

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2465

Secretary of State administratively during off-election years. Mr. Ray recommended to the committee that the Secretary of State's budget should come in as one budget and that Elections should not be a separate one.

It was moved and unanimous consent was asked that the figure of \$54,200 be accepted for Personal services. No objection so ordered.

LEGISLATIVE  
INTENT

Mr. Borer moved and asked unanimous consent that the letter of legislative intent direct the Director of Elections to make every attempt to incorporate within his budget an extra election clerk in Southwestern Alaska. No objection so ordered.

Travel:

It was moved and unanimous consent was asked that \$10,000 be accepted for travel. No objection so ordered.

Contractual  
Services

Mr. Miller said that with regard to the previous question on rents and utilities going up approximately \$12,000 over FY66-67, he still had not received an answer but would present it to the committee as soon as he did. It was moved and unanimous consent was asked that the figure of \$181,200 be accepted by the committee. Objection was heard and motion carried 3-2.

Commodities;

It was moved and unanimous consent was asked that figure of \$4,000 be accepted by committee. Mr. Ray moved to amend motion to \$3,500. Motion failed 1-4. On main motion, \$4,000 was accepted by the committee on vote of 4-1.

Equipment:

*(Increase)*  
It was moved and unanimous consent was asked that figure of \$1,600 be accepted as Governor's figure. (Original request showed as \$1,000 but this was corrected to \$1600 as earlier stated in the minutes). Noobjection, so ordered.

Total  
Actions:

It was moved and unanimous consent was asked that figure of \$251,000 be accepted by the committee for Elections budget.

Objection was heard and motion carried 4-1.

Total:  
SECRETARY  
OF STATE

It was moved and unanimous consent was asked that total budget for Secretary of State for \$388,800 be accepted by the committee.

Objection was heard and motion carried 4-1.

Recess: Meeting recessed for 10 minutes.

10:10 a.m.

**Present:** All members of the House Finance Committee except Messrs. Strandberg and Sassara, who were excused. Mr. Freer was also present. Mr. Haugen reconvened the meeting and said they would continue with closing out the Governor's Budget.

Pioneers'  
Home  
Sitka

Mr. Miller said that this program is at the same level as in previous years with the exception of salary increases and a small decrease of \$500 in money which is given the guests for spending money. It was moved and unanimous consent asked that \$702,200 be accepted. Objection was heard from Mr. Borer as he wanted further explanation as he felt it had always been a loose budget. Mr. Freer said that the usual lapse of funds is about 7 or 8%. Mr. Borer removed his objection. Mr. Sackett asked if the lapses would have any bearing on the new pioneers' home in Fairbanks. Mr. Freer stated that he did not think so because of the stable population at the homes.

Total: There being no further objection to the figure of \$702,200 it was so ordered.

Fairbanks  
Personal  
Services

Mr. Miller said that part of the increase was for two reclassifications and the addition of three new positions. Mr. Ray asked what the reclassifications and new positions were for. Mr. Miller said the reclassifications were an Accounting Clerk III to Nurse I and Maintenance Mechanic I to Maintenance Mechanic II. The new positions were for a kitchen helper, custodial worker and nursing aide. The salary increase factor is also in here.

Mr. Strandberg entered the meeting at this time.

Mr. Miller moved and asked unanimous consent that the figure of \$256,500 be accepted. No objection, so ordered.

Travel

Mr. Miller moved and asked unanimous consent that this figure be cut to \$1,600, which would be in effect a 1/3

(decrease)

cut, to be more in line with the Sitka Home. No objections, so ordered.

Contractual Services

Mr. Miller moved and asked unanimous consent that the figure of \$50,000 be accepted. No objection, so ordered.

Commodities

Mr. Miller moved and asked unanimous consent that the figure of \$65,000 be accepted. No objection, so ordered.

Equipment

Mr. Borer questioned the figure allowed for equipment.

Discussion followed on equipment requested. It was moved and unanimous consent asked to reduce the figure of \$5,000 to \$2,500. Objection was heard. On vote by the committee the new figure was adopted 3-2.

(decrease)

Total:  
Fairbanks  
Pioneers'  
Home

It was moved and unanimous consent asked that the figure \$376,600 be adopted. No objection, so ordered.

Pioneer  
Advisory  
Board

It was moved and unanimous consent asked to accept the figure of \$6,300. No objection, so ordered.

TOTAL:  
Pioneers'  
Homes

It was moved and unanimous consent asked that the figure of \$1,085,100 for the Pioneers' Homes be accepted. No objection, so ordered.

Local Affairs  
and Rural  
Development

Mr. Miller asked that the committee hold on these two functions. There was no objection.

State Commission on Human Rights

Total:

Alaska Far East Trade & Information Office

Mr. Miller explained the slight increase in this request and said that he thought it was a good program. It was moved and unanimous consent asked that the figure of \$72,200 be accepted. No objections, so ordered.

Mr. Miller moved and asked unanimous consent that the figure of \$65,000 be accepted. Mr. Borer objected. Mr. Strandberg said he thought a good job was being done with this office and it is his understanding that plans are to use it even more in the future. Mr. Borer said he had some questions relative to public relations and agency promotions. Mr. Freer said that his office doesn't have any records relative to this program, the money for this program is sent to Department of Administration and they deposit it, but no records are kept in that department. Mr. Strandberg said they would call somebody in who can give the committee the answers.

Economic Opportunity

The committee requested that additional information be furnished regarding this program. It was requested that Mr. Lethin or a representative of the office meet with the committee to discuss this program further.

Planning & Research

Mr. Miller said that the budget request for this program was going to be resubmitted.

Council of the Arts

Total:

Mr. Sackett moved and asked unanimous consent that the figure of \$97,500 be accepted. No objections, so ordered.

Commission  
on Status  
of Women

Mr. Ray moved and asked unanimous consent that the figure of \$5,000 be accepted. Objection was heard. Discussion followed regarding this program and pointing out that so far it has been quite inactive. The objection was removed. Mr. Sackett asked Mr. Freer if he knew how much money would be lapsed. Mr. Freer replied that he did not, but could get the information for the committee. Mr. Ray called for the question. Vote of committee carried for the \$5,000 figure.

Total:

Rural Af-  
fairs Com-  
mission

Mr. Miller moved and asked unanimous consent that the figure of \$35,900 be accepted. Objections were heard. Mr. Sackett spoke in favor of the amount requested and said he would like to see additional task forces and other programs added. Mr. Strandberg said that the committee would like to get these sections closed out and if there is something to be added or additional programs it can be brought up again. This is a mechanical part of the work and the budget can be opened up again.

Mr. Ray said that he objected to the figure as he thought it was too heavy. He would like to have a little more idea of what it is all about. Mr. Sackett spoke on the assistance this Commission through the various task forces has already provided, such as coordinating on the native land claims and providing labor for people in rural communities. There was further discussion regarding who were members on the Commission. Mr. Ray removed his objection. Mr. Borer said he objected because he did not feel that there was enough information and were not getting full cross section repre-

sentation. It was brought out that this portion of the budget had been discussed when Mr. Borer was not in the committee. Mr. Borer removed his objection.

Mr. Strandberg reminded the committee that if they are holding a meeting and a member is not present, the committee will not reopen a budget for discussion. If there is a specific item the absent member thinks is wrong and wants to work it out later, they can present their case before the committee.

Mr. Ray stated that if the absence is for a call of the House or through no fault of the member, pertinent questions may be asked. No objections.

Total: Question was called for in the amount of \$35,900. No objections, so ordered.

Special  
Litigation

Mr. Ray asked if Mr. Freer had the figures on Special Litigation as the committee would like to have them before they went on the floor today. He added that if they didn't have the figures, the committee would not be able to answer some of the questions. Mr. Freer said he had requested the information and would call his office to be sure that they are working on it.

The committee recessed for 10 minutes.

11:15 a.m.

The meeting reconvened at 11:15 a.m.

Mr. Miller moved and asked unanimous consent that the Governor's Budget be left open. There were no objections, so ordered.

