

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2593

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

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.

Cut: 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

Cut: \$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: It was moved and unanimous consent was asked that the total  
On-base Schools 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: The total of \$78,600 for Administrative Office was accepted  
Admin Office: by the committee.

Total:  
Regional  
Schools:

The total figure of \$677,800 was accepted by the committee for Regional Schools.

Total:  
State-  
Operated  
Schools:

The total program for State Operated Schools was changed to \$12,594,400 from the original request of \$12,646,000 of the Governor, and was accepted by the committee.

Special  
School  
Services  
School  
Lun.&Milk:

The School Lunch and Milk program was discussed by the committee, along with problems in the rural schools. Senator V. Phillips felt that some improvement should be made in this program for rural schools, after hearing Senator Blodgett

Total:

describe the lack of a program. It was moved and unanimous consent was asked that the figure of \$259,100 as recommended by the Governor be accepted by the committee, contingent on information concerning a better program for the rural areas. No objection so ordered.

Total:  
NDEA -  
Title III

It was moved and unanimous consent was asked that the total for this NDEA - Title III of \$196,500 be accepted by the committee. No objection, so ordered.

Total:

NDEA- Title V: It was moved and unanimous consent was asked that the total figure for NDEA - Title V (\$80,000) be accepted by the committee. No objection, so ordered.

Correspon-  
dence Courses:

The committee discussed this program and it was agreed that more research should be done in this area concerning these correspondence courses. It was moved and unanimous consent

Total:

was asked that the figure of \$76,700 as recommended by the Governor be accepted by the committee unless further research should cause a change. No objection so ordered.

Sabbatical  
Leave:  
Total:

It was moved and unanimous consent was asked that the figure of \$37,900 as recommended by the Governor be

accepted by the committee. There being no objection it was so ordered.

Total:  
School  
Services  
Program:

It was moved and unanimous consent was asked that the total figure of \$650,200 as recommended by the Governor be accepted for the School Services Program. It was noted at this point by the Chairman that this figure could be opened again if information was received on any of the individual figures such as the correspondence courses that would result in a change. No objection so ordered.

Vocational  
Education:

It was noted by Senator Brady that the vocational education program is almost entirely funded by federal money. Of a total program of \$1,673,300, as requested by the Governor, the federal funds \$1,397,600 and the state \$275,700.

legislative  
intent:

Senator Blodgett moved and asked unanimous consent that in the letter of legislative intent that the Department of Education be notified that unless they get the division of Vocational Education into a more efficient operation that they would be moved into another appropriate state department that would do this. No objection so ordered.

Total:  
PL88-210:

It was moved and unanimous consent was asked that the total of \$760,400, as recommended by the Governor, be accepted by the committee. No objection so ordered.

MDTA:

Senator Smith requested that \$10,000 or more be used from MDTA funds for the electronic technicians' program at the University of Alaska. He said he would like to see this program get the maximum amount of money that could be obtained from MDTA funds. He wants the Vocational Education to report to the legislature immediately on this so it can be a line item in the FY67-68 budget. Senator Phillips

said he would see that this was investigated and report back to the committee.

Contractual Services:

The request of \$24,000 (as shown on page 43, Book II, Budget Request Book) for storage of MDTA equipment was discussed and the committee decided that an inventory should be made of this equipment. Senator Brady said this item should not continue much longer as the equipment was to be distributed to other programs.

Cut:

It was moved and unanimous consent was asked that \$24,000 be cut from Contractual Services for a total figure of \$40,800. Motion carried 4-1. Senator Brady said he would check this out and make sure that this could be done.

Legislative Intent:

Senator Blodgett moved that none of this equipment be channeled into surplus property of the Department of Administration or distributed by Administration in any way. It should be distributed only into the schools. No objection, so ordered.

It was noted that since \$22,000 of this \$24,000 cut is federal money, that the funding should be checked out.

Total:  
MDTA

It was moved and unanimous consent was asked that the total figure of \$888,900 for MDTA be accepted by the committee. No objection so ordered.

Total:  
Vocational Education

The total figure for the program of Vocational Education as passed on by the committee was \$1,649,300.

Total:  
Special  
School  
Programs:

The total figure of \$211,900 as recommended by the Governor for the programs of State Aid Handicapped Education (\$30,000); Citizenship Night School (\$600); Juveniles in Detention (\$15,000) and Economic Opportunity Act (\$166,300); was approved by the committee. Unanimous consent was asked; no objection so ordered.

State  
Libraries:

Senator Brady read a letter to the committee from the Department of Education concerning the state library service program for 67-68. Mr. Conrad said the reason they need more money in this program is because of a federal requirement needing a certain amount of matching money. He said without the additional state funds there was the possibility of losing the federal funds.

Increase:

Senator Brady moved and asked unanimous consent that that the Library Services be increased \$20,600 for a total of \$194,700. Senator Blodgett objected. Senator Brady said the additional funds would be used for a Librarian II, Clerk-Typist III plus employee benefits. Senator Blodgett felt the funds should be taken out of personal services and put into the proper fund to purchase books. Chairman Phillips said they would close out the amount, and he asked Senator Brady to check into the possibility with Mr. Thomas in the Department of Education on transferring this money for books instead of hiring more people.

Total:  
State  
Libraries:

The total figure for State Libraries (\$194,700 for Library Services, and \$134,500 for Library Construction) of \$329,200 was unanimously accepted by the committee with the stipulation that it could be opened again for further changes.

Total:

Historical  
Museum:

It was moved and unanimous consent was asked that the total figure of \$51,500 for Historical Museum be accepted by the committee. No objection so ordered.

Vocational  
Rehab:

After some discussion of this program, it was suggested that the Director of the program appear before the Senate Finance Committee to discuss the progress being made.

Total:

It was moved and unanimous consent was asked that the total for Vocational Rehabilitation program of \$947,600, as recommended by the Governor, be accepted by the Committee. Senator Blodgett objected. On a show of hands motion carried.

Recess:

Committee took a brief recess before returning for a bill session.

SENATE FINANCE COMMITTEE MEETING

March 17, 1967

8:00 a.m.

sent: All members were present except B. Phillips. Dr. Wallace Chapman, H. Trivette, E. Iverson and Darrell Conrad from the Dept. of Health and Welfare were also present.

HEALTH &  
WELFARE  
Adminis-  
tration

There were no changes in the Administration budget. The committee discussed the total figure of \$816,100. Sen. Engstrom said he didn't think they should cut the Administration program as they are trying to build it up. In the past they have had Administration in all the main departments of H & W and now they are trying to centralize these functions in the Dept. of Administration.

Sen. Smith said the Dept. asked for 28 people in order to bring the State up to standard. These are case workers and clerical helpers who would work throughout the state - Fairbanks, Bethel, Kotzebue, etc. These new case workers came under the Welfare section.

Sen. Engstrom read a letter from the Director of Public Welfare, George Spartz. The letter said if they did not fill these positions, there would be a reduction of \$200,000 from the Administrative Budget-if the Legislature would consider a supplemental appropriation next year-if their recruiting program is successful. With this assurance from the Legislature, he feels confident that the Dept. of Health, Education and Welfare, Bureau of Family Services, will fund for these positions requested.

" This \$200,000 does not represent savings to the State because there is a corresponding decrease in federal dollars. The actual decrease in unrestricted general funds will be \$120,000."

Sen. Engstrom suggested that they drop these positions and accept the way the dept. wants to allocate the funds.

It was moved to send a letter saying they have a serious question about replacing the fee agent with the full-time rural case worker; that they ask for the 28 new positions. Dr. Chapman said that on the letter of intent, it is his understanding that these positions should be included, but not funded. The federal government requires that they at least authorize a certain number of positions. If they eliminate the positions, they will lose on the whole program.

Letter of  
Intent:

The letter of intent was changed to read:

It is the intent of the committee that the 28 positions for case workers and clerical helpers be allowed. However, the committee seriously questions the advisability of changing from the policy of contract agents.

Total:

Administration

It was moved and passed unanimously to accept the total figure of \$816,100 for the Administration Dept.

PUBLIC WELFARE  
Pers. Serv.

The committee allowed \$931,600 for personal services and the Governor's allowance was \$1,104,000.

Travel:

The committee left travel the same, \$83,000. It was moved to accept this amount. There were four yeas and two nays and so the motion carried.

Contractual:

Sen. Engstrom wanted to know if they can make inquiry to the department if they can continue with the contractual fee system and still come within the provisions of the federal law.

Sen. Blodgett said they were building up a system, by crowding people onto the welfare rolls. They have workers trying to justify their existence by trying to hand them something - which comes out of our pocketbooks.

Sen. Smith said he talked with Dr. Chapman and his concept is quite the same. Dr. Chapman said they needed this year to

study the program and next year they would be better able to evaluate it. Sen. Phillips said they should wait and see what happens during this year.

Sen. Engstrom read from the letter from Mr. Spartz: "We could cut \$27,600, which is an accumulation of communications, rents and air charter." It was moved and passed unanimously to

**Contractual:** accept the amount of \$2,496,700 for contractual services.

**Equipment:** The Governor's allowance is \$35,300 and the committee allowed the same. The amount deleted was equipment for the new positions. Sen. Blodgett questioned the car in Tok and wondered why this wasn't in the working capital fund and if it was a double entry. Mr. Conrad said the equipment is purchased in the budget and then transferred. The operating agency pays the fee based on the mileage. Sen. Blodgett said he would not approve the 500 item until it is checked out with the working capital fund. He also said that the IBM selectric typewriters should be reduced and a pool be formed for their use. He moved that equipment item be cut back to the amount authorized for fiscal year 66-67, \$18,700. A vote was taken and there were three yeas and three nays and so the motion lost. The committee accepted the figure of \$33,300.

Total Public Welfare: The total amount accepted for Public Welfare is \$7,359,500.

Concerning the increase in the budget, Sen. Engstrom said all of these programs have come up, it is going to expand. Sen. Blodgett said it is a parasite on our economy, industry and initiative. There is nothing justifiable about the \$800,000 increase in a seven million dollar budget.

Sen. Phillips asked by granting these additional funds, what can the department save on the lapse funds? Dr. Chapman

said his objective and policy for next year is to press a business-like budget and they are aiming for a decrease. They are working with the budget on hand and they do not want to jeopardize any program. It will take until next year to study it.

Sen. Engstrom said on general relief and medical care, some of these costs are going to be high regardless of who is in power. There is a definite need without any question, a person still has to get something to eat, hospital care, etc.

Sen. Smith said they still need to rely on the new commissioner. Between now and next year he will have plenty of time to straighten this out.

Dr. Haggland and Sen. Blodgett wanted to know about the drunks who are being hospitalized, did the Welfare pay for that. Dr. Chapman answered that in some instances they did, if the individual is eligible for welfare under the existing program. Most of these people, he said, pay for it themselves eventually or it doesn't get paid and then the doctor loses out. Sen. Blodgett inquired about the API in Anchorage and asked if H & W would look into that matter, if it is handled by the city, state or a joint venture. Dr. Chapman said they do not take care of it. They take care of alcoholics who are mental patients, but not people suffering from the effects of alcohol.

Federal Receipts: The total for this came to \$ 3,118,000.

Program Receipts: The total for this came to 5,000.

Total general fund receipts: 4,236,500.

PUBLIC HEALTH: One micro-biologist for Juneau and Ketchikan was deleted.  
Pers. Serv.

