. of Education: Senator Haggland requested a cut (page 8, Budget Request) General Administration: in Administration under Commodities and Equipment. He cut commodities from \$11,000 to \$10,000 (\$1,000 cut) and Equipment from \$4,300 to \$3,000. Total figure of \$610,800 for Administration was accepted by the committee.

Board of Education: The figure of \$3,000 was accepted by the committee.

Advisory Commission - State Senator Haggland requested a cut (page 36, Budget request) of \$2,000 for this commission, giving the Advisory Commission - State a total of \$40,000.

Advisory Commission - Higher Educ. Facilities Senator Haggland requested a cut of \$900 (Page 36, Budget Request book) for a total of \$8,000. Total for Commissions of \$48,000 was accepted by the committee.

Total: It was moved and unanimous consent was asked that the total of \$777,100 be accepted by the committee for General Administration. No objection so ordered.

District School Support: Foundation Program (page 75 Budget Request book) figure of \$20,118,000 was accepted by the committee.

Senator Engstrom moved and asked unanimous consent this figure be increased by \$1,200,000. There was objection and the motion died for lack of a second.

Pupil Transportation

Senator Phillips moved and asked unanimous consent that the amount for Pupil Transportation be increased by \$242,300 as per information received from Dr. Hartman of the Department of Education. Senator Engstrom objected. On show of hands motion carried. The ^{total} amount for pupil transportation was then increased to \$2,607,500, which was accepted by the committee. *(See page 68 for action on this)*

State Share Teacher Retirement:

The figure for State Share Teacher Retirement of \$825,600 was accepted by the committee.

Non-Resident Tuition:

The figure for Non-Resident Tuition of \$516,000 was accepted by the committee.

Johnson O'Malley Aid:

The figure for Johnson O'Malley Aid of \$128,500 was accepted by the committee.

Total:
District School Support:

It was moved that total of \$24,195,600 ^{see page 68} be accepted for District School Support. Mr. Engstrom objected. On a show of hands motion carried 4-1.

State-Operated Schools:
Rural Schools:

Senator Haggland requested that on page 116 of the Budget request book two Clerk-Typists II and Custodial Worker II be deleted. He said the one typist is at Glenallen, another at Metlakatla and the Custodial Worker at Delta Junction. *(see page 116 for action on this)*

The committee discussed the BIA schools being turned over to the state on July 1, and it was decided that a meeting should be arranged for 1:30 this afternoon with Dr. Hartman, Commissioner of Education. The meeting recessed to attend a joint session of House and Senate.

Recess:

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

Present: All members were present except Senator Brad Phillips.
Mr. Daryl Conrad, Department of Administration was also present.

Depart-
ment of
Education
Budget:

Pupil
Transp.:
(Cont.)

With reference to yesterday's meeting (page 67 of the minutes) Senator Haggland said that after discussion with the department that he no longer felt the additional \$242,300 as requested for Pupil transportation (page 70 of the Budget Document) was needed; therefore, he moved and asked unanimous consent that the original figure requested by the Governor of \$2,365,200 for pupil transportation be accepted by the committee. There being no objection it was so ordered.

This changed the Program of District School Support total figure back to the original figure of \$23,953,300 which was accepted by the committee.

Rural
Schools
Legislative
INTENT

Senator Blodgett moved and asked unanimous consent that the legislative intent letter direct the Department of Education to proceed to liquidate any contractual agreement the state has with the federal government for state-operated schools and let the federal government operate them. Senator Smith objected for reasons of discussion. Senator Blodgett said the reason is that the state is being pressured into taking over BIA schools which will add approximately 488 more students next year. He said the state's administration of the state-operated schools is crummy, and they are going to have to improve the level of administration before they continue to take over these BIA schools. He said one way to improve the administration

of state schools would be to turn the on-base schools back to the military. He said they were better financed (the federal government) and should be more interested in educating these children. He said until the rural schools can be upgraded the federal government should operate the on-base schools.

Senator Phillips asked that the motion be held in abeyance as he had talked to the Governor's executive assistant, and he had been assured the Governor would look into this in the next few days.

State-operated schools: Under personal services for Rural Schools. Senator Haggland referred to yesterday's discussion (page 67 of the minutes) and said the Clerk-Typist II and Custodial Worker II in Southeastern would be cut, and a Clerk-Typist II in SouthCentral.

Rural Schools: Personal Services
Cut: The \$15,000 cut in Personal Services was accepted by the committee, which changed total figure as recommended by the committee to \$3,681,300 for Personal Services.

Travel: Senator Haggland said that the Governor's allowance for Cut: \$47,200 would be cut to \$45,000 representing a cut of \$2,200 which he said could be cut from outside travel. There was no objection from the committee to this figure.

Contractual: The figure of \$672,400 as recommended by the Governor was accepted by the committee.

Commodities: The figure of \$634,600 was accepted by the committee.
Equipment: The figure of \$114,700 was accepted by the committee.
Lands & Strc. The figure of \$2,500 was accepted by the committee.

Total: The total figure of \$5,150,500 for Rural Schools was moved
Rural Schools: and unanimous consent was asked for approval. There being no objection so ordered.

On-base
Schools:
Personal
Services:

Senator Haggland said they would remove all clerk-typist requests as shown on page 144 of the Budget Request book, thereby lowering Personal Services figure from \$5,736,100 to \$5,720,400. This represented a cut of \$15,700.

It was moved and unanimous consent was asked for this cut. Senator Blodgett objected. On a show of hands, motion carried 5 to 1.

Travel: Senator Haggland said this should be cut from the Governor's recommendation of \$31,000 to \$27,500 representing a cut of \$3,500. He so moved and asked unanimous consent. Senator Blodgett objected. On a show of hands motion carried 5 to 1.

Contractual: The figure of \$441,000 was approved by the committee.

Commodities: Senator Haggland reduced this figure from \$421,000 to

Cut: \$411,000, representing a \$10,000 cut. He so moved and asked unanimous consent. There was no objection, so ordered.

Equipment: It was moved and unanimous consent was asked that this figure be reduced from \$92,000 to \$87,600 representing a

Cut: cut of \$4,400. No objection, so ordered.

Total:
On-base
Schools: It was moved and unanimous consent was asked that the total figure for on-base schools of \$6,687,500 be accepted by the committee. Senator Blodgett objected. On a show of hands motion carried 5-1.

~~Admin Office:~~ The figure of \$63,800 was accepted by the Committee for Personal Services: Personal Services.

Travel: The figure of \$7,800 for travel was cut to \$7,000, representing a cut of \$800 by the committee.

Total:
Admin Office: The total of \$78,600 for Administrative Office was accepted by the committee.

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Total: figure of \$37,900 as recommended by the Governor be

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