Mr. Miller said that there were some questions regarding the VISTA program under Economic Opportunity which required answers.

It was reported that Mr. Lethin is out of the city and that Mr. Allen had been requested to appear before the committee. Mr. Sackett said that Mr. Allen was a new man and had only been on the job for a few weeks, so there were probably several areas he would not be familiar with yet.

Mr. Strandberg said that a schedule for budget reviews should be set up. The following schedule was set:

Department of Law -- Wednesday, February 28;

Department of Natural Resources, Thursday,

February 29;

University of Alaska, Monday, March 4.

Mr. Strandberg also announced that the next room (Room 402) has been set up for use as a subcommittee room for the Finance Committee.

Mr. Strandberg asked if, while they were waiting for Mr. Allen to arrive, there were any bills to be reported.

HB 393

Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 393 (construction in rural villages) be considered.

No objection, so ordered. Mr. Strandberg noted that there is an amendment in the file by the State Affairs Committee changing "shall" to "may", plus a letter of intent by the State Affairs Committee. After considerable discussion relative to the intent of the bill and the wording, it was moved and unanimous consent asked to refer the bill to Mr. Ray for re-writing. So carried.

Mr. Allen arrived at the meeting at this point.

Economic  
Opportunity

Mr. Strandberg said that he understood Mr. Lethin was out of the city and asked Mr. Allen if he was prepared to testify on Mr. Lethin's behalf. Mr. Allen said he would do the best he could.

Mr. Borer asked what the Technical Assistance does that the Human Rights Commission doesn't and asked if the state has two parallel programs. Mr. Allen said that the two are very different. The technical assistance office is assisting the existing OEO programs in state in areas such as fiscal, administrative, staff-wise and with program intent. He referred to the Community Action Programs in Anchorage and Fairbanks and the assistance they received in descriptions of their work programs and preparation of budgets they have to submit. In reply to a question, Mr. Allen said that there is a Community Action Program in Juneau also. In reply to a question on why the Federal matching money has dropped, but the state share has remained the same, Mr. Allen said he was not prepared to answer this question. Mr. Strandberg requested that someone get this information for the committee.

Mr. Sackett asked what the state is getting back for its contribution to VISTA. Mr. Allen that this program deals more with the human factor than in visible projects such as buildings. There is the headstart program, adult educational programs--it is difficult to say unless you talk to the people in the communities where this program has been in operation. It was brought out that at the time the budget is prepared it is not always known just what amount of Federal money is going to be available.

It was requested that a letter be written by OEO setting out what they have done in the past and what the plans are for the future. Mr. Allen said the letter would be prepared.

Mr. Miller asked if it was true that OEO was going to double the number of VISTA volunteers in Alaska. Mr. Allen replied no--even now they are not up to allowed strength. Mr. Haugen brought out that there had been complaints in the past that VISTA people will come into a community and start a program, then leave and the project is never completed. Mr. Allen said that this had been true and they now have a system which they hope will eliminate this problem; after the two weeks of "basic" training, two more weeks are spent at the Alaska Methodist University in additional training and then two weeks are spent with the outgoing VISTA people. OEO is hoping that with this system there will be more continuity in the programs. Mr. Allen also mentioned that they are now trying to recruit married couples as it seems to work out better. Mr. Miller asked if Mr. Allen would provide the committee with a list of all the VISTA people in Alaska and where they are located. Mr. Allen said he would. (Mr. Allen left the meeting. Mr. Strandberg said that, based on the assumption that the information Mr. Allen had given the committee and the information he will furnish, the committee will go ahead and complete this section of the budget. Mr. Miller moved and asked unanimous consent that the figure of \$181,800, total program for Economic Opportunity, consisting of \$117,500 for Technical Assistance and \$64,300 for VISTA, be accepted. No objections, so ordered.

Total:  
Economic  
Opportunity

It was requested that the record show that the following programs in the Governor's budget request are still open:

W I C H E

Contingency Fund

Local Affairs

Rural Development

Far East Trade and Information Office

Planning and Research

Mr. Strandberg announced the next meeting would be in the Speaker's Room at 1:00 for a telephone conference with bond counsel relative to HB 407.

Adjournment: Meeting adjourned at 11:55 a.m.

HOUSE FINANCE COMMITTEE MEETING

February 27, 1968

8:45 a.m.

Present: All members of the House Finance Committee were present except Mr. Strandberg who was excused. Also present was Representative Jack Simpson.

Mr. Haugen opened the meeting and said that Mr. Simpson would like to discuss COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 42 (relating to the occupation of barbering) with the committee.

CSHB 42

Mr. Simpson gave the committee a brief history of the bill. He noted that the bill had been referred to the Commerce Committee, who had reworded it. This was not satisfactory so they had the Chairman of the State Barber Board come down and testify on the bill. The bill was then revised by the Finance Committee and this was still not satisfactory. The bill was then re-drawn. Mr. Simpson also pointed out some of the pertinent sections of the new bill; such as, graduation from an approved barber college, requirement for serving two years as an apprentice under the supervision of a licensed barber, and the raise in the annual fee from \$10 to \$25. He said that the barber's union and the board have approved this bill.

Mr. Sassara said that he had spent some time discussing this bill and had some points he wanted to put before the committee. He said that there is only one barber college in Alaska and that the barbers in the state have fought the college for a long time. The bill was introduced to put that college out of business. He stated that barber colleges turn out qualified barbers, yet under

this bill he would have to serve as an apprentice for two years. He would like to see the bill changed so that anyone graduating from an accredited barber school can practice. He brought out that most of the barber shops in Alaska are small, usually no more than two chairs and the owner of these shops cannot afford to take in an apprentice.

There was further general discussion on various sections of the proposed bill. Mr. Miller asked if all have to go through the apprenticeship or could anybody by-pass the requirement. Mr. Simpson said no one could by-pass it. Mr. Miller asked about a barber who was licensed in another state and came to Alaska. Mr. Simpson said that he would have to pass the state examination and if he passed would be able to practice.

Mr. Simpson told the committee that he had not heard or been told that the purpose of the bill was to put the college in Anchorage out of business. He requested permission to have the chairman of the Board come to Juneau and testify before the Finance Committee. Mr. Haugen said that the committee would be glad to hear the chairman and suggested that there may be a member of the board in Juneau who would also appear.

Mr. Sassara suggested that the bill be assigned to a sub-committee for further review and research. Mr. Haugen assigned CSHB 42 to Mr. Sassara and Mr. Miller.

Assignment  
of bill

CSHB 42

Mr. Haugen asked if there were any bills that could be reported out of the committee.

Mr. Sassara moved and asked unanimous consent that HOUSE BILL NO. 27 (relating to notification of Revenue of transfer of title for vehicle) be considered. Objection was heard and withdrawn. No further objection, so ordered.

Mr. Haugen read a letter (copy in HB 27 file) from the Department of Revenue indicating that the department was not in favor of this bill.

Mr. Sassara said that having been in the automobile business he felt that the Department is in error. He stated that people do not comply with the present law because there is no provision for enforcement--nothing that says the seller has any responsibility after the sale. He suggested that the bill should be amended (page 1, line 19) to read after the word "owner" add the words "of record at the time of sale". Mr. Miller asked if it would be necessary for the Department of Revenue to chase these down. Mr. Sassara said no, if the state had an automated system it would be able to keep track of these sales, but with the present system it would be impracticable. Discussion followed regarding liability of owners of record and difficulties which could be encountered if advice of sale had not been made. There was also discussion on type of forms to be used by the seller to notify the Department of the transfer of title. There was a question regarding registration of ownership by dealers. It was brought out that dealers are never owners of record. Mr. Ray read AS 28.10.370 covering issuance of new registration and certificate of title.

Mr. Sassara moved and asked unanimous consent that HOUSE BILL NO. 27 as amended be reported out with a "do pass" recommendation. The bill was reported out with 4 "do pass" and 3 "no recommendation." (Mr. Strandberg signed after he returned to the meeting.)

Mr. Haugen asked if there were any other bills to come up at this time.