The total the committee accepted was \$1,921,500.

Travel: This allowance was cut over \$10,000, making the figure \$367,600.

Environmental Health Sen. Engstrom brought up the sanitary sanitation program.

He said they presently have four sanitation units in the Anchorage Borough and the State has three in that area. The State pays Anchorage \$125,000 to assist in their health patrol. This amount will be a continuing appropriation. He believes they should eliminate one State functioned sanitation center. Sen. Phillips said they are going to transfer one to Kodiak. Fairbanks also has three sanitation centers. Sen. Engstrom read a letter regarding the sanitation program. Dr. Chapman said Kodiak had one Sanitation center and they are in real need for another one as the cannery industry expands there. He mentioned the example of what happened to the canned salmon in Washington. Dr. Chapman said this is one of the most important functions and they cannot do the job well because they are spread too thin.

Sen. Phillips mentioned the problem of camp sites and summer homes on the lakes and nobody checking it for pollution. Dr. Chapman said they have a new Water Pollution Act that they are completing that will begin to solve the problems but they still need the sanitoriums.

TB Control: Contractual: This is a non-native program. Sen. Engstrom said they cut \$30,000 from this program, which still gives them an increase over last year. The amount authorized for fiscal year 66-67 was \$721,600, the Governor's allowance was \$863,300 and the committee allowed \$833,300. Dr. Haggland said he didn't believe this program should be cut, that the disease is on the rise again and that people were getting careless. Sen. Engstrom recommended the cut in the hospitalization part of it.

Mr. Trivette said there was \$13,100 for Environmental Health.

\$10,000 in personal services and \$3,100 in travel.

Dr. Haggland inquired how many itinerant traveling nurses they had. Mr. Iverson said they were short about 10 or 11 and that they had a real recruitment program going on. They did not have the figures with them on the number of nurses.

TOTAL PUBLIC HEALTH: It was moved and passed unanimously to accept the following figures:

Personal Services	\$1,921,500
Travel	367,600
Contractual	833,300
Commodities	231,800
Equipment	38,700
Grants, Claims	212,100
Total	<u>3,605,000</u>

Adjournment: The meeting adjourned at 10:00 a.m.

SENATE FINANCE COMMITTEE MEETING

March 18, 1967

9:00 a.m.

Present: All members were present except Senator Brad Phillips.

Health & Welfare Cont.) Mr. Daryl Conrad, Budget & Management, was also present.

Mental Health: It was moved and unanimous consent was asked on the following figures for Mental Health program:

Personal Services:	\$3,129,000
Travel:	97,500
Contractual Services:	923,600
Commodities:	478,900
Equipment:	20,000
Miscellaneous:	10,100
Encumbrances:	<u>2,700</u>
Total Program:	\$4,661,800

There was no objection, and the above total program was accepted by the committee for Mental Health.

Senator Blodgett moved that ~~the~~ General Fund figure of \$4,264,300 for the above be accepted. There was objection, and the motion failed.

It was then moved and unanimous consent was asked that the figure of \$4,364,300 (as shown on page 117 of Budget Document) be accepted as the General Fund figure. No objection, so ordered.

YAA: Senator Engstrom recommended that all new positions be  
Program deleted (as shown on page 135, Book I, Budget Request);  
Administrn. this would be 3 probation officers in Anchorage, 1 Clerk  
cut: in Anchorage, and 1 probation officer in Fairbanks. There  
was no objection and the committee agreed to this cut.  
In the over-all program of Youth and Adult Authority, it

cut: was moved that the figure of \$35,100 (Budget Document page 123) be decreased to \$25,000 for equipment, and that this cut be spread throughout the Youth & Adult Authority Budget. There was no objection, so ordered.

Legislative Intent: Senator Smith requested that in the letter of legislative intent that the department be instructed to hire the additional probation officer for Fairbanks (shown deleted on page 81 of the minutes) and cut in other areas so that this person can be hired. There was no objection.

Total: On the Department Summary, page 101, the total for Travel  
H&W Summary  
Travel: for the entire H&W budget was shown as \$744,400, and it

CUT: was moved and unanimous consent was asked that this figure be reduced to \$700,000. There being no objection it was so ordered, and the following cuts in travel were made throughout the budget:

Total: Page 107, Public Welfare, CUT: \$10,000 -- from \$83,000  
Travel: to \$73,000. (This change now reduces Public Welfare total  
Public  
Welfare Total to \$7,349,500.)

Travel: Page 111, Public Health: CUT: \$19,800 -- from \$367,600 to  
Public  
Health \$346,800. (This now changes Public Health total to:  
CUT:  
TOTAL: \$3,585,200.)

Travel: Page 123, Youth & Adult Authority: CUT: \$10,000 -- from  
YAA  
CUT \$174,700 to \$164,700. (This now reduces YAA total to:  
TOTAL: \$3,739,700.)

Letter of Intent: Travel was discussed by the committee, and it was requested that a letter of intent be sent to the Department of H&W instructing the Department that outside travel be limited to the top administrators, and there shall be no outside

travel for them, except to participate in meetings on federal funding programs. There was no objection to the request.

TOTAL:  
H&W Budget:

It was moved and unanimous consent was asked that the total budget for the Department of Health & Welfare be \$20,136,200 and be accepted by the committee. Senator Blodgett objected, and on a show of hands, motion carried 5-1.

Recess: Recessed at 10:00 a.m.

10:30 a.m.

Department  
of Educat.  
Continued:  
Program  
Adminis-  
tration:

The figure for Program of General Administration which was shown as \$777,100 on page 66 of the minutes should have been a total of \$775,100.

Advisory  
Commission:

Page 66 of the minutes, the committee had deleted \$2,000 from Advisory Commission - State, and \$900 from Advisory Commission - Higher Education Facilities. This was returned to the original request of the Governor -- for a total of \$50,900. This now changes the total for Program of General Administration to \$776,000. (See pages 65-66 of the Budget Document.)

Program of  
State Oper-  
Schools:

These figures were changed from those as closed out on the minutes on pages 67-68-69-70-71. SEE FOLLOWING:

Letter of  
Intent:

Letter of Legislative Intent to the Department of Education that when maintenance men travel under Program of State-Operated Schools, they are to plan their trips if they have excess baggage so that the baggage can be shipped ahead as freight, instead of excess baggage, the latter being extremely expensive.

On-Base Schools: On base schools, which was recommended by the Governor at \$6,721,100 and then changed by the committee to \$6,687,500 was now changed back to the \$6,721,100

TOTALS; which in turn changed the total of State operated Schools to \$12,528,000. This was moved, unanimous consent was asked; no objection so ordered.

Program Schools Service Programs: This program was again accepted by the committee for a total of \$650,200.

Vocational Education: This figure which was closed out at \$1,649,300 as shown on page 73 of the minutes, was changed back to the original request of the Governor at \$1,673,300.

MDTA: The MDTA figure was raised from \$888,900 to \$912,900 as recommended by the Governor. \$24,000 had originally been taken from this under Contractual Services, and the reason the committee gave for returning this figure to its original amount was that this storage on the MDTA equipment is necessary (\$22,000 of this is paid by the federal) or the federal government will have to return it to the states and there is the possibility it would not be returned. Senator Brady said it was worth hundreds of thousands of dollars (electronic equipment) and they are giving it to the schools as fast as possible, and there is a good possibility it will not cost the full \$24,000 for storage. The figure of \$1,673,300 was moved, unanimous consent was asked, and figure adopted by committee with no objection.

TOTAL: Total figure of \$41,220,800 was moved, unanimous consent  
Department  
of Educa-  
tion Budget: was asked to adopt total figure for Department of  
Education budget. No objection, so ordered.

Letter of  
Intent: Same letter on outside travel as to Health & Welfare. (See  
page 82-83 of minutes.)

Letter  
Legislative  
Intent: Also, there was to be in the legislative intent, a request  
for the department to review the entire federal grants-in-  
aid programs. Also, the Governor's office, Department  
of Administration and Department of Education should review  
the entire educational program funding in education to see  
if the state is matching funds in federal programs that  
are not of any great benefit to the state.

Adjournment: Meeting adjourned at 11:30. a.m.

SENATE FINANCE COMMITTEE MEETING

March 20, 1967

8:05 a.m.

Present: All members were present along with Clyde Huff from Budget and Management.

DEPT. OF PUBLIC WORKS (Close-out budget)

Commissioner's Office The committee allowed the same, \$57,400.

Div. of Administration Personal Services: \$237,800 was the amount the committee allowed. The decrease was for one Accountant I at the Airport, this amounted to \$8,200 reduction.

Travel: Same, \$2,100

Contractual: Same, \$23,500.

Commodities: Same, \$3,400.

Equipment: Same, \$600.

Total: The total for Div. of Administration is \$266,300.

The total for Program of Administration is \$324,200.

It was moved and passed unanimously to accept these figures.

Div. of Aviation The committee allowed \$170,000 and the Governor's allowance  
Pers. Serv. was \$178,200. The reduction was for the deletion of one Accountant I position.

Travel: The Governor's allowance was \$9,000 and the committee allowed \$1,000. This was a general reduction.

Contractual: The Governor's allowance was \$33,200 and the committee allowed \$29,900. The reduction was for the airport directory.

Commodities: The same, \$3,000.

Equipment: No allowance. They deleted the equipment for the new position that was denied.

Total: The total for the Division of Aviation is \$210,900. This was passed unanimously.

Airport Operations

Chief Aviation Operations: The same, \$35,800.

Trunk & Secondary Operations: The Governor's allowance was \$753,200 and the committee

allowed \$734,900.

Pers. Serv. The same, \$181,300.

Travel: The Governor's allowance was \$18,500 and the committee allowed \$12,000. One man alone spent \$11,000 last year plus was on per diem for 60 days. This was far in excess.

Contractual: The Governor's allowance was \$455,900 and the committee allowed \$450,000. The cut was in code 350 and 360 for charter and miscellaneous transportation.

Commodities: The same, \$36,600.

Equipment: The same, \$20,000.

Total: \$734,900 was the total accepted unanimously.

Intermediate Airports: Personal Services: The same, \$350,400.

Travel: The same, \$7,000.

Contractual: The same, \$139,300.

Commodities: The Governor's allowance was \$115,000 and the committee allowed \$165,000. This increase is for sand to be stored at the airport which they haven't had before and they also need paving done. Part of this increase is because they took over FAA.

Equipment: The Governor allowed \$2,000 and the committee allowed \$1,000.

Total: The total allowed is \$662,700 and the Governor's allowance is \$613,700.

Cold Bay Airport: The same, \$154,200.

Anchorage International Airport: Personal Services: The same, \$673,300.

Travel: The same, \$800.

Contractual: The Governor's allowance was \$349,400 and the committee allowed \$354,400. They added back to the budget \$5,000

for maintenance of Public Address System.

Letter of  
Intent:

The manager of the airport should be informed that \$5,000 has been allowed for a centralized public address system.

The manager of the International Airport is to certify to the Legislature of the exact money to be spent for this public address system.

Commodities: The same, \$62,500.

Equipment: The same, \$117,100.

Total: The total allowed by the committee is \$1,208,100.

Letter of  
Intent:

Sen. Phillips said a letter should be written requesting the International Airport to rehabilitate their public lavatories. Sen. Brady brought up the subject of the concourse at Anchorage International Airport and why they need it so badly. One million was appropriated for this. They still have \$800,000 left but will need another million to do the work properly.

Fairbanks International Airport: The same, \$611,800. It was noted that they were allowed \$8,500 less than they were authorized for fiscal year 66-67. The reduction was in the over-time pay. They also lapsed \$92,400.

Engineering and Construction Administration: The same, \$131,200.

Sen. Engstrom asked where the special funds were derived from. Mr. Huff said this was the amount received for work not in their regular line of duty. When they do extra work for the Air Force or Parks and Services, for instance, they receive payment from them. They receive money from their leased property and rentals, such as the coffee shop and restaurant.

Total for Program of Aviation: The total the committee accepted is \$3,749,100.

Sen. Brady objected to the total for a moment. He moved and asked for unanimous consent that the Dept. of Public Works explain the program in regards to the Airport concourse.

There was no action taken.

Letter of  
Content:

Sen Phillips suggested that a letter be written to the commissioner regarding the long distance telephone calls. The costs of these calls are astronomical and the teletype should be used as much as possible.

Sen. Haggland objected that the budget for airports was up too high. He suggested that the tax on gasoline be placed on airline tickets instead.

Book #2  
MARINE TRANS.  
Buildings

Director's Office: The committee allowed \$661,800 which is the same as the Governor's allowance.

Custodial  
Services:

The same, \$230,400. Sen. Haggland wanted to know why they didn't hire on a contractual basis and Sen. Engstrom said it was cheaper in the long run to hire their own personnel. It was moved and passed unanimously to accept this figure.

Maintenance  
Services:

The amount recommended by the committee for personal services was \$157,100. This included hiring a Maintenance Mechanic Foreman IV, which was recommended by Mr. MacClanahan and Mr. Lowell. Sen. Haggland moved that this position be denied. A vote was taken and there were four yeas and three nays and so the position was taken out of the budget. The committee then accepted the total figure allowed by the Governor, which was \$223,400.

Planning &  
Design

The same, \$64,800. This passed unanimously.

Construction

In answer to Sen. Haggland, it was reported this division had three employees, a Construction Engr. IV and a Constr. Engr. II and a Clerk Steno II. Sen. Haggland made a motion to remove an engineer. There were six yeas and one nay and so the motion lost. The committee allowed \$42,700, which is the same as the Governor's allowance.

Museum Maintenance: The same, \$33,600 which was accepted unanimously.

Communications: Personal Services: The same, \$215,800.

Travel: The Governor's allowance was \$24,100 and the committee allowed \$20,000. All outside travel was denied except for one person. The travel allowed was for meeting with FCC concerning additional frequencies and marine operator requirements.

Contractual: The committee allowed \$70,600; the Governor's allowance was \$73,400. The reductions were in item 310, this was cut \$1,000;

Item 340: This was reduced from \$5,100 to \$4,500;

Item 390: This was reduced from \$1,800 to \$600.

Commodities: The reduction was in item 460, which was cut from \$29,000 to \$27,200. The total allowed for commodities is \$30,000.

Equipment: The Governor allowed \$84,600 and the committee allowed \$61,500, a reduction of \$23,100. \$26,400 was cut out of Fish and Game. They allowed \$4,000 for Public Safety; Nothing was allowed for Alaska Disaster Office; \$29,400 was allowed for the Highways Dept.

Total, Communications: The total amount was \$397,900.

MARINE TRANSPORTATION: The same, \$5,543,800.

Administration:

Letter of Intent: Sen. Phillips moved that a letter be sent asking that one ferry from Kodiak be used on the Sitka run in the SE district.

Mr. Huff gave the figures on the profit and loss of the ferries.

SE District: \$135,400 gain.

SW District: \$750,609 loss.

Other Ferries: \$1,051,000.

It was asked why put another ferry in the SW District when they are already losing money. Sen. Engstrom said he was happy to see that Southeastern was doing so well, but in the other districts, they were necessary as they provided highways where there were no highways.

Motion:

Sen. Blodgett moved and asked unanimous consent that a letter be sent to the Commissioner of Public Works, through the Governor's Office, directing that no action be taken, with the viewpoint to sally any bonds or in new contracts, for the construction of a new ferry for SW Alaska until a thorough review of the benefits, as weighed against the cost, be submitted to the Legislature for further consideration. Senators Smith and Engstrom objected. Sen. Brady said that they should have a study anyway. Sen. Phillips said he would like to see them have an air ferry; that they could operate them much cheaper. They could haul big trucks and trailers on this large air ferry. It was decided that this would be gone into next time they met.

Southeastern  
Ferry System:

The same, \$4,872,400.

SW Ferry System:

The same, \$2,256,900.

Other Ferries:

The same, \$824,300.

Total:

The total for Marine Transportation is \$6,543,800 which was passed unanimously.

Recess:

The committee recessed at 10:00 a.m.

2:00 p.m.

Present: All members were present. Also present were Jim Scott, from the Governor's Office, Susie Harris from Budget and Management, and Senator Begich.

Closing Out  
Office of Governor:

Personal Services: This was discussed by the committee, noting the explanations on page 4 of the workbook for the increase. Senator V. Phillips stepped out. Senator Engstrom noted that the Senate has passed a bill on

Yukon-Taiya: Yukon-Taiya Commission and that there is also a bill which appropriates \$25,000 for this commission. He remarked that he was not assured that this bill would go anywhere, so would like to add from \$5,000 to \$10,000 to this budget for it.

Senator Begich left at this point.

Mr. Scott said that the above subject, Yukon-Taiya, would come under Contingencies.

Fairbanks  
Office:

The question of whether or not the Fairbanks office was really needed was brought up and discussed fully by the full committee. Mr. Scott indicated that the Governor wanted the office in Fairbanks and further stated that these people would be responsible for acting as<sup>a</sup> liason between other agencies and departments and the governor.

It was moved and unanimous consent was asked for acceptance of the figure of \$259,600 for personal services in the Office of the Governor. There was an objection, and the vote was 3-3. At this point the committee continued, leaving this open pending return of another committee member.

Travel: It was noted that \$1,500 of the \$14,800, allowed by the Governor, is for the new Director of Information. It was moved and unanimous consent was asked for acceptance of \$14,800 for Travel. There was an objection and the committee decided to leave this open pending return of another committee member. This objection centered on the acceptance of the opening of a Fairbanks office.

Contractual Services: The subcommittee recommended \$39,200 in comparison to the Governor's allowance of \$44,200. It was pointed out that in item 340, \$5,000 was taken out and transferred to Public Works. Senator Begich entered at this time. Senator V. Phillips entered.

Re-Open Personal Services: Personal Services was opened again. It was explained that the Fairbanks Office caused increases in travel, contractual services and commodities. The pros and cons concerning the opening of this office were discussed again in full.

Information Officer: This new position was explained by Mr. Scott, stating that with the creation of this new position, it would eliminate a lot of confusion which previously had come about. Each department had their own information officer, releasing information at all times, not in coordination with the governor. It was moved and unanimous consent was asked to moved on to the next item and temporarily skip this section. There being no objections, it was so ordered.

GOVERNOR'S MANSION: It was moved and unanimous consent was asked for acceptance of the figure of \$47,600. There being no objection, it was so ordered.

WICHE: The Governor's allowance was \$74,500, and the subcommittee recommended \$74,500.

Contr. Serv. It was moved and unanimous consent was asked to reduce the figure for contractual services from \$22,500 to \$15,000. There was an objection and a second.

It was noted at this point that all this money was from general fund receipts.

An explanation of the increase from \$34,400 to \$52,000 for item 700, Grants and Claims, etc. was given, as shown on page 28 of the workbook.

It was agreed that the previous motion for reduction of the figure of \$22,500 to \$15,000 was still in order. There was a second to the motion and a vote was taken which carried, 6 - 1. Item 700 was not changed, leaving it at \$52,000, making the

TOTAL: total for WICHE \$67,000.

Senator Smith left at this point.

Council of State Gov.: It was moved and unanimous consent to accept \$4,000 for this section. There was an objection.

Senator Blodgett left at this time.

The objection was removed and the motion carried, and the amount of \$4,000 was accepted for Council of State Governments.

Senator Begich left.

Governor's Employment Advisory Commission: A suggestion was made to take this agency out of the Governor's Office and put it in Economic Development.

A brief history of how this was created and a general discussion ensued.

Senator Blodgett entered the committee.

A member of the committee noted that the Governor had already appointed this commission.

Another member stated that if the committee felt this agency should be moved, or any other change be made, it would require legislation. It was then suggested to cut the appropriation to \$4,000 or \$5,000. This problem was discussed by the committee fully, taking into account the last report published by this agency.

**Travel:** It was moved and unanimous consent was asked to cut travel from \$7,500 to \$4,000. There was an objection, and a vote was taken with 5 yeas and 1 nay. And so the figure of \$4,000 was adopted.

Lttr. of Intent: It is the intent of the committee that this \$4,000 be the only amount allowed the Governor's Employment Advisory Commission for travel of the commission and for no other function. It is the further recommendation of the Senate Finance Committee that the Department of Economic Development correlate all the activities of this commission.

**Recess:** The committee recessed for a coffee break.

**Meeting:** The committee met again and copies of the last report of the Governor's Employment Advisory Commission were passed out to members.

Athletic Commission: It was moved and unanimous consent was asked to accept the figure of \$4,000 for this commission. There were no objections to this motion.

Contingency Appropriation: It was moved and unanimous consent was asked to accept the figure of \$92,000. There being no objections, it was so ordered.

Secretary of the State: The committee's attention was directed to the fact that Elections portion of this section has been combined with Secretary of the State, as explained on page 58 of the workbook.

It was decided to leave this portion open pending receipt of more detailed information for the Secretary of State's budget.

Commission on the Status of Women:

A motion was made and unanimous consent was asked to accept the figure of \$5,000. There was an objection.

A motion was made and unanimous consent was asked to cut this appropriation out. There was an objection and a second. Upon a show of hands, the vote was 3-3.

It was moved and unanimous consent was asked to amend the figure from \$5,000 to \$4,000.

The merits, history and pros and cons of this commission were discussed.

A final motion was made and unanimous consent was asked to further amend this figure to \$2,500. There were objections, and upon a vote of 4-2, the motion carried. And so the final figure for this commission was \$2,500.

Pioneers' Home: It was moved and unanimous consent was asked for the figure of \$965,500. There being no objections, it was so ordered.

Local Affairs: The Property Appraisal Manual for Alaska Assessors was discussed Contractual in full. The breakdown is as follows; as established by the services:

Budget Review Committee:

\$5,000	to update the manual
5,000	for mapping
2,000	for general purposes
<u>\$12,000</u>	

It was noted that the appropriation for Local Affairs has been coming up each year, and that the boroughs have now been launched and/<sup>it was</sup>asked if there was any place that could be cut. Mr.

Scott said that this has already been trimmed quite a bit. He also mentioned that the Boundary Commission has had an increase in activity.

It was moved and unanimous consent was asked to accept a figure of \$140,000 for Local Affairs. There was an objection.

There was a motion and unanimous consent was asked to take out the position of Deputy Director. There was an objection.

The previous motion for \$140,000 was renewed.

Another motion was made and unanimous consent was asked for the figure of \$128,000 for Local Affairs. There was an objection and upon a vote, the motion failed 3-3.

It was moved and unanimous consent was asked to ~~strike~~ the position of Deputy Director and adjust travel and contractual services down for a total of \$92,000.