HB 393

Mr. Ray moved and asked unanimous consent the HOUSE BILL NO. 393 (construction in rural villages) be considered. No objection, so ordered. Discussion ensued on the intent of the bill and the effect of the bill on the various villages. Mr. Ray said he would have the bill redrafted as a Finance Committee Substitute. Mr. Sackett asked to have the bill held for one day. (Mr. Sassara left.)

Mr. Haugen asked Mr. Miller how close he was to reporting on the law bill. Mr. Miller replied not very as the subcommittee had not been able to get together with Mr. Edwards.

Mr. Haugen asked Mr. Sackett about his report from Natural Resources. Mr. Sackett said he hoped to be able to report by Thursday.

Mr. Strandberg entered the meeting at this time.

Mr. Strandberg said that the Governor had requested the Finance Committee to introduce the following bills today:

- (1) An Act appropriating to the Department of Health & Welfare \$90,000 for a work incentive program. No objections.
- (2) An Act relating to rates for nursing home and foster home care. No objections.

Adjournment: Meeting adjourned at 9:50 a.m.

4:25 p.m.

PRESENT: All members were present except Mr. Ray.

HB 305: Mr. Strandberg presented several amendments on HOUSE BILL 305 (An Act creating the Office of Mental Retardation and an Advisory Council on Mental Retardation) to the committee. The amendments were: on page 1, line 20, insert before "member" "ex officio"; line 21, insert "serve as" before liaison; on page 2, line 14, changing the number of members from 9 to seven, and deleting the specifications for members from the Departments of Health and Welfare, Education, and Labor; and starting on line 23, changing the section on terms to show two members, two, and three where the bill had previously read one-third, one-third and one-third.

As there were no objections from any of the committee members, Mr. Strandberg directed Mr. Dean to make a second committee substitute for the bill and said that the committee would report it out of committee.

The meeting adjourned at 4:30.

HOUSE FINANCE COMMITTEE MEETING

February 28, 1968

8:30 a.m.

**Present:** All members were present except Mr. Sassara and Mr. Ray. Paul Dickson, Management Consultant for St. Mary's, from Anchorage; Mr. Moses Paukin (recently appointed to House of Representatives to replace Mr. Westdahl); and Father Astruk of St. Mary's, were present to testify before the Finance Committee.

St. Mary's  
Hearing

Mr. Dickson said he was also representing Mountain Village. These two villages are on the Lower Yukon, 450 miles west of Anchorage and 100 miles NNW of Bethel. He told the committee how St. Mary's had become a second class city in August of 1967, and that 136 acres of land had been deeded over to the city and that the city has a fee simple title to this land, and also noted it is the only Native village that has title of this kind to its land.

Mr. Sassara arrived at the meeting.

Mr. Dickson told of the projects that St. Mary's has been working on with the Federal Economic Development Administration. He said that immediately upon becoming a city the federal government approved both grants for the projects they had proposed. He said the projects will go to bid this spring and should be completed by mid-summer of 1969. One is a cold storage and the other will be a building with cafeteria, rooms, etc., for the vocational school. He said he was appearing before the committee to request 1.6 miles of access road between Pitkas Point and the airport access road that runs from St. Mary's airport to town. He pointed out that this would

connect them with the airstrip, and this would be a great asset to the whole area and not just St. Mary's. Mr. Strandberg asked about cost and Mr. Dickson said Highways had prepared surveys on this and they had the cost.

Mr. Ray arrived at the meeting.

He said the urgency was not only the need but that the city would have contractors working there this summer and they felt this would be a great savings to the state if they could coordinate the work. He said the second request was for Mountain Village, they were asking to extend their access road still further and this was 23 miles west of St. Mary's. He said 6 miles out of St. Mary's and 4 miles out of Pitkas Point are already built, so pieces of the route structure are already built. He said estimate from one company was \$230,000 for a minimum type of road, and that would run from St. Mary's airport to Mountain Village. This would connect four other villages and put the airport to far greater use, according to Mr. Dickson. He said this would be 16.5 miles of actual road building. He said the experience has been with the road to St. Mary's has been that it is relatively free of snow and that it has not been a serious problem.

Mr. Dickson said he feels it is most important to combine projects going on in this area since it is very expensive for the state to bring in road building equipment.

He said the other request was surfacing of the airport which would qualify them for the 737 type of plane. Mr. Strandberg asked about the cost, and Mr. Dickson said it would be \$27,000. He said Mr. Harmon, former head of the Division of Aviation, had given Mr. Westdahl this figure.

He said the city is embarking on this vocational program and also

building the cold storage. He gave the committee a detailed description of how both these projects should greatly enhance the economy of the whole area. He said the cannery development also fit into the economic development and the owners of the cannery are in an agreement with the city that the city can eventually take over the cannery. Mr. Strandberg asked what they were canning and Mr. Dickson said king salmon only. Mr. Strandberg inquired about the market, and Mr. Paukin said it was in the other states. In answer to a question about the cold storage, Mr. Dickson said this was in no way in conflict with the cannery, since the cold storage would be doing only frozen products. Mr. Strandberg asked they would get the frozen goods to market, and Mr. Dickson said they had a choice now with the airport. They can either fly it out, which is why they are interested in improving the capability of the airport, and they are also working out a deal with a barge line for refrigerated vans.

Virginia Sims (AP) arrived. Mr. Sassara left.

Mr. Haugen asked a number of questions as to the type of salmon (dog, silver, king) and he said they were all excellent fish. Mr. Dickson said this was true but the thing they had to keep in mind was that the people, first of all, had to have the fish for sustenance, and secondly for selling, so therefore, they could only push this to a point where it would not deprive these people of food.

Mr. Sassara returned.

Mr. Dickson, in conclusion, stated that he hoped money for these projects could be put in the budget. He explained that MDTA through the Department of Labor had a vocational program going

in the area. He said they are also in close communication with the Vocational Education Division of the Department of Education since they need as much vocational training as possible with the projects (cold storage, cannery, etc.,) getting started in this area. He said Public Health Service hospital is scheduled for construction in 1971 which will mean about 60 full time employees and they will have to start training programs for these people. He said that in the Department of Education budget this year, they have requested, under Vocational Education, a coordinating unit which involves about \$10,000 in state money and \$9,000 in federal. He said if this is included in the Education budget it will certainly be of great assistance in their vocational planning.

Mr. Strandberg thanked Mr. Dickson for his presentation and told him he would check with Highways on the status of the road.

HB 407

HOUSE BILL NO. 407 (relating to the International Airports Revenue Bonds) was again before the committee. Mr. Strandberg told the committee about the long distance call from Mr. Walker, Bond Counsel, in San Francisco in which this bill was discussed.

Mr. Borer listed the following amendments:

Page 1, line 18, "bond" should be "Bond".

Page 1, line 24, remove ", " after facilities.

page 4, line 17, last word in sentence should be "or" instead of "of".

Page 5, lines 2 and 4, wherever six or "6" appears, change to seven or "7"

page 6, line 6, delete or desirable

page 11, lines 12, 13 and 14: delete material on line 12 starting with word "for" and delete down through word "state," on line 14.

There was a long discussion on Sec. 12, page 11. Mr. Strandberg said that as far as he was concerned it was a policy decision of the Legislature to decide whether they would invest state money in revenue bonds and not that of bond counsel. Mr. Borer said that according to bond counsel, it could, in a small way, effect the sale of bonds. In other words, if the state isn't willing to risk its money on bonds, possibly others would be less interested. Mr. Strandberg said that he felt when one invests in revenue bonds, it is considered a high risk type of thing and certainly that is not the idea in investing employees' and teachers' retirement fund moneys. This money is only invested in areas of good performance. Mr. Borer said he agreed with that, and could see only the possibility of say, 5 per cent, of these retirement funds being invested in revenue bonds but certainly not much more than that. He said he didn't think the whole section should be struck, however, since they needed legislation to allow the state banks, savings and loan, etc., to invest in revenue bonds. He said as the law reads now, a state bank can only invest up to \$30,000, or the same as a loan. On deleting "or desirable" as shown on page 6, line 6, Mr. Strandberg said he was sure the Legislature would not be willing to give the Bond Committee that kind of power. The bill was turned over to the staff to redraft into a committee substitute.