Personal  
Services:

In summary, the total figure of \$92,000 for personal services was agreed upon, after a vote of 5-1.

Travel:

Outside travel was discussed and a motion was made to delete the outside travel, leaving the total for travel at \$16,700. There was an objection and upon a show of hands the motion carried by 5-1.

Contractual  
Services:

(See page 96 of the minutes for explanation).

It was moved and unanimous consent was asked for the figure of \$10,500. There was a second.

It was moved and unanimous consent was asked for acceptance of the figure of \$12,500. On a show of hands, the motion carried 5-1.

**Equipment:** It was moved and unanimous consent was asked to cut this figure from \$3,000 to \$900. There was an objection, and on a show of hands, the motion carried, 5-1.

**Re-open  
Travel:**

It was moved and unanimous consent was asked to change the figure previously accepted from \$16,700 to \$15,000. There was an objection, and on a show of hands, the motion carried, 5-1.

**Commodities:** It was moved and asked unanimous consent for acceptance of \$3,500 for commodities. There being no objections, it was so ordered.

Rural Development:

Personal Services: It was mentioned that a new position of Clerk Steno I has been deleted.

Trail Staking: This program was discussed and Senator Blodgett brought to the attention of the committee that this activity has not been carried out as it should.

It was moved and unanimous consent was asked that this responsibility be moved back to the Department of Highways, and put out on a bid basis, so that there is some competition for the native people.

The committee generally agreed that the letter of intent will state that Trail Staking could be left in NYC, but it will be put on a competitive bid basis through this agency.

**Personal  
Services:**

It was moved and unanimous consent was asked for acceptance of \$42,200 for personal services. There being no objection, it was so ordered.

**Travel:**

It was moved and unanimous consent was asked for acceptance of the/ <sup>subcommittee recommendation of</sup> figure of \$7,100. There were objections. Upon an explanation from Mr. Scott concerning the value of the projects, the objections were removed, and this figure was accepted.

Contractual Services: It was moved and unanimous consent was asked for acceptance of \$14,000. There being no objection, it was so ordered.

Commodities: It was moved and unanimous consent was asked for the figure of \$9,200. There being no objection, it was so ordered.

Equipment: There was some discussion concerning the saw mills and how they would be operated and where they would go. It was suggested that Pat Ryan appear to discuss these projects. It was moved and unanimous consent was asked for acceptance of \$9,600 for equipment. There being no objection, it was so ordered.

Grants, Claims: A motion was made and unanimous consent was asked to accept the amount of \$300,000. There being no objection, it was so ordered. Senator Engstrom left at this point.

Total - Rural Development Agency: \$382,100.

The meeting recessed at 4:35 p.m.

The committee met again at 4:50 p.m. All members were present with the exception of Senator Smith.

Correction  
to Personal  
Service:

The subcommittee brought to the attention of the committee of the whole that there had been an error in figuring on personal services for Rural Development and that the corrected figure should be \$46,000 rather than \$42,200.

Corrected Total for Rural Development Agency: \$385,900.

Commission of Human Rights:

Personal Services: It was moved and unanimous consent was asked for the figure of \$35,600. There being no objection, it was so ordered.

Travel: It was moved and unanimous consent was asked to delete outside travel in the amount of \$400, leaving a total of \$8,100 for travel. Objections were voiced.

Adjournment The meeting adjourned at 5:05 p.m., to meet this evening at 7:30 p.m.

7:30 p.m.

**Present:** All members were present except Sen. Smith and Sen. Haggland. Miss Susan Harris, from Budget and Management, and Jim Scott, Office of the Governor, were also present.

**STATE COMMISSION ON HUMAN RIGHTS:** The committee accepted the total of \$53,600, which is the same as the Governor's allowance.

**ALASKA FAR  
EAST TRADE  
INFORMATION  
OFFICE:**

The committee accepted the figure of \$65,000, which is the same as the Governor's allowance. It was noted that the salary for the Director was raised to \$17,500 from \$15,000 and rent was increased \$1,500. This accounted for the \$4,400 raise over last fiscal year.

In answer to Sen. Blodgett, Mr. Scott said they hadn't made a decision as to hiring a director, they now have an acting director in Japan who is doing a real good job.

Sen. Brady said that when Senator Bartlett came back from Japan, he pleaded with the new governor to continue the program or even expand it.

Sen. Blodgett asked Mr. Scott to give the committee a status report on the Far East Trade Office.

**ECONOMIC OPPORTUNITY:**

**Technical Assistance:** The committee allowed \$58,500 and the Governor's allowance was \$60,500.

**VISTA Coordination:** The amount accepted for this is the same, \$50,500. The decrease in the total for Economic Opportunity is in travel. The committee allowed \$11,500 and the Governor's allowance was \$13,500.

**Total Economic Opportunity:** The total amount accepted was \$109,000.

In answer to Sen. Blodgett, Mr. Scott said VISTA had six employees. They are part of the Governor's Office and they have one office in Juneau also, in the Goldstein Bldg. There is a half

PLANNING &  
RESEARCH

COUNCIL ON  
THE ARTS:

million dollars of VISTA funds that are not shown.

Sen. Blodgett said they have some real good people in the field and this is one of the programs he is really in favor of.

It was passed unanimously to accept the total figure of \$49,700, which is the same as the Governor's allowance.

This is an increase of \$6,000 over last fiscal year's budget.

In answer to a question, Mr. Scott said the council supported such programs as the Centennial, the Symphony Orchestra, Alaska Artists and many more. They receive matching funds from the federal government. Last year they had \$300,000 in grant applications.

There was a motion made to cut this program entirely. Why make the people pay for it who are not interested in this program, let the ones who are interested sponsor it?

It was mentioned that this program served many people in the smaller communities, who could not afford to raise matching funds. They now could hear concerts and view the art exhibits for the first time in their lives. This program made this possible to continue.

A vote was taken on the motion to delete this program .

There were two yeas and three nays and so the motion lost.

The figure of \$40,000 was the amount accepted.

All the budgets for Office of the Governor were closed out except for the Executive Office and Secretary of State office.

Assignments: Sen. Lewis and Sen. Blodgett will work on the Dept. of Administration budget. Sen. Phillips will do the Revenue budget.

Adjournment: The meeting adjourned at 8:30 p.m.

SENATE FINANCE COMMITTEE MEETING

March 22, 1967

8:30 a.m.

- Present:** All members were present, except Senator Smith. The following people from Department of Economic Development were also present: Mr. Frank Murkowski, Commissioner; Everett Bunes, Deputy Commissioner; Martin Schafer, <sup>Director,</sup>/Alaska Travel Division; Ken Carson, Assistant Director, Alaska
- CLOSEOUT:** Travel Division; and Herb Adams, Executive Director, Alaska
- Economic Development Budget:** State Centennial Commission.
- Office of Commr:** Mr. Murkowski said the increase in personal services was due to hiring a Deputy Commissioner and a Secretary I, who will also do the librarian's work. He said the accountant in the office of the commissioner does all of the work for the centennial which is considerable, along with the usual workload.
- Personal Services:** It was moved and unanimous consent was asked that \$68,700 be accepted for personal services. There being no objection it was so ordered.
- Travel:** It was moved and unanimous consent was asked that the committee accept \$8,000 for travel. No objection so ordered.
- All outside travel was cut to a minimum. The outside travel that was left in was for the commissioner to go to Wash. D.C. for consultations with federal economic development agencies, such as EDA and SBA.
- Contractual:** Mr. Murkowski said that rent for additional office space had not been included in the budget. They want to centralize their office to one location. This would result in better supervision and they would save money in the long run because they could get by with fewer secretaries and less equipment. An additional \$6,000 was requested for this purpose.

Mr. Murkowski said they do not have the technical people to carry out their Technical Services Act program (code 380). They do not have the funds available to set up a proper systematic procedure. An additional \$2,000 was requested for this item.

A motion was made to increase the contractual amount to \$39,600. There was no objection and it was so ordered.

Letter of Intent:

A letter was requested recommending that the department be centralized as the committee has provided money for that purpose.

Commodities: The same, \$1,000.

Equipment: The same, \$1,000.

Total Office of the Commissioner: \$118,300, This total amount was passed on unanimously.

It was requested that the department advise the committee on the status of the Alaska Native Arts & Crafts Program and what they propose to do with it.

It was also questioned why the Alaska Far East Trade wasn't under their department. Mr. Murkowski said it is now under the Governor's office, but their department implements it. Mr. Murkowski was asked to evaluate this program, too, and give the legislature a report on it for next session.

Industrial Development

Mr. Murkowski explained the need for better qualified help, but that they can't get them for the salary offered now.

Mr. Murkowski was asked to provide the committee with a letter, itemizing how much they would need to get better qualified people for this field. This would increase the amount requested for other items (travel, commodities and equipment) also and it was asked that he include this in the letter.

The committee accepted the total figure for Industrial Development, \$325,000, pending receipt of Mr. Murkowski's letter.

Alaska  
Travel:

Mr. Schafer said that they sent out 60,000 pieces of mail the first three months this year. They expect to handle 175,000 inquiries this year in all, as opposed to 125,000 last year, with no new additional help. In answer to Mr. Blodgett, Mr. Schafer said these were all specific requests from people, the only unsolicited mail they sent to were the travel agents and travel groups.

Mr. Schafer said there was a mistake in the budget book and the salaries for the Juneau Director should be \$18,672 instead of \$16,812 and the salary for the Asst. Director should be \$14,712 instead of \$13,284. The increase came to \$10,000, including the 12% in benefits. The total for personal services then came to \$143,000. It was moved and unanimous consent asked for the total figure of \$597,700. There were no objections, so ordered.

Alaska  
Centennial  
Commission

Mr. Adams requested an additional \$40,000 for this program as they want to take care of the grant program. In 1964, he said, a grant was set up providing a dollar per capita to every community that participated in the Centennial. That year there were 30 communities and now there are 41 communities. If they get additional funds, each community would get what they have coming.

Sen. Engstrom asked for a breakdown of the \$40,000 additional requested. Mr. Adams said that Anchorage and Ketchikan would receive \$5,000 each and Ft. Yukon would receive \$4,606.

These were the highest amounts; the other communities would receive between 1 and 2,000. Sen. Engstrom asked why the

communities weren't treated equally. Sen. Phillips didn't think the smaller communities should be bailed out; the ones that didn't do any work for a year or two. There was a motion made to accept the total of \$104,100. It passed five to one by a show of hands.

Total ECONOMIC DEVELOPMENT: The total figure came to \$1,145,100.

This was passed unanimously.

Mr. Murkowski said this still won't include the letter that he is to write asking for new positions.

State  
Exhibit

Mr. Adams asked about the State exhibit at the Centennial. They need \$30,000 for a state exhibit. In answer to a question, Mr. Adams said the exhibit is a permanent one and can be used after the initial show. It is in segments and parts of it can be shipped. It will occupy 2,400 sq. feet of space in the Seward's Hall (in the center). It will tell the story of the growth of Alaska (tourism, mining, oil and lumber, etc.). They won't be able to complete this exhibit without the funding.

Mr. Adams was asked to write a letter, concerning this request, to be considered in the joint session of the finance committee.

Per Diem

The per diem allowance was discussed and the committee agreed that the \$21,00 a day should be increased for the commissioners at least. This bill was in the Legislature now.

Recess:

The meeting recessed at 9:50 a.m.

SENATE FINANCE COMMITTEE MEETING

March 24, 1967

8:05 a.m.