HB 393

It was moved and unanimous consent was asked by Mr. Ray that HOUSE BILL NO. 393 (construction grants - rural villages) be considered by the committee. No objection so ordered.

It was moved and unanimous consent was asked that the committee

adopt CSHB 393 in lieu of HB393 and report out CSHB393 with a "do pass" recommendation. . No objection so ordered.

HB31

Mr. Kubley from the Governor's office arrived to testify on HOUSEBILL NO. 31 (plastic encased licenses). Mr. Kubley said that money had been put in Public Safety to fund this bill. On discussing it with Mr. Freer, it was noted that though the Governor had asked for \$40,000, the Budget Review had cut this for \$35,000 and is shown under contractual services. Mr. Kubley was asked by Mr. Strandberg if he had checked the amendments by the House State Affairs Committee to HB31 to see if this added any additional expense to the bill. Mr. Kubley said no he had not, but would do this immediately. Mr. Kubley told the committee it was not in the law that the picture had to be taken and he felt this definitely should be in; otherwise a person could refuse to have his picture taken and the state could not insist unless it was in the statutes. Cost factor in this was discussed by the committee with Mr. Kubley and Mr. Strandberg felt the cost information presently available to the committee was outdated and also inconsistent. Mr. Kubley said he would investigate further and bring up-to-date information back to the committee. Messrs. Haugen and Borer asked to be excused from the 10 a.m. meeting of the House so they could work on the Health and Welfare budget with the Commissioner.

Recess: Meeting recessed at 10 a.m.

HOUSE FINANCE COMMITTEE MEETING  
February 28, 1968  
1:45 p.m.

**Present:** Messrs. Strandberg, Miller, Sackett and Sassara were present. Messrs. Haugen and Borer were excused for a meeting with Commissioner Scott McDonald, Department of Health and Welfare, and Mr. Ray was excused for meeting with the Resources Committee. Also present were Mr. Larry Montgomery, director, and Mr. Widmark, deputy director, Local Affairs Agency.

Office of  
the Govern-  
or  
Local  
Affairs

Mr. Strandberg said that the committee would review the Local Affairs Agency of the Governor's budget request.

Mr. Miller said that Local Affairs had asked for certain increases and the governor's review committee had put it back to last year's level. Mr. Miller asked Mr. Montgomery to explain the requested increases.

Mr. Montgomery stated that the bonding service enacted last year was primarily responsible for this request. He said that the agency had hoped to implement the program this year, but with no increase in staff or contractual services it would be difficult. There has been an extreme increase in requests for assistance from many of the local governments as they become increasingly aware of their responsibility to provide local leadership for the development of their communities. He reminded the committee of the Nome issue and said that similar issues have come up in Unalaska and in Bristol Bay. The agency provides technical assistance to communities desiring to market bonds on providing fiscal information and accounting responsibility necessary if they are going to the bond market. Actually the assistance is broader than just for bonding purposes, it also

includes assistance relative to capital improvements and budgeting procedures. The agency has assisted in setting up accounting systems in Nome, Yakutat and Hydaburg, and have other requests for assistance which the agency has not been able to get around to. The agency is also handicapped as they have lost their primary accountant to the front office and have not been able to recruit the kind of person they want.

Mr. Montgomery went on to explain that they assist communities in drafting or redrafting city and borough ordinances. Most of the communities have not had any experience in this field. The agency has not begun to be able to meet the demand during the past year. Mr. Montgomery felt it will be very difficult to even approach the objectives of the legislative passed last year.

Mr. Strandberg asked how much money was involved and Mr. Montgomery replied about \$38,000.

Mr. Miller noted that the increase shown in Personal Services was the normal salary increases, and the only other increase was in Contractual Services as the agency will be moving out of the Capitol Building into rental space in the Goldstein Building. Planning and Research of the Governor's Office will be occupying the present offices of the agency.

Mr. Sassara noted that nothing had been included for a new assessor's manual. Mr. Montgomery said that the agency had utilized some other funds to revise just one section of the manual.

There was general discussion on appraisal of real property and assessments. It was brought out that the state has the authority to check city assessments, but Mr. Montgomery did not think the

statute was broad enough for the state to go in and make appraisals. Under the Foundation Act the city must come up with 3.5 mills, but the city is responsible for the manner in which it raises the money. In reply to a question by Mr. Sassara on how they arrive at a basis for assessed value, Mr. Montgomery said that questionnaires were sent to all the people who had transferred property during the past year in order to get the information back and get a determination of the market value. They then took the local assessment and the sale price and compared them. They used 3,000 pieces of property as a basis--the assessed value and the appraised value--and arrived at a determination of percentage. The agency found that this operation was more significant than just for the foundation program, it is also used by bond buyers and for bond prospectus.

Mr. Sassara asked where the agency had received the money for the survey they made during the Fairbanks flood. Mr. Montgomery said they had received a grant for \$128,000--this was 80-20 money. The 20% was provided primarily by the Local Affairs Agency and Administration. Mr. Sassara asked if the agency had been reimbursed and Mr. Montgomery replied that he did not know. Mr. Sassara asked if the agency was going to fall short of funds this year. Mr. Montgomery replied no. Mr. Sassara asked where they had cut back in order to stay within the appropriation. Mr. Montgomery replied that it had been mostly in Personal services. They had left two positions vacant. They plan to fill one of these positions next month and the other one in May. Mr. Montgomery also said that the agency has started publishing an Alaska bond calendar which has had a fine response from the bond buyers.

Messrs. Montgomery and Widmark left the meeting.

Mr. Sassara left the meeting at this time, and Messrs.

Ray, Borer and Haugen entered the meeting.

2nd CSHB 305 Mr. Strandberg asked for a report on the 2nd CSHB 305.

Mr. Borer moved and asked unanimous consent that the 2nd CS for HOUSE BILL NO. 305 (Creating an office and advisory board for mental retardation) be reported out with a "do pass" recommendation. Objection was heard. Motion carried 5 "do pass" and 1 "no recommendation."

Adjournment: Meeting adjourned at 2:10 p.m.

HOUSE FINANCE COMMITTEE MEETING  
February 29, 1968  
8:30 a.m.

Present: All members were present.

HB407: Mr. Borer moved and asked unanimous consent that the committee adopt CSHB407 in lieu of HOUSE BILL NO. 407 (relating to International Airport Revenue Bonds). No objection so ordered.

Mr. Borer moved and asked unanimous consent that CSHB407 be reported out of committee with a "do pass" recommendation.

Mr. Ray announced he would sign "no recommendation".

The balance of the committee signed "do pass."

HB426 Mr. Sassara moved and asked unanimous consent that HOUSE BILL NO. 426 (appropriating \$50,000 supplemental to Dept. of Fish and Game for bounty claims) be reported out of committee with a "do pass" recommendation. No objection, so ordered.

Representative Jack Simpson, Rod Wolff, chairman of the Board of Barbers, of Fairbanks; Troy Swafford, William Bulkley and F. W. Ingledue, barber shop owners in the Juneau area, appeared

CSHB42 before the committee to discuss CS for HOUSE BILL NO. 42 (relating to the occupation of barbering).

Mr. Simpson said he had met with this group and they have discussed the CS for HB 42 and have suggested some alterations which will give the group a bill they approve. Very briefly, the bill they want would require graduation from a barber college approved by the Board and 18 month apprenticeship to get a permanent barber license in Alaska. The group also wanted the fee of \$25 to operate a shop changed as they already pay \$25 for a business license.

Mr. Strandberg stated that an annual fee is almost standard for all boards and this money goes toward paying for administration

of the Board. Mr. Simpson stated that they are paying an annual fee of \$10, plus the \$25. Mr. Strandberg asked if they were trying to delete this fee on the basis that they are paying the business license tax. Mr. Simpson said that under this bill it would be doubled with the license fee. It is the decision of the group that they want it to remain at \$10 instead of going to \$25.