Present: Senators Phillips, Smith, Lewis and Haggland were present.

DEPARTMENT OF REVENUE (Close-Out Budget)

Tax Collection & Receipts    Personal Services: The amount allowed by the committee is \$281,300; the Governor's allowance was \$294,600. The other items were not changed, so the total came to \$399,300.

Administration & Accounts    A Program Clerk III and an Accountant II were deleted from personal services, which came to a reduction of \$13,200.

Enforcement:    The committee allowed \$305,800 and the Governor's allowance  
Pers. Serv.    was \$312,600. One Accounting Clerk I was deleted.

Travel:    The committee allowed \$20,000 and the Governor's allowance was \$23,300.

Contractual:    The committee allowed \$31,900 and the Governor's allowance was \$35,000. Item 310, communications, was cut down.

Commodities:    The committee allowed \$1,500 and the Governor's allowance was \$1,700. This was a general reduction.

Equipment:    The committee allowed \$2,000, which is \$1,000 less than Governor's allowance. The equipment requested for the new positions that were denied were cut out.

Total:    The total figure came to \$361,200. It was moved and unanimous consent asked for this amount. No objections, so ordered.

Audit:    No change, \$278,800. The two new positions, a revenue agent and a clerk IV were granted. It was passed unanimously to accept this amount.

Motor Vehicle License:    No change, \$482,100. It was noted that contractual services increased from \$86,200 for fiscal year 66-67 to \$190,400 for this year. This was due to the issuance of new license plates, which came to a \$87,600 increase.

Excise Tax

The same, \$61,300. In noting that contractual services were up to \$3,500 as compared with \$1,600 from last fiscal year, Miss Harris said that many things were being charged to the commissioner's office when actually it should have been charged to Excise Tax. They have now broken the budget down to where it was actually made.

Treasury

The same, \$39,400. It was moved and passed unanimously to accept this amount.

TOTAL, TAX COLLECTION AND RECEIPTS: \$1,622,100.

Alcoholic Beverage Control Board

Administration The same, \$45,700. The increase is for a clerk typist.

One-fourth of her salary is charged to Administration, the other three-quarters appears elsewhere in the budget.

Enforcement: The same, \$42,100. They increased an investigator to a full-time position instead of half-time.

TOTAL, ALCOHOLIC BEVERAGE CONTROL BOARD: \$94,800. It was moved and passed unanimously to accept this amount.

GRANT TOTAL, DEPARTMENT OF REVENUE:

Personal Services	\$1,256,700
Travel	55,400
Contractual	365,800
Commodities	12,800
Equipment	26,200
Total	<u>\$1,716,900</u>

Senator Brady entered at this point and Sen. Engstrom also.

Mrs. Diana Tillion also entered.

ALASKA COUNCIL ON THE ARTS

Mrs. Tillion passed a paper to everyone on the States Art Council proposals and amounts received to March 20, 1967. She said this list shows the groups that are participating in the program. Since the council was just formed, they had only two weeks to give a proposal to be included in the 1967

federal program. Thirty-three requests in a span of two weeks reflects the great interest. They are a part of the federal program that formed the arts council and they can receive \$50,000 in matching funds from them. The point of the council, she continued, is to take cultural activities from the established centers (Ketchikan, Anchorage, Fairbanks and Juneau) to the smaller communities and villages that have no access to any cultural activity. They have art, playhouse groups, singing groups, film shows, film lending and record lending activities. The council members do not receive a salary; you couldn't pay them for the time they spent on these activities. There is a real need in Alaska for cultural activities in these areas. A lot of the native people are talented and they want to stimulate their interest. As far as the world is concerned, she said, Alaska is a cultural blank.

In answer to Sen. Engstrom, Mrs. Tillion said the council was told they would receive \$10,000 for administration and \$15,000 for program, which would give them another \$15,000 matching funds. If they receive this, they would have to pare their budget down. In mentioning the letter she received from the Senate Finance committee, Mrs. Tillion said it was unfair to say that to her.

Sen. Phillips said what they are trying to do is raise \$353,000 for the hot lunch program. It has to come from somewhere. He didn't mean that they intended to cut their program out.

Mrs. Tillion went on to say if they can get \$30,000 from the State, they could raise another \$20,000 from local communities to get the total of \$50,000 which would be matched by the federal. They feel they can do a great deal with this money. Their list

of proposals came to \$100,196.

Sen. Phillips said they are going to ask other departments also to cut down on their budget. They are not running on a balanced budget, which by law, they should. If the State does not hit an oil sale, they will not have the money. He said that they have all personally donated to this council of arts. Sen. Blodgett entered at this point.

In answer to Sen. Lewis, Mrs. Tillion said that the administrative funds are earmarked, it is separate from the program funds - the federal government sets up this rule. If the council isn't given enough to do the job, there is no point in having it at all. Sen. Phillips said all they were trying to do was discuss it, they haven't taken any final action.

Sen. Blodgett asked if she would prefer this program to a hot lunch program.

Mrs. Tillion said this was an unfair question. Would he prefer his children to have a full tummy or a full mind. She was sure Shakespeare's stomach is long gone, but his works aren't. This program, she said, is primarily for the native children who don't have a cultural center. They select the programs that are most worthy that will reach into the blank areas. They have chosen a little theater group that goes out with a slide show that can be shown anywhere. It shows the natives their own culture and it stimulates them that they are part of it.

Sen. Blodgett said as far as he was concerned, the hot lunch program has top priority. After the hot lunch program is funded, then he will support their program on cultural activity.

Sen. Phillips said that they haven't taken any action yet and thanked Mrs. Tillion for her time.

OFFICE OF THE GOVERNOR

Executive Office Sen. Brady said the increase in this budget was for opening an office in Fairbanks. They want to keep it as far removed from the political aspects as possible and to keep it non-partisan.

Pers. Services: Same, \$259,600. The increase allowed for the Special Assistant I and Secretary I in the Fairbanks office.

Travel: Same, \$14,800. The amount authorized for last fiscal year was \$9,200. Some of the increase was for the new Assistant in Fairbanks. This also includes an aide to travel with the Governor on his conference trips.

Contractual: The committee allowed \$39,200 and the Governor's allowance was \$44,200. \$5,000 was taken out of renovating and refurbishing first floor of Capitol Bldg.

Commodities: Same, \$7,400.

Equipment: The committee allowed \$16,800. They received a supplemental appropriation from the Governor's Office for new furniture. Part of this increase is for furniture in Fairbanks office. The Legislature approved money to renovate the Governor's Office four years ago, but Gov. Egan never spent it. Governor Hickel wants this done.

TOTAL, EXECUTIVE OFFICE: It was moved and passed unanimously to accept the total figure of \$337,800.

Secretary of State The increase from fiscal year 66-67 is due to combining Elections with the Secretary of State office. If the Voter Pre-registration Bill passes, this will add another \$150,000 to the budget. This would make a total of \$289,300 instead of \$139,300. There was a motion to accept this figure, but Senator Smith objected. He couldn't see this much money for the election of voters. Sen. Phillips said they will cut this amount back to where it was and if the bill passes, they will go through it again. \$139,300 passed unanimously. Meeting recessed at 10:20 a.m. 110

TOTAL, SEC. OF STATE; \$139,300

SENATE FINANCE COMMITTEE

March 25, 1967

8:00

All members were present.

Glenn Huff from Budget and Management was also present.

COMMERCE: Weights and Measures The amount of \$15,000 for travel was allowed  
Closeout: for this section. The new total for this section is \$199,600.

Total for Regulations of Business and Professions will be \$522,500.

PUBLIC SAFETY: Alaska Disaster Office - The amount of \$182,200 was moved and  
Closeout: asked unanimous for. There were objections and the vote was 5-2  
and the motion carried.

CAPITAL IMPROVEMENT: Alaska Court System: Unanimous consent was asked for

CUT: approval of the figure of \$8,000. There were objections, and  
unanimous consent was asked to cut this completely out. There  
were objections and on a vote of 4-2 the motion carried and this  
figure was deleted.

Education: Unanimous consent was asked for acceptance of \$362,000.  
There were objections and the committee discussed this.

It was moved and unanimous consent was asked for a meeting at 1:00  
with commissioners and someone from administration on the Capital  
Improvement portion of the budget. There were no objections, and  
the committee recessed.

SENATE FINANCE COMMITTEE  
March 25, 1967

The meeting was called to order at 2:15 p.m. by Chairman Phillips.

Senators present were Senators Engstrom, Brady and Phillips. Also present were Messrs. Isaac, Hartman, Sharp, Lowell and MacLanahan. Mr. Brady moved and asked unanimous consent that the meeting commence and that the portion of the meeting that the absent senators miss would not be gone over again. The motion passed.

The committee considered the Capital Improvements budget for the Department of Education.

Mr. Lowell from the Department of Public Works appeared before the committee and answered questions concerning the construction of schools.

Senators Blodgett and Lewis arrived at 2:30 p.m.

Mr. Isaac from the Department of Education appeared before the committee and discussed the school construction program.

Mr. Isaac was asked to present to the committee a copy of the department's long-range plans through 1972 for school construction.

Senators Smith and Haggland arrived at 2:35 p.m.

After further discussion of the construction programs at Ambler, Stony River and Ekuk, Mr. Blodgett moved and asked unanimous consent that the Teller school not be built if it is under an alternate plan bid. No action was taken on this motion.

The committee then considered the Capital Improvements budget of the Department of Health and Welfare.

Mr. Sharp appeared before the committee and discussed the program requirements concerning the Sun Deck, Alaska Psychiatric Institute, Anchorage Jail repairs, and the Ketchikan detention facility.

Mr. Sharp also answered questions concerning the Capital Improvements budget for the Department of Public Safety.

The committee proceeded to the Capital Improvements Budget for the Department of Fish and Game.

Mr. Sharp explained that the Special Fund item is the state fund and there is a balance in the fund of \$800,000 and that the balance is built up sufficiently so if receipts do decline you do not interrupt the administration of program construction. When asked if there was a formula for putting some money in construction and some in administration, Mr. Sharp said it was not on a formula basis.

After further discussion of the Hood Lake Hangar, Senator Smith moved and asked unanimous consent that the \$7,000 item for the Hood Lake Hangar Insulation be deleted. Chairman Phillips requested that this item be held over. It was so ordered.

The committee proceeded to the Capital Improvements budget for the Department of Public Works.

Mr. MacLanahan appeared before the committee. He explained that there is an April 26 deadline and that the Department of Public Works is now working on a \$21,000,000 program (\$12,700,000 federal receipts, \$8,327,000 bond funds). Mr. MacLanahan read a memo (copy in the files).

Mr. MacLanahan answered questions concerning the Trunk and Secondary Airport projects.

Senator Brady moved and asked unanimous consent that the Kenai Municipal Airport item be eliminated. Objection was heard.

Senator Blodgett amended Senator Brady's motion to read that the state proceed with the Kenai Airport but that the state take it back from the City of Kenai. Objection was heard. On a voice vote the motion failed.

It was moved and seconded that the committee not support a municipal airport that charges landing fees to light (under 12,500 lbs.) commercial planes.

The chairman asked for a show of hands on the motion with the following result:

4 yeas

3 nays

and so the motion passed.

Mr. MacLanahan was instructed to spread the amount out amongst the other airport programs and still allow for his 21 million dollar program.

Mr. MacLanahan then read a copy of a March 21 memo to Governor Hickel to the committee (copy on file).

Mr. Isaac departed at 3:45 p.m.

Mr. MacLanahan explained to the committee that there is no need for the Fairbanks Terminal Building under the International Airports Projects, as this just adds to an already existing \$200,000 allowed previously. He requested that the committee consider the following two programs in lieu of this project:

- (1) Give authority to build a building at Fairbanks that will house FAA flight service station, general aviation area; or give the

authority to deal with a contractor to build  
a building to lease to us.

Mr. Blodgett moved and asked unanimous consent that the committee approve this request for \$200,000.

The chairman requested that action on this motion be held over until this request was put in writing.

Mr. MacLanahan agreed to prepare 7 copies for the committee. He then went on to explain his second request:

(2) Since there is no adequate cargo ramp and taxi way and no adequate hangars for servicing, allow \$500,000 for the expansion of the Anchorage Airport Terminal Building.

The chair called a 10-minute recess at 4:00 o'clock.

AFTER RECESS

Senate

After Recess 4:25 p.m.  
March 25, 1967

Present were Senators Smith, Brady, Lewis, Engstrom V. Phillips and Haggland.

Messrs. Sharp, Lowell and MacClanahan were also present.

Capital Improvements (cont.)

Water &  
Harbors:

The committee discussed the Water and Harbors projects as listed on pages 283 and 284 of the budget document. A memo dated March 20, 1967 from Commissioner Ward to Commissioner MacClanahan was discussed, which requests the finance committees to consider adding \$117,000 to the amount requested in the governor's budget for water and harbors projects for FY 1967-68. A memorandum dated March 15, 1967 on this supplemental appropriation for Water and Harbors Improvement Projects, from Commissioner MacClanahan to Commissioner Ward was read, in which the additional projects were listed.

Water Craft  
Fuel:

Senator V. Phillips mentioned that oil should be taxed, (including stove oil) for water craft. This idea was discussed and Senator V. Phillips suggested drafting legislation from this committee for this addition to the water craft fuel tax. Mr. Sharp said that this would alleviate the problem with the Department of Revenue, however, the fishing fleet would object loudly to it.

Public Bldg.  
Projects:

The Capitol Site Master Plan was discussed and Mr. Lowell mentioned that the City of Juneau has developed a master plan which the state is trying to coordinate with.

Health and Welfare Building: It was brought up that this building had been purchased by the state last July and the lighting is very poor.

Alaska Office Building: This project, as explained on page 283 of the budget document, was discussed and Mr. Sharp said that in the beginning stages of this planning, they had the SWIS computer in mind, but even with the present computer, this work has got to be done. The fact that the data processing machinery is sensitive to fluctuations in power frequency was brought to light.

Site Acquisitions: Mr. Lowell stated that these sites were not mentioned purposely and he provided the committee with a blue print of the sites for the capital complex. This long range (10-20 years) program was discussed, and it was predicted that by 1972 the state will need 100,000 square feet of office space.

Department of Highways:

It was mentioned that there are 110 buildings in the Fairbanks District that are to be painted. Senator Blodgett stated that it was his opinion that these buildings should be inventoried and where needed, surplused. Mr. Lowell said that there were 878 buildings all over the state and added that the state does have a disposal system going on now.

Department of Education: The Glennallen School was discussed and noted that of the \$411,000 for the project cost, that \$80,000 was for sewage system. The bad conditions and the whole project in general was discussed. Mr. Lowell stated, in reply to a question from Senator Blodgett that this hopefully will stay within the cost estimate of the project and that they wouldn't get boxed in like Teller.

Department of Fish and Game: The 4-unit dwellings (two) were discussed in connection with the amount of money \$420,000, which all members agreed was too much. Mr. Lowell will have the master plan Monday morning for the committee to see and straighten this out.

Department of Highways: The committee briefly went over the shops listed for Highways.

Valdez Housing: A memo of March 24, 1967 was brought to the attention of the committee, in which asked for reinstatement of \$750,000 for Valdez Housing and \$275,000 for Kodiak Court Building. This memo was written to Harold Strandberg from Commissioner Ward, with a copy to the Senate Finance Committee. The attempts to have private industry building housing in these areas were discussed. Senator Smith brought up the housing situation in Tok, also. The committee concluded the meeting at this point and noted that 8:00 a.m., Monday March 27, 1967 we would close out Capital Improvements; Fish and Game; University of Alaska. Meeting was adjourned.

SENATE FINANCE COMMITTEE MEETING

March 27, 1967

7:45 a.m.

Present: All members were present, except Dr. Haggland, along with Mr. Glen Huff of the Department of Administration.

PUBLIC BUILDING PROJECTS Capitol Site Master Plan - The general fund amount for this is \$40,000 and the committee deleted the entire amount.

Health & Welfare Building Lighting: The committee allowed the same, \$29,000.

Capitol Building Rear Entrance Remodeling: The same, \$12,000.

Alaska Office Building Basement Remodeling: The same, \$40,000.

Site Acquisitions: The general fund amount is \$285,000 and the committee deleted the entire amount.

WATER & HARBOR PROJECTS The committee allowed \$783,000, which included the \$117,000 requested by Commissioner MacClanahan in a supplemental appropriation.

Total: The total amount of \$91,028,800 was passed on unanimously.

ASHA Rental Program The same, \$411,000. This amount was passed unanimously.  
Dept. Education (Glennallen School).

Dept. of Highways Petersburg Maintenance Shop: It was moved to accept the figure of \$128,000; there was an objection and a vote taken by a show of hands. The motion carried 4-2.  
Dr. Haggland entered at this point.

Juneau District Materials Lab: This amount was left open. The committee wants to check the lab to see what they do. Everything is supposed to go through the University of Alaska.

Homer Maintenance Shop: The same, \$110,000. This passed unanimously

Livengood Maintenance Shop: The same, \$59,000. This passed unanimously.

Soldotna Maintenance Shop: The same, \$109,000. This passed unanimously.

Mr. Leonard Lowell and Mr. Daryl Conrad entered at this time.

Bethel Employee Housing: Mr. Lowell said they were asking for 36 units now

instead of 52 because the regional high school is built. This would make the total request \$1,584,000 instead of \$2,285,000. Sen. Blodgett inquired why the Farmers Home and FHA weren't requested for building this housing.

Mr. Lowell said there is just no private property available in Bethel. They are remodeling some very substandard buildings there now. They have tried to encourage building, but it is very high in Bethel because of the higher transportation costs. They also have perma frost to consider. Digging a well there comes to \$40,000. Mr. Lowell said that Bethel has the most prime need for housing for state employees. The federal government furnishes homes for all their employees in Bethel. Most of the private people are living in very substandard houses. An individual couldn't afford to build a decent house.

Sen. Blodgett said he recommends they give Farmers Home and FHA direction to proceed to establish liaison with the communities with the viewpoint of developing some private housing there. He made a motion to delete this figure (\$1,584,000). There was an objection. Sen. Engstrom said they should take the advice of the administration. If they say it is difficult to get private financing, they know more about it. This housing is very definitely needed - it involves 36 units. If they delete this housing, they should delete the ones in Valdez.

In answer to Mr. Brady, Mr. Lowell said they are asking for authority for leasing ASHA to construct it for the state. It is funded through revenue bond funds, he said.

A motion was made to delete the amount of \$1,584,000. The

motion passed 4-3 and so the figure was deleted.

A memorandum was read by Sen. Phillips requesting additional appropriation for three places:

Kodiak Court  
Space

\$275,000 was the figure asked for this building.

Sen. Lewis asked if the state was appropriating this money. Mr. Lowell said they were authorizing a lease agreement by the Dept. of Administration. It has authority to make leases. Any lease that goes 25 years has to have authority from the legislature. ASHA takes this agreement and sells revenue bonds to private banks.

The Kodiak Court was paying .26¢ a sq. foot for rent and now that has been raised to .50¢ a sq. ft. Anytime the cost goes to .35¢ a sq. ft., it is cheaper to do business with ASHA. They are asking for 8,000 sq. ft.

A motion was made to accept this figure. There was an objection and a vote taken by show of hands. The motion passed 5-2 and it was so ordered. \$275,000 is the figure approved.

Dept. of  
Fish & Game

King Salmon Facilities: \$858,500 was the requested amount for the facilities. Mr. Lowell said it would come to less than \$420,000 for the 2 4-unit dwellings. It will be \$40,000 per unit. There was a motion to accept the figure of \$778,500. There was an objection. Sen. Flodgett said they should place a call to the man who has the King Salmon Inn and see what's going on. There was an amendment to the motion to accept the figure of \$528,500. There was an objection. The motion lost by a show of hands. There was a motion to accept the total figure of \$858,500. This motion lost by a show of hands. There was a motion to to just build the warehouse and shop at \$75,000. There

Additional  
Approp. for  
Dept. of  
Highways  
Shops

was an objection. The motion passed by a show of hands. \$75,000 was the amount accepted for the King Salmon facility. Sen. Phillips read a letter from Bob Ward where the Dept. requested additional appropriations for the Dept. of Highways shops. The Dept. of Highways under estimated what the cost would be for their construction. They asked for an increase of \$540,000 on these places. The figures requested earlier were based on what they had two years ago and now these programs have expanded.

Sen. Blodgett said the Division of Buildings has had no money for advance planning. It would be doing the state a great service to make advance planning funds available to the Dept. of Public Works . They would not get confronted by higher construction costs because of bidding later in the spring.

The closing out of these places will take place after 1:00 when they can get Mr. Hubbard in.

Mr. Lowell left at this time.

DEPT. OF  
ADMINISTRATION  
(Close-Out)

Commissioner's Office: Personal Services: Same, \$72,300.

Travel: \$3,000, \$600 was deleted for two outside trips: ASA and other federal agencies in San Francisco.

Contractual: The Governor's allowance was \$8,800 and the committee allowed \$8,700.

Commodities: Same, \$200.

Equipment: Same, \$200.

Total: The total for Commissioner's Office is \$84,400.

Internal  
Audit:

Travel was the only item changed. The Governor's allowance was \$2,200 and the committee allowed \$1,800. The cut was in transportation costs within Alaska. They did not delete

the travel for the auditor position that was not allowed.

Total: The total for Internal Audit was \$80,700.

Personnel Personal Services: Same, \$190,500.

Administration Travel: Same, \$3,700.

Contractual: The committee allowed \$14,000 which is 800 less than Governor's allowance. There was a reduction in items 310 and 320.

In code 390, punching holes in rule and special book paper, This used to be free and now it is charged for. Sen. Blodgett suggested the state do a little coordinating with the Court office.

Commodities: The Governor's allowance was \$3,300 and the committee allowed \$3,000. The cut was in code 470, professional and scientific supplies.

Equipment: The committee allowed \$1,500. The \$100 cut was for equipment for new employee that was not allowed.

Total: The total figure of \$212,700 was passed unanimously.

Personnel Board The same, \$2,300. This is travel for State Personnel Board within Alaska.

Budget & Personal Services: The same, \$110,500.

Management Travel: Same, \$1,200.

Contractual: The committee allowed \$3,000. \$100 was decreased for communications.

Equipment: The committee allowed \$1,000. The \$100 increase is for tables to work on.

Commodities: The same, \$1,000.

Total: \$116,700 was the total accepted. This passed unanimously.

Central Services: There were no changes. The total figure of \$61,100 was approved unanimously.