Mr. Miller asked Mr. Wolff just what the problems are, and noted that this is the third time the committee has considered this bill. He asked Mr. Wolff to give the committee a statement.

Mr. Wolff said that they need this apprentice bill because they need additional people to work in the shops. The college in Anchorage is not approved by the Board, but it is not disapproved. They are unable to supply the needs of the shops. He stated at the present time 15-25 people could be put to work if they were available. Mr. Wolff said that anyone coming into Alaska from other states who applies and is qualified is given a permit to practice until the next examination. If he passes the examination he is given a license. Mr. Wolff stated that last year no one has been turned down and everyone that qualified was given a license. There are many applicants who do not qualify under present law and can't stay and practice barbering who could if the state had the apprentice law.

There was discussion relative to filing of affidavits by apprentice barbers at the end of each 6-month period of apprenticeship signed by the supervising licensed barber. It was noted that the license of a master barber may be revoked or suspended if he refuses to sign a true affidavit.

Mr. Ingledue told the committee that he had prepared a letter questionnaire and sent it to approximately 82 operating barber shops in the state asking if they were in favor of this bill. He stated that he had received 40 replies with 34 answering yes and 6 no. Other questions in the letter asked: (1) How long an apprentice should serve before he would receive a license--9 said 1 year; 17 said 18 months; and 4 said 2 years; and (2) How many hours should be spent in school before serving apprenticeship--16 said 1,000, 10 said 1,250, and 12 said 1,500. Mr. Ingledue said he had also provided space for "remarks" and that several had added comments in this space. The committee was welcome to review these remarks if they desired.

Mr. Ray asked about Sec. 08.12.160 relating to temporary permits and questioned the Board's description of a bona fide license from other states with regulations similar to those in Alaska when regulations vary from state to state. Mr. Wolff replied that generally the requirements are similar in all states--if there are any questions, the Board writes to the Board in the other state for clarification. The permit does not allow anyone to operate his own shop and, if the person is not qualified, he is weeded out, either through his performance in the shop where he is working or in the examination.

Mr. Sassara brought out that the majority of the shops in Alaska are only one or two chair shops and asked how many of these shops would be willing to take in an apprentice. He was advised that nearly all the shops were prepared to add another chair, if necessary, to have an apprentice. Mr. Bulkley stated that he has a

3-chair shop and a third barber that comes and goes. He stated that his shop could certainly use an apprentice.

Mr. Sassara stated that he felt if the Legislature passes this bill that the barbers should make sure that every person who graduated from the barber college can find a place to take his apprenticeship. Mr. Wolff said there would be a place, but the graduate would have to go to where the job was. Mr. Wolff also mentioned that on-the-job training contributes to this program.

Mr. Sassara questioned why the bill provides the restriction of one apprentice per shop. Mr. Wolff said that one master barber can more closely supervise one person. Discussion followed on shops having more than one master barber and why each one should be able to supervise an apprentice.

Mr. Sassara brought up the section requiring an apprentice to be a graduate of a college approved by the Board and questioned Mr. Wolff on the college in Anchorage. Mr. Wolff said that the Board has not approved the college yet, but the committee could be assured that the Board is not against the Anchorage college and will take anyone the college can supply that qualifies under the regulations. Mr. Wolff stated further that he hopes to go to Anchorage from Juneau and talk to other members of the Board about approving the Anchorage barber college.

Mr. Miller asked Mr. Wolff to tell the committee just what amendments are being requested for the bill.

Mr. Simpson replied and said they wanted the two-year apprenticeship changed to 18 months; strike the annual fee of \$25 for a license to engage in barbering or apprentice barbering and return it to \$10; and make it one apprentice per master barber.

Mr. Strandberg said they would have to go back and check the fees. Discussion followed that under Sec. 08.12.090, the annual fee to engage in barbering is \$25 and the new section, 08.12.115, sets the annual fee to operate a shop at \$25.

Mr. Strandberg asked for clarification of just what it was that the group wanted. He said that the intent is that the operating fees charged are to carry the cost of operating the Board--the other is the business license tax. Mr. Strandberg said it was his understanding that when a barber paid the Business License Tax, the present \$10 fee for engaging in barbering was refunded to the barber. If they knock out the operating fee, it will mean that the General Fund will have to carry the costs of the Board.

Mr. Strandberg also noted that in most cases the state has been raising license fees for costs of operating the boards.

Mr. Ray noted a conflict in the bill and called attention to page 1, line 25, "Any person entering the state.....bona fide license issued by another territory or state.....shall be issued a temporary permit..." and on page 3, last line and continuing on page 4, "No permits will be issued to any out of state..."

Mr. Wolff said that section was to have been struck out.

Mr. Miller asked if there were any other amendments that aren't in the minutes. Upon further questioning, it was also suggested that on page 3, line 26, Sec. 08.12.370 Time for Issuing Licenses be struck out.

It was suggested that the bill be returned to the subcommittee for redrafting. Mr. Strandberg said the committee will have the Department of Revenue check out the fees and licenses under this

bill and get it straightened out. Mr. Strandberg stated further that the committee had made the mistake in letting someone else write the Committee Substitute.

Mr. Wolff reiterated that the Board and barbers are very much interested in having an apprentice bill passed so they can get some help.

Messrs. Simpson, Wolff, Ingledue, Swafford and Bulkley left the meeting.

Mr. Miller moved and asked unanimous consent that C' for HOUSE BILL 42 be returned to the subcommittee (Miller and Sassara) for redrafting and presentation to the committee by the end of the week. No objection, so ordered.

Mr. Strandberg asked Mr. Miller where he was on the Governor's budget request. Mr. Miller said he was just about through with the Rural Development Agency. Planning and Research still had not resubmitted their request.

HB 31

Mr. Strandberg asked about House Bill 31 (drivers licenses) and Mr. Ray reported that the Governor's office has advised that they do not think the bill is necessary.

Mr. Strandberg asked about the Department of Law. Mr. Miller said he hoped to get together with the department this afternoon.

Mr. Sassara reported that he would start on Department of Commerce today.

Mr. Ray reported that he is ready to report on Department of Labor.

Mr. Sackett said that he has to meet with Department of Natural Resources and hopes to be able to report in two days.

Mr. Haugen and Mr. Borer said that they were going to work with the Department of Health and Welfare again after the meeting adjourned.

Mr. Strandberg said that he wanted to get some of these departments closed out before the committee starts with Fish & Game Department.

Adjournment: Meeting adjourned at 10:00 a.m.

HOUSE FINANCE COMMITTEE MEETING

March 1, 1968

8:30 a.m.

Present: All members were present except Mr. Haugen who had been excused to attend another meeting.

HB384 HOUSE BILL NO. 384 (relating to the time and st of motor vehicle registration) was considered by the committee. Mr. Miller said he would like to see this bill passed out of committee; however, after Mr. Ray talked to Mr. Kimlinger in the Department of Revenue and since there seemed to be some confusion as to the purpose of the bill, it was decided to hold it in committee until more information was received from the Department of Revenue.

HB605 HOUSE BILL NO. 605 (relating to tax exemptions for senior citizens over 65 years of age) was discussed by the committee and Mr. Strandberg assigned Mr. Borer this bill to do further research.

HB31 Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 31 (plastic sealed drivers license) be again brought before the committee. No objection so ordered. Mr. Ray read a letter from Mr. Kubley stating that the estimate on this was \$60,000. Mr. Ray noted that in the FY68-69 budget, however, that only \$35,000 was included in Public Safety to enact this. Mr. Strandberg read a letter from Mr. Personett, Commissioner of Public Safety, who stated a year ago that it would cost \$160,000. After a short debate, Mr. Ray moved and asked unanimous consent that HB31 be reported out with individual recommendations. No objection so ordered.

CSHB42 Mr. Sassara moved and asked unanimous consent that HOUSE BILL NO. 42 (barbering) be considered by the committee. No objection so ordered. Mr. Sassara told the committee of the changes that had been made in the second CS drafted by the Finance Committee. He then moved and asked unanimous consent that the committee adopt CSHB42 in lieu of

HB 42. No objection so ordered. It was then moved and unanimous consent was asked that CSHB42 be reported out of committee. No objection so ordered.