Budget & Management Services:

There was no money authorized for this division.

The Governor's review committee had also disallowed this.

Finance

The only change in this division was in travel. Outside travel was disallowed, bringing the figure to \$400.

Supply Div.

Personal Services: Same, \$231,500.

Travel:

The committee allowed \$2,300. There was a \$500 cut for Annual Conference, National Association of State Purchasing Agents.

Contractual:

The committee allowed \$17,500; the Governor's allowance was \$18,100. The cut was in long distance telephone communications.

Equipment:

Same, \$1,700.

Total:

The total for Supply Division is \$256,700.

Central Mail Services

No changes. The committee accepted the total of \$31,600.

Data Processing: Programming and Operations: No changes. The total amount of \$1,097,100 was accepted unanimously.

F, I, C. A. Administration

No changes. The committee accepted the total of \$11,800.

In equipment, it was noted the \$700 increase from last year was due to the hiring of a clerk typist.

Administration Retirement

The total for Public Employees Retirement System is \$59,200.

Teachers Retirement System is \$61,800.

Total:

The same, \$121,000.

Public Employees Retirement Fund Administration: No changes, the total accepted is \$59,200. This includes Rep. official or public employee travel to Anchorage or Fairbanks. It also includes out-of-state travel for Consultation Actuary. Sen. Blodgett said this division pretty much administers their own program.

Teachers Retirement System

No changes. The figure of \$61,800 was accepted unanimously.

Retired Employees Benefits: No changes, \$7,600.

Surplus Property Division: No changes, \$105,800. This division is

handled in Anchorage. They screen surplus property which is given to the State and the State in turn sells this property to the state housing agencies. They buy this at an average of 7¢ on the dollar. Most of it comes from the military. Sen. Blodgett continued and said the state should make themselves familiar with this program. When equipment requests come in for desks, etc., it gives them a little leeway to use that surplus property more realistically..

TOTAL, DEPT. OF ADMINISTRATION: The committee allowed \$2,436,300. This is pending until SWIS services are approved in Data Processing. Sen. Smith questioned whether the State would receive their value for this expenditure (\$375,000). Sen. Engstrom was of the opinion that the state should develop their own staff to take care of the SWIS operation, at least give Administration a chance. If they can't, appropriate a contractual sum to get Lockheed back.

Sen. Phillips said they will get rid of the three machines they now have and the new machine will operate cheaper than the three of them. He said if this data processing machine could do the work as well as it is supposed to do, they could program their budgets. All the equipment, expenditures, etc. would come out of it.

It was moved to close the budget with the exception to reopen it for SWIS implementation. It was passed unanimously to accept the total of \$2,201,900 for Department Operations.

TOTAL:

The grant total of \$2,436,300 was passed unanimously.

Recess:

The meeting recessed at 12:00 and planned to meet at 1:00.

SENATE FINANCE COMMITTEE MEETING

March 27, 1967

1:10 p.m.

Present: Present were Senators Phillips, Smith, Brady, and Lewis, and Messrs. Huff, Hubbard, and Lowell.

ASHA Rental Program  
Dept. Highways Mr. Hubbard was questioned on the reasons for the increased request for a District Materials Laboratory at Juneau.

Senator Engstrom and Messrs. Conrad and Ward arrived at this time.

Mr. Hubbard indicated that the first request was based on an estimate made two years ago and before he became Buildings Coordinator. He had just recently, upon assuming this position, reviewed the request and found it to be too small. It was also pointed out that building costs have risen since the original estimate was made two years ago. Mr. Hubbard also explained that the Juneau Materials Lab was to handle all materials tests for Southeastern Alaska. In reply to questions on the feasibility of sending test samples from Southeastern Alaska to the labs at Anchorage or Fairbanks, he stated that the delay and transportation costs would be disadvantages, and in addition the labs at Anchorage and Fairbanks are now worked to capacity.

Mr. Ward, in reply to questions on why the increases in the ASHA Rental Program requests were only now being brought to the committee's attention, pointed out that the program was relatively new, and original estimates had apparently been very hastily made. Legislative approval is required for rentals of all such projects in excess of \$12,000. The Department of Administration had not been aware these projects were running as they were until they were assembling status reports on them recently, and had then made new requests

to the committee.

At this point Senator Blodgett arrived.

Homer Maintenance Shop: Mr. Lowell and Mr. Hubbard were questioned on the requested increase for the Homer Maintenance Shop. Mr. Lowell showed a picture of the existing 24 x 60' structure. Mr. Hubbard explained that the proposed new shop would provide warm storage space for all the active equipment in the area, and that the proposed floor area was based on the length of the equipment to be stored inside. He pointed out that it had proved uneconomical not to have warm storage space for such equipment.

King Salmon Facilities and Bethel Employee Housing Mr. Ward was questioned regarding these items, both of which had been deleted this morning, with the exception of \$75,000 for a warehouse and shop at King Salmon. He said that the King Salmon facilities had originally been programmed for building in several steps, but the back up was so complete that they had decided to then program it all this year, so as to avoid having to move equipment in and out. He also indicated that his department had looked into possibilities for private enterprise to provide necessary housing in Bethel as well as Valdez, but apparently no private capital was available; therefore the state would have to provide housing in these communities for state employees.

Capital Site Master Plan Senator Engstrom questioned Mr. Ward on this item, which was also deleted from the budget this morning. Mr. Ward indicated that the requested \$40,000 had not been specifically designated for expenditure in a certain area, and if appropriated could therefore be used to acquire one of at least two alternative areas in Juneau for construction of additional state buildings.

**CAPITAL  
IMPROVEMENTS  
Health and  
Welfare  
Public  
Safety**

At this time, Messrs. Ward and Lowell left.

The total amount of \$28,100 was passed by unanimous consent.

It was moved to delete the Alaska Disaster Office request of \$639,000; the motion passed 5 to 1.

**Fish and Game**

It was moved and passed that the proposed sum of \$252,000 for a fish hatchery be adopted; the motion passed 5 to 1. Senator Blodgett moved that \$7,000 for insulation of the Hood Lake Hangar be eliminated; the motion failed 1 to 5.

**Public Works**

It was then moved that all trunk and secondary airport projects proposed, totalling \$22,226,000, be approved with the exception of those at Nenana and Palmer; the motion passed by unanimous consent.

Senator Blodgett moved that the proposed \$370,000 for extension and paving of the Kotzebue airport be included in the above amount; the motion failed 3 to 3.

The amount of \$200,000 was unanimously passed upon for the Fairbanks International Airport Terminal Building.

The amount of \$500,000 was unanimously passed for the Anchorage International Airport cargo runways.

Senator Smith moved that the committee rescind its action on Senator Blodgett's motion regarding funds for the Kotzebue airport. He went on to explain why he thought improvements at this airport were needed.

**Recess:**

The meeting recessed at 2:45 p.m.

3:10 p.m.

DEBT SERVICE: The total figure of \$4,764,000 was passed unanimously. The committee reopened the the following budgets (see page 122 of the minutes).

A letter had been read from Commissioner Ward requesting additional appropriation for these places:

Petersburg Maintenance Shop: The committee unanimously passed the figure of \$205,000. This was instead of the \$128,000 formerly.

Juneau District Materials Lab: This is still left open pending more information.

Homer Maintenance Shop: The committee did not approve of the additional appropriation and left it at \$110,000. Unanimously passed.

Livengood Maintenance Shop: The figure of \$59,000 was again passed on unanimously.

Soldotna Maintenance Shop: The amount of \$109,000 was approved unanimously.

Bethel Employee Housing: Sen. Phillips said when they gave ASHA all this power, they took the control away from the people. Sen. Blodgett talked to two people in Bethel. They said they were afraid of State and federal housing coming in there. They have housing that they feel will be vacated when these units are built.

The committee deleted the amount entirely for this project.

TOTAL, CAPITAL IMPROVEMENTS: \$113,541,900.

Fish & Game Working Capital Fund The committee unanimously accepted the total of \$336,800.

Sen. Blodgett said the Hood Lake Hangar Insulation amount of \$7,000 should be taken out of the General Fund and put in the Fish & Game Capital Fund. Line 4 was added to page 294: Hood Lake Hangar Insulation, \$7,000. This did not increase the total for Fish & Game as they can work this out of the total.

Public Works  
Working Capital

The committee passed unanimously on the figure of  
\$1,243,700.

Highways Working  
Capital Fund

The committee passed unanimously on the figure of  
\$6,076,000.

Recess:

There was a 10 minute recess called.

The Senate Finance Committee convened after recess at  
4:00 p.m. All members present.

Univ. of  
Alaska

Senator Smith explained the University's Budget to the  
committee.

Letter of  
Intent

They asked for a letter of intent to be sent to the  
University to bring academic salaries to the same level.  
The higher professors' salaries are \$22,500. Full  
professors' are \$18,000. They thought if the University  
could arrange the budget so they could spread it around  
a little better. Possibly curtail on enrollment. The  
government figures are different than \$300,000 asked.  
The question was asked what the \$300,000 was made up of.  
Anticipated increase of enrollment for next year is 16  
per cent, therefore, increased operating costs will be  
more. Although, all services including costs of operations  
plus operating the physical plant will be increased without  
the 16 per cent. Anchorage Community College added also.  
ACC costs \$82,500 increase. A comment was made that the  
AMU costs are \$17,000, and this one is \$25,000, why the  
difference?

It was moved and asked unanimous consent to budget for  
\$8,000,000 and no more. It was seconded. The hand vote was

3 ayes

4 nays

The motion failed.

It was moved and asked unanimous consent to approve the amount of \$8,395,600. It was seconded. Senator Lewis objected to the vote for a discussion. Senator Blodgett left the meeting at 4:45 p.m.

TOTAL. Univ. of  
Alaska

After discussion, the motion was put to a hand vote to approve the original budget request of \$8,395,600.

The hand vote was

4 ayes

2 nays

The original amount of the University of Alaska budget was passed of \$8,395,600.

The next meeting will be March 28, 1967, at 7:30 a.m.

The meeting adjourned at 5:00 p.m.

SENATE FINANCE COMMITTEE MEETING  
March 28, 1967  
7:30 a.m.

Present: All members were present along with Glen Huff and Daryl Conrad from the Department of Administration.

HEALTH &  
WELFARE

Child Health: The committee approved the figure of \$30,500 for the Crippled Children's Program. This item would come under contractual services, teacher's instruction. Sen. Brady said so far this program has been on a volunteer basis; this appropriation has been needed for a long time.

Total: The committee unanimously passed the figure of \$30,500, which brought the total for Health & Welfare to \$20,182,300.

Seward  
Highway

Dept. of Highways: The committee approved the request of \$60,000 for widening the shoulder on the Seward Highway. Senator Phillips said there were 115,000 vehicles registered in Alaska and 78,476 vehicles were from that area. There were a great many accidents because of the narrowness of the road. The amount of \$60,000 was passed unanimously. This brought the total for Anchorage District to \$2,712,100.

North Slope  
Road

Dr. Haggland said there is an area to the west of the State, twice the size of Washington that doesn't have a road. There is a lot of mineral country to be explored. Sen. Engstrom said this is an impractical road because you can only use it in the winter. When the river goes out in the spring, it will take part of the road with it and it will have to be put back in each year.

Sen. Brady said that Fairbanks wants it, the Governor wants it and the President, but the oil industries do not want it. They expect to get charged for it in increased taxes. When they find oil, they will build a road. Sen. Phillips<sup>said</sup> they made arrangements last year to spend this money on the road.