HB534 It was moved and unanimous consent was asked that HB 534 (relating to the state's contribution for state employees covered by group life and health insurance) be considered by the committee, and then it was moved and unanimous consent was asked that it be reported out with a "do pass" recommendation. No objection to either motion, so ordered.

HB102 It was moved and unanimous consent was asked that HOUSE BILL NO. 102 (supplemental appropriation to Office of Governor for Pacific Marine Fisheries Commission) be considered by the committee. No objection, so ordered. It was noted that the bill would have to be amended to change the effective date. It was then moved and unanimous consent was asked that HB102 as amended be reported out of committee with a "do pass" recommendation. No objection so ordered.

HB367 It was moved and unanimous consent was asked that HOUSE BILL NO. 367 (creating a salmon farming program) be considered. No objection so ordered. It was moved and unanimous consent was asked that HB 367 be reported out with individual recommendations. No objection so ordered.

HB543 Mr. Strandberg said that on HOUSE BILL NO. 543 (relating to the average daily pupil allotment granted in the Southeastern Senate District) that he would assign it to Messrs. Ray and Miller and requested they find out what would happen if this were increased by \$30.00.

Recess: Meeting recessed at 10 a.m.

HOUSE FINANCE COMMITTEE MEETING

March 2, 1968

8:37 a.m.

**Present:** All members were present except Mr. Strandberg who had been excused to go to Anchorage, and Mr. Miller. Mr. Haugen conducted the meeting and asked the members to report on progress of their work on the budgets.

Natural Resources

Mr. Sackett said he would ready by Monday to report out the Natural Resources budget.

Health & Welfare

Mr. Borer said that the portion that he and Mr. Haugen had been working on was ready to report out.

Labor and Law

Mr. Ray reported that both Department of Labor and Department of Law are ready to be reported out.

U of A

It was noted that University of Alaska is scheduled to meet with joint House and Senate Finance Committees on Monday at 3:00 p.m., and Mr. Ray said that it would be ready as soon as these people arrived.

Commerce:

Mr. Sassara told the committee that the Commerce budget would be ready to report out by the end of next week.

Mr. Ray said he had been working on revisions to the Election Code and also the teachers' pay raise is still being researched by him and Mr. Miller.

**Recessed:**

Meeting recessed at 9:00 a.m., to meeting in joint session with the Senate Finance and the House and Senate Judiciary to hear the Board of Governors of the Alaska Bar Association.

JOINT FINANCE COMMITTEES

March 2, 1968

9:00 a.m.

Present: Members of house and senate finance committees and judiciary committees, members of the Board of Governors of the Alaska Bar Association (Messrs. Roger G. Connor, Ronald G. Benkert, Arthur D. Talbot, James N. Wanamaker, Victor D. Carlson, Warren C. Christianson, Charles L. Cloudy, Thomas E. Fenton, and Howard P. Staley) as well as Messrs. Joseph Henri and Carl Walter, and Mrs. Virginia Sims (AP).

Meeting: Chairman Vance Phillips called the meeting to order at 9:05. Roger G. Connor, President of the Alaska Bar Association, gave a brief statement commending the Legislature on last year's legislation improving the judiciary set-up in Alaska, and explaining the reasons why the Bar was before the committees now. He said that the Board of Governor's had decided on a number of specific bills which they wished to endorse. These were:

HB 92 (Public defender agency)  
HB 350 (Raising membership fee - Alaska Bar Association)  
HB 16 (Long arm statute)  
HB 41 (Rotating chief justice)  
HB 477 (Service of summons-persons over 21 in civil action)  
SB 226 (mentally ill - acute alcoholism)  
SB 225 (real property instruments to have signature of one who wrote it up)  
HB 417 (Arrest without warrant - certain misdemeanors)  
HB 539 (Qualification of district judges)  
SB 255 (Awarding attorney fees to property owners in eminent domain actions)  
and a new bill pertaining to judicial disqualification.

Mr. Connor made the point that the Board is not in total, 100% agreement with the provisions and wording in all of these bills, but that they are basically in agreement. He also mentioned that there are many other bills which concern the Bar, but that the Board had felt only those bills on matters considered to be critical should be brought up before the committees (thus eliminating bills with which they are concerned but do not feel necessary to officially support or not support, such as the drug bills). The two bills with highest priority, he said, are the public defender bill and the bar association dues bill.

HB 350

Mr. Connor then presented a short statement on the Bar Association dues bill. He said that the present \$100 a year dues have been in effect since 1955, and just are not sufficient at this time to meet all necessary costs. The Bar has financed itself up until now, and this raise in membership dues will enable it to continue to do so. He mentioned the various expenses of the Bar Association (including processing of membership applications, grievance proceedings, grading bar examination papers, general administration costs) and also said that the Alaska Law Journal, which is being published at a loss to the man doing it, could well use more support from the Association.

HB 92

Speaking of the Public Defender bill, Mr. Connor said that the matter of defending indigents has reached a crisis. He spoke of the hardship imposed on the court-appointed attorneys, with the ever increasing number of indigent cases, and of the loss, both in time and money, these cases represent for the attorney. It was also brought out that it is not fair to the indigents, because in many cases they will get a less complete defense than would a regular client. He said that although the Chief Justice had said this

legislation is unnecessary and had suggested upping the attorney fees on court-appointed cases, this was definitely an unsatisfactory solution to the Bar.

At this point, Mr. Connor introduced the members of the Board of Governors who were present and also two non-members.

HB 41  
Rotating  
Chief  
Justice

Mr. Connor invited questions from committee members. Mr. Kerttula asked if the Board of Governors was unanimous in its support of this bill, and he was answered yes. He mentioned that he understood the Bar Association was not. He asked if they were in support of the bill exactly as it stands, and Mr. Connor said no, that the Board felt the rotation should be 5 years, or certainly less than 10. Mr. Kerttula asked what the reason for this legislation was, other than the personality problem. Mr. Connor said it would insure the sharing of administrative responsibility. Mr. Talbot said that that it would make the administration of the unified court system more democratic, with a wider sharing of views. In answer to Mr. Kerttula's question, Mr. Talbot said that less than half of the states have a rotating chief justice but that the chief justice of the average state has no control at all over other courts. Mr. Kerttula expressed concern that the purpose of this legislation was to go against one man.

Public  
Defender

Mr. Sackett asked what the estimate was on the costs entailed in the first year by this legislation. Mr. Connor said that the estimates run from \$160,000 to a quarter of a million dollars, but he emphasized that costs for court-appointed attorneys have to be paid, too. Mr. Sackett made the comment that little research seems to have been done, which Mr. Connor admitted, saying that they are not very good at that sort of thing, that they would at least like to see the public defender program operating in Anchorage and Fairbanks very soon, and he said that in other states, there have

not been complaints about a set-up such as this.

Mandatory  
Sentences

Senator Brady questioned Mr. Connor about the Bar Association stand on mandatory sentences. Mr. Connor expressed the opinion that any arbitrary sentence lends or can lend itself to injustice. On further questioning, Mr. Connor said there are so many things involved in a court case -- so many variables and degrees -- that an arbitrary sentence, which isn't flexible, can too easily be unjust.

Public  
Defender

Senator Smith asked Mr. Connor if he felt the representation to indigents would improve or become worse with a public defender agency. Mr. Connor indicated that he felt it would improve, with the organization that the agency would have (e.g. already prepared briefs, minimizing research time) Senator Smith then asked if he felt competent persons could be found to act as defenders, with the amount that would be paid them. Mr. Connor felt that there would be little trouble getting qualified persons, as the position of defender, and being a trial lawyer, is very appealing. Senator Smith asked about "repeaters", persons who are continually coming back for another case, and also raised the question whether with free services provided, people would bring the defender petty cases to bring up, but Mr. Connor said the defender would use his discretion. Senator Smith's final comment was that he felt the Alaska Bar should take a stand on the drug bills.

Mandatory  
Sentences

Mr. Miller stated that he felt many of the legislators supported mandatory sentences because with the liberalization going on in matters of justice, they felt there to be a great imbalance occurring. Mr. Connor stated, however, that he felt the mandatory sentences possibly made convictions more difficult to come by, and also said that the liberalizations occurring were a result of the U. S.

Supreme Court. Mr. Connor stated, too, that he doesn't think Alaska judges are "soft" on criminals. Mr. Miller reiterated his point and Mr. Connor expressed disagreement, saying that the number of convictions had not shown any lessening due to liberalization of laws. Mr. Miller then asked if there were nothing Mr. Connor felt the legislature should do, and Mr. Connor said there was, that in fact there was much to be done. He expressed the thought the rewriting the Criminal Procedures Code was not the correct way to go about effecting changes, unless the new code were the result of years rather than weeks or months of study. Rather, he felt that changing individual statutes would be better.

Supreme  
Court

Mr. Fink said that he felt the rotating chief justice idea would be impractical with the justices all in different cities. Mr. Connor said that the Bar favors the justices being together.

Public  
Defender

There was brief discussion between Mr. Moran and Mr. Cloudy on the quality of the representation indigents are now receiving from court-appointed attorneys, with Mr. Cloudy saying it is not adequate, at least in all instances, and Mr. Moran disagreeing. Mr. Brady commented on a difference between indigents and the average person, expressing the opinion that most of the indigents are guilty, and expressed similar opinions on the subject further. Mr. Metcalf stated that he was opposed to the principal of a public defender. He asked if this would include misdemeanors, to which Mr. Connor replied serious misdemeanors at this time, but that it is expected the U. S. Supreme Court will soon rule that all misdemeanors be provided with defense in cases of indigents. Mr. Metcalf asked if transients would be included, and Mr. Connor thought they would be, since they are by welfare. Mr. Metcalf asked how the fees for Court-appointed attorneys compared with

the federal schedule, and Mr. Connor said now they are below, but that this is what the Chief Justice had recommended in place of the Public Defenders. However, he said that even now, with the \$10 and \$15 an hour fees, attorneys are often only paid about half, if the judge says there are not sufficient funds to pay him, and so raising the fee still does not insure the attorneys of getting more money.

Further discussion ensued on the benefits of the Public Defender Program, mainly reiteration of earlier points. Mr. Talbot made the point, however, that the attorneys would not be shirking their duty, that they still would be acting on some court-appointed cases but would be able to utilize the services of the Public Defender.

Supreme  
Court

In answer to a question by Mr. Miller, Mr. Connor said he felt they should get the supreme court under one roof. Senator Vance Phillips pointed out that it was an agreement made at the time the justices were appointed -- one did not want to leave Juneau -- so now the legislature is faced with the problem of making the decision as to putting it under one roof. Senator Begich asked how this would be handled in the budget, with the 5 justices now (or as of September) and Senator Phillips said there is money in FY 68-69 in the capital improvements project for expanding the court building in Anchorage which should take care of the new justices. Senator Begich suggested that in the letter of legislative intent the Finance Committees should designate that the justices would be in Anchorage, and Senator Phillips said he thought that with the addition to the court building that this would be taken care of.

Criminal  
Code

Mr. Miller suggested the Board of Governors appoint a committee

to go over the criminal code and guide the legislature on this. Mr. Connor told him he had appointed a committee for this and the people appointed to the committee had varied backgrounds in law but they finally gave up on the code that is currently before the legislature. He said that proposed code is based on the Illinois law, which is not a model set-up. The committee felt they should just work on specifics.

SB 266 There was a brief discussion on SB 266 (relating to the definition of a mentally ill person) which would allow alcoholics in to API. Chairman Phillips pointed out that the bill had been defeated and could see no reason to continue discussing a bill that was no longer before the legislature.

HB 16 Mr. Christiansen spoke on HOUSE BILL NO. 16 (permitting the filing of various lawsuits in Alaska against outside firms) and cited individual examples of why this legislation is necessary to protect Alaskans.

The subject of a line itemed budget for the court system was brought out and Mr. Christiansen said it could be a dangerous thing but with the problem they are currently facing, it is probably a necessity. Mr. Connor pointed out the problems of allowing jury fees to be spent for other expenses, then leaving the court system no money for juries for the balance of the year. He said it creates an extremely bad situation for litigants when these cases are held up for lack of funds for juries.

Senator Phillips asked Mr. Connor how he felt about not allowing the Governor's Budget Review Committee to review the court system budget. Mr. Connor said he was personally opposed to the Chief Justice's stand on this and felt that it should be handled like any other budget. He said the federal court system has its budget

reviewed in the same manner in Congress and Alaska should be doing likewise. Senator Brady asked the Board of Governors how they would feel if the Finance Committees refused to review the budget until it had been reviewed by the Governor's Budget Review Committee. Mr. Connor indicated that the Court System should be made to realize that it can be crippled by the legislature, and should recognize the power of the legislature.

The question was raised as to whether all the supposedly indigent persons were in truth indigent, and Mr. Connor said that under the public defender system, a much better check on this could be kept.

Senator Phillips asked Mr. Connor if he felt superior court judges needed personal secretaries, to which Mr. Connor replied yes.

Adjournment Chairman Phillips adjourned the meeting at 11:00.

HOUSE FINANCE COMMITTEE MEETING  
March 4, 1968  
8:50 a.m.

Present: All members were present except Mr. Miller

SB 88 Mr. Haugen moved and asked unanimous consent that SENATE BILL No. 88 (relating to school administrators under the Public School Foundation Program) be considered by the committee. Mr. Sassara objected for the purpose of amendment. Mr. Strandberg explained the bill was for the purpose of helping special districts having problems and was a means of helping them. Mr. Sassara removed his objection. Mr. Ray stated that the estimated cost of SB 88 for the 1968-69 school year is \$98,569.

(Mr. Miller arrived.)

Mr. Strandberg asked Mr. Ray if he had all the information concerning the bill, to which Mr. Ray answered affirmatively. Mr. Haugen moved and asked unanimous consent that SB 88 be reported out of committee with a "do pass" recommendation. No objection, so ordered.

HB 357 It was moved and unanimous consent was asked that HOUSE BILL No. 357 (providing for issuance of general obligation bonds in the amount of \$3,000,000 for fish hatcheries, and providing for vote) be considered by the committee members. No objection, so ordered.

(Virginia Sims (AP) entered the meeting.)

Mr. Borer inquired if the bill pertained to salmon hatcheries. Mr. Strandberg read from the bill and explained that it did not

HB357am

pertain to a specific fish and that the bill was broad in scope in that respect as it is not a regional bill. A short discussion ensued. Mr. Sassara questioned the section on the board of fish and game making the determination as to the placement of the fish hatcheries. After a brief discussion Mr. Sassara proposed an amendment that reference to the fish and game board be deleted and the word "governor" be substituted therefor. There being no objection the committee unanimously adopted the amendment. Mr. Haugen moved and asked unanimous consent that HB 357 as amended by the committee be reported out of committee with a "do pass" recommendation. No objection, so ordered.

Mr. Strandberg inquired as to the status of the close out of monies in the governor's contingency fund, and the status of the following bills: HB 624 (Mr. Haugen reported he would have Mr. Morrison and Mr. Park appear to report soon); HB 601 (Mr. Sack t does not have the information as yet); HB 491 (Mr. Miller is not yet prepared); HB 516 (Mr. Borer stated that this bill is ready to report out.)

HB 516

Mr. Borer moved and asked unanimous consent that HOUSE BILL No. 516 (interdepartmental and interagency services) be reported out with a "do pass" recommendation. Mr. Sassara objected. Mr. Sassara discussed the language of the bill and questioned that there was no reference made to an agreement. He then removed his objection. It was again moved that HB 516 be reported out of committee with a "do pass" recommendation. Mr. Ray objected and signed "no recommendation".