The Army has already built part of the road. This will go to the Governor's office contingency appropriation. There was a motion to accept the figure of \$750,000 for the North Slope Road. There was an objection. By a show of hands, the motion won, 5-2. It was so ordered.

Total, Office of the Governor Contingency Fund: This would make the total for contractual services, \$1,077,100. The total appropriation would be \$3,240,800.

Centennial Exhibit

The \$30,000 for the State Centennial Exhibit is being requested for in an appropriation for this year, according to Mr. Conrad. The Dept. of Administration will take care of this.

Whittier Access:

\$60,000 is requested for the railroad car ferry which takes the cars off and on the ferry. This provides access to Whittier. Mr. Conrad recommended that this be put in the Capital Improvement Fund as a line item on page 284 of the Budget Document. This is put in General Fund Receipts and makes a new total of \$21,938,000 and the grand total on page 269 of \$113,601,900. A motion was made to accept the amount of \$60,000 for the car ferry. This was passed unanimously.

Salary Increase & Adjustments

Mr. Conrad said the Governor has recommended a 3.6% raise statewide and an additional 2% for Southeastern. He said it was only necessary to fund about 60% of the amount requested as the rest will be absorbed by the departments. If they can't absorb it within their budget, the Dept. of Administration will transfer money to the various departments needing it. Sen. Blodgett objected to this appropriation and suggested that everybody get a flat 5% increase.

A motion was made to accept the figure of \$973,000.

There was an objection and a vote was taken by a show of hands. The motion passed 5-2. It was so ordered.

Shared Revenues

A motion was made to accept the total figure of \$4,039,500.

This passed unanimously.

DEPT. OF FISH & GAME  
Office of Commissioner

The committee allowed \$125,000 and the Governor's allowance was \$131,300. The \$6,000 reduction was in out-of state travel, contractual services and in equipment. These were general deductions.

Board of Fish & Game: The same, \$17,000.

Div. of ADMINISTRATION

Personal Services: The committee allowed \$414,400; the Governor's allowance was \$428,200. The reduction was the deletion of two new positions.

Travel: The same, \$2,000.

Contractual: The committee allowed \$182,100 and the Governor's allowance was \$188,700. The cut was in long-distance telephone calls.

Commodities: The committee allowed \$32,900 and the Governor's allowance was \$41,800. This was a general cut.

Equipment: The committee allowed \$4,100 and the Governor's allowance was \$6,000. This was a general reduction.

Total: The total for Div. of Administration is \$635,500 and the Governor's total was \$666,700.

North Pacific Fisheries Com. The same, \$17,000.

TOTAL, GENERAL ADMINISTRATION: \$794,500. This amount was passed unanimously.

COMMERCIAL FISHERIES; Management

Personal Services: The committee allowed \$689,000 and the Governor's allowance was \$706,400. Two new positions were deleted: a fish biologist II at King Salmon and a clerk typist.

Travel: Committee allowed \$65,700; Governor's allowance \$68,600.

It was believed that the canneries would pay for some of the outside travel.

**Contractual:** Committee allowed \$322,800; Governor's allowance \$347,700.

The rent for Cold Bay utility was deleted because the building isn't built yet.

**Commodities:** Committee allowed \$58,800; Governor's allowance \$62,600.

This was a general reduction.

**Equipment:** Committee allowed \$21,700; Governor's allowance \$23,700.

This was a general reduction.

**Total, Management:** \$1,164,000. This amount was passed unanimously.

**Seismic:** The same, \$25,500.

**Test Net:** Committee allowed \$45,900; Governor's allowance \$46,500.

The reduction was in equipment; this was for a Monroe calculator.

**Total, Management Summary:** \$1,235,400. This was passed unanimously.

**Research** Personal Services: Same, \$261,900.

**Travel:** Committee allowed \$17,800; Governor's allowance \$21,800.

\$4,000 was cut off outside travel.

**Contractual:** Same, \$73,200.

**Commodities:** Committee allowed \$15,300; Governor's allowance \$16,000.

This was a general reduction.

**Equipment:** Same, \$6,600.

**Total, Research:** \$374,800. This was passed unanimously.

**Public Law 88-309:** Same, \$370,000.

**Anadromous Fish Act:** Same, \$400,000.

**TOTAL, COMMERCIAL FISHERIES:** \$2,380,200. This was passed unanimously.

**GAME Management:** Dr. Haggland read a letter from the Governor requesting additional appropriation of \$356,000 for the Game Division.

The letter said \$153,000 will be from the Fish & Game Fund and \$202,500 from Federal Aid allocations.

Game Management Total: Committee allowed \$397,800; Governor's allowance \$303,800. Sen. Blodgett requested more information about the transplanting of sheep to Kodiak. Sen. Haggland said they transplanted 7 animals to Kodiak and 5 of them died from aspiration. The dept. wants to put more ewes in Kodiak. Sen. Blodgett said every year he has inquired about the possibility of transplanting animals to his area and he has gotten nowhere on this.

Letter of Intent:

Senator Phillips requested a letter be written to the Dept. of Fish and Game to make a study of transplanting buffalo into the Unalakleet - Kobuk area and give a report to the Legislature by next January.

Research:

The new total for Research (per Governor's request) is \$1,233,000. This amount was unanimously passed.

TOTAL, DIV. OF GAME: \$1,630,800. Unanimously passed.

Recess: The committee recessed at 10:45 to work on bill .

11:05 a.m.

PROTECTION: The same, \$1,105,300.

It was suggested that the protection officers raise their standards and have the same pay scale as the state troopers.

Intent:

Sen. Smith said the protection should be handled by the State troopers. This should be handled in the Public Safety Department. Sen. Phillips said this recommendation should go to the Governor.

Sen. Lewis suggested that they make all the men in the Fish & Game (biologists, etc.) protection officers as well.

A motion was made to accept the figure of \$1,105,300. There

was an objection and a vote was taken by a show of hands. The motion passed 4-2. (Senator Engstrom was excused earlier to hear Senator Bartlett's speech.)

BOUNTIES:

It was noted that the bounty on coyote and wolverine had been removed. Sen. Blodgett said there wasn't enough money appropriated for the bounties. He moved the figure be raised to \$200,000. There was an objection. The motion lost 1-5 by a show of hands. A motion was made to accept the figure of \$117,000. This passed 5-1. It was so ordered.

SPORT FISH:

The same, \$646,300. This was passed on unanimously.

ALASKA KING  
CRAB QUALITY  
CONTROL BD.

The same, \$157,000. This was passed on unanimously.

Recess:

The committee recessed at noon.

SENATE FINANCE COMMITTEE MEETING

March 28, 1967

2:00 p.m.

**Present:** All members were present with the exception of Senator Blodgett.

**SWIS**  
**Dept. of**  
**Administration** There was a discussion on the Department of Administration's proposal to replace three data processing units, now rented by the state for a total of \$22,000 a month, with a Lockheed 360 unit which would perform more work than the three present machines, and rent for \$16,000 a month. It is planned to centralize all the data processing work for various state departments in the Department of Administration if this unit is acquired.

It was moved and passed that \$300,000 be deleted from the Governor's allowance of \$375,000 for item 380 in the Planning section of the Data Processing budget request. The \$375,000 requested was to hire Lockheed personnel for one year to help implement the new data processing unit. The remaining \$75,000 allowed by the committee will cover the cost of one Lockheed person to assist the state in this implementation. It was also moved and passed that \$10,000 requested for a new Programmer III position be eliminated from the Personal Services section of the same budget, and that item 350 be reduced \$500 from \$2,000 to \$1,500 (the \$500 having been intended to bring the Programmer III to Alaska). This brings the total for Data Processing (Planning) to \$355,200, and the total for the Department of Administration (Department Operations) to \$1,891,400.

Fish and Game  
(re-opened)

It was moved and passed that the sum of \$9,000 be added to the Game Division budget, Research section, under item 800, for the preparation of two films by Amos Burg, one on live game animals, and the other on fish. A letter of intent on this item is to be sent to the department. This brings the total budget for the Game Division to \$1,639,800.

Letter of intent

Dept. of Highways  
(re-opened)

It was moved and passed that the sum of \$60,000 be deleted from the amount earlier approved for maintenance funds in the Anchorage area, and the same amount added to capital improvements for reconstruction of the Seward Highway. A

Letter of intent

letter of intent is to be sent to Commissioner Gonnason regarding this change. This leaves the total for maintenance funds in the Anchorage area reduced to \$2,652,100, and the new total for capital improvements at \$91,088,800.

Recess:

The committee recessed at 2:35 p.m.

SENATE FINANCE COMMITTEE MEETING

April 4, 1967

8:00 a.m.

Present: All members.

Natural Resources:

Increase:

It was moved and unanimous consent was asked that \$50,000 be included in the Natural Resources budget for a study on round logs. There being no objection it was so ordered.

Office of Governor:

Increase:

It was moved and unanimous consent was asked that \$165,000 be included in the Office of the Governor, Secretary of State to cover the pre-registration bill. There was objection, and on a show of hands, motion carried 3-2.

Economic Development:

Increase:

It was moved and unanimous consent was asked to increase the budget for Industrial Development in the Department of Economic Development by \$100,000 to fund the SBA 502 program. There being no objection, it was so ordered.

Natural Resources:

Increase:

It was moved to not include anything for moving Division of Mines to Fairbanks. Motion failed.  
It was moved and unanimous consent was asked to increase budget for Department of Natural Resources by \$100,000 to move Division of Mines to Fairbanks. Motion failed 2-4.

It was moved and unanimous consent was asked to increase by \$88,200 the Natural Resources budget to move Division of Mines to Fairbanks. There was objection, and on a show of hands motion carried 4-2.

CSHB271:

(Pay Raise for state employees.) It was moved and unanimous consent was asked that CSHB271 be reported out of the committee. No objection, so ordered.

Salary Adjustment

Increase:

It was moved and unanimous consent was asked that the amount for the Salary Adjustment be increased by \$750,000. There being no objection so ordered.

Capital  
Site  
Plan:

Increases:

It was moved and unanimous consent was asked that \$40,000 be included in the budget for the Juneau building site for State buildings. There was objection, and motion carried 5-2.

Increase:

It was moved and unanimous consent was asked that \$285,000 be included in the budget for the Site Acquisition. Objection was heard, and on a show of hands, motion carried 5-2.

Airports:

Increase:

It was moved and unanimous consent was asked that \$113,000 be included in the budget for the Palmer Airport. Objection was heard, and on a show of hands motion carried 5-2.

Increase:

It was moved and unanimous consent was asked that \$84,000 be included in the budget for Nenana airport. Objection was heard, and on a show of hands motion carried 5-2.

Increase:

It was moved and unanimous consent was asked that \$312,500 (federal funds) be included in the budget for a cargo ramp. No objection so ordered.

Local  
Affairs:  
Increase:

It was moved and unanimous consent was asked that a Deputy Director position be restored to Local Affairs Agency. There was objection, and on a show of hands motion carried 4-3.

Health &  
Welfare:

Increase:

It was moved and unanimous consent was asked that the two Youth & Adult Authority positions of probation officers be restored to the budget. There was objection and motion carried 3-2.

Senator Blodgett moved that two state troopers be moved out of Juneau and be stationed in the boondocks. Motion died for lack of a second.

Committee went into a bill session at this time.