SB 276

Mr. Sassara moved and asked unanimous consent that SENATE BILL No. 276 (providing for payment of the costs of administering the Homeowners Incentive Act) be considered by the committee. No objection, so ordered. Mr. Sassara explained that the bill corrected an error made in the Special Session, and moved and asked unanimous consent that SB 276 be reported out of committee with a "do pass" recommendation. No objection, so ordered.

Recess: The meeting recessed at 9:45 a.m.

JOINT FINANCE COMMITTEES

March 4, 1968

4:00 p.m.

**Present:** All members of the House Finance Committee and all members of the Senate Finance Committee except Senators Lewis and Blodgett. Also present were members of the Board of Regents of the University of Alaska (Mr. Elmer E. Rasmuson, President; Mr. William A. O'Neill; Mrs. Dorothy A. Wrede; Dr. Arthur J. Schaible; Mrs. Edith Bullock; Mr. Robert E. McFarland; and Mr. James Nolan), as well as other University officials (Dr. William R. Wood, College President; Mr. Harold A. Byrd; Mr. Al Robertson; Mr. Chuck Sargent; Dean Boswell; and Earl Beistline, Academic Vice President).

**Meeting:** Mr. Strandberg called the meeting to order at 4:00, and announced that the purpose of the meeting was to discuss with the University Board of Regents the proposed budget for FY 68-69. Mr. Elmer Rasmuson, President of the Board, said the University is requesting more money and this is the point he wanted to emphasize. He said that the question has been asked by the Legislature, what is the impact on the University when there is a cut in the appropriation request. He explained that the University has gotten along by various measures, such as not introducing new programs, with deferred physical maintenance (which he pointed out is a very expensive way to operate), with a failure to add necessary technical and administrative staff which would result in more efficiency and reduced costs were they hired. He said that the same thing will have to happen next year unless there is an increase

Request  
Reduction

in the recommended budget.

Mr. Rasmuson noted that the reductions made include the request for \$506,634 for salary increases, which item was totally deleted, leaving nothing for salary increase, he mentioned the University has never had an adequate salary scale. He next noted the \$238,000 reduction, from \$1,765,832 to \$1,527,832, in General Administration. He said this is an area in which it is important to expand -- and that not doing so is uneconomical and, in fact, expensive. He said that the University had had a very substantial management study done, which is now under study by campus officials. He suggested that Mr. Ward, commissioner of Administration, be given a copy for study. The purpose for the outside review, Mr. Rasmuson continued, was that the Board of Regents knew there were inefficiencies in operation at the University, and so wanted to pinpoint lacks and get professional recommendations, as they have not the technical competence to make such an examination themselves. Mr. Rasmuson expressed his high opinion of the report and its value to the University.

Mr. Rasmuson discussed the fact that in data processing, the University has approximately \$100,000 in unrecovered costs, per year. The costs exceed the receipts. The need shown here, he indicated, is a good example of how education must progress continuously in a changing economy. There are no funds provided to expand the computer center and there is a definite need for data processing and computers. The fee structure needs revision -- the utilization is inadequate. With computers, the way to cut costs is to use it more. Data processing,

he admitted, does not cut costs at the beginning. What it does is to stabilize costs, creating 5 to 20 times as much activity without materially increasing costs, and gives the capability of carrying out the program, impossible without instruments. In order to improve the data processing, as is very much needed, he said, it is necessary to have a qualified person at the top of it which costs money (\$15,000 to \$25,000). He emphasized the importance of wide usage of computers and data processing equipment, saying that they must be used for all their various uses. Costs go down if use is made, and benefits improve.

Mr. Strandberg asked if the Governor's budget is approved, how will the cuts made be distributed. The major critical elements not provided for in the adjusted budget, Mr. Rasmuson said, total \$818,000 (exact--\$818,874). These cuts mean no money is funded for any salary increases. There is no allowance for new positions to meet the expected increase of students next year. The drop at the time of the flood is more than being made up, and he expects continued increase next year. Two more important projects, the Kodiak Community College and Ketchikan library are cut by this adjustment. He raised the question, what other community program should be cut in order to implement these two very important ones. The University Development Office requested \$10,000, which is not provided for in the adjusted budget. The point, Mr. Rasmuson said, had been made to them on the importance of getting funds outside the legislature for programs, and of getting outside

money from outside sources, but in order to really raise money, it is necessary to have someone spending full time on the project. He said Oceanography, which also is receiving a cut in the original request, is to Alaska, as the space program is to Texas. There are scientists who will be aiding in developing further research on Oceanography, and money is needed from the state for this. Mr. Rasmuson said they felt it is better to defer new programs rather than cut out present programs, but it comes to a point when it is impossible to keep the one to the exclusion of the other.

Mr. Rasmuson then proceeded to analyze the figures of what the cuts in the budget will do. The total reduction of the request for General Administration is \$238,000. They had requested a \$375,000 increase, and they got \$137,000.

Mr. Strandberg asked if there were any questions, and Senator Smith asked about an earlier point. He asked if the \$506,000 salary increase figure (not provided in the adjusted budget) included both faculty and nonacademic persons. Mr. Rasmuson said yes. He said that no salary increases are in this budget provided for unless the money comes through per their original request. Dr. Wood said that there was a 6-7% salary increase in last year's budget, and that only two did not receive this increase. Mr. Ray referred to the list on page 3 of the University Summary of the Adjustment to the 68-69 budget, on which page are listed some programs which may be cut in order to implement those earlier described which are not provided for in the adjusted budget. He asked

if this is a definite list of what will be cut. Mr. Rasmuson said there are no definite cuts planned, that no definite action is being taken. Mr. Strandberg asked if they were not making a decision until the final budget passed. Mr. Rasmuson said they were not, that they were hoping the legislature would appropriate more funds than are in the adjusted budget.

Mr. Miller asked if the \$506,000 salary increase item was a 10% increase. Mr. Byrd said that for professional persons it was for a 10% increase and for clerical people and service personnel it is based on an average step increase as classified by the state. It provides 10% for faculty and about 4% for others.

Senator Phillips asked if the employees of the University were state. Dr. Wood said they were. Senator Phillips then mentioned that as a result of new legislation, there is about a 6 or 7% pay raise in all budgets for state employees. Mr. Byrd said this (the figure being discussed) is based on the present state scale, and has no provision in the budget for step increases - which places them in still m need.

Senator Phillips commented on the poor budget put out by the University. Dr. Wood commented that they (the University) are the only department that puts out a step by step notation of positions, complete with names of occupants.

Mr. Rasmuson next referred the committee to page 6 of the budget summary, which shows how the approved \$137,630 will be used. The University had asked for a raise of \$527,000 for Instruction and Departmental Research, and \$129,000 has been approved in the adjusted budget, making a \$398,000 cut.

Instruction  
& Dept. Re-  
search

The \$398,000, Mr. Rasmuson explained, was for expanding and improving certain academic programs. This section cut out is the only budgetary provision for an increase in enrollment.

Senator Phillips asked if the new students are all full time students. Dr. Wood said that of the approximately 1800 enrollment, 1500 are full time students, and the proportion is expected to be the same next year, with the projected student body increase of 300, making it 2100 enrollment with 1700 full time students.

Senator Phillips asked with the 3,000 more high school seniors in the state who will be graduating this spring, if the State can afford to have all of these part time students to attend the University. Dr. Wood said they don't create special programs for these students. They just go to classes with the others. There being no further questions, Mr. Rasmuson moved on to discuss what will be done with the \$129,000 for Instruction and Departmental Research that was approved.

Senator Phillips asked about computers. He said the University uses the computer 27 hours a month. The committee recommended the University use the computer more. The rent on the computer is \$100,000 per year. He said he had called the lack of use here to the attention of the University several times. Mr. Rasmuson said the subject is very much on his mind and that there is a whole section in the management report specifically on the computer. One possibility, he said, is using the computer for state purposes. There followed a discussion on how to make the computer less of an economic burden and more an asset.

In response to questioning by Mr. Ray, Mr. Rasmuson explained that the positions on page 7 of the budget summary will not be added, due to the cut in funds, and those on page 8 are the positions and increases which will be added. Senator Phillips asked how much the Management Study cost, and was answered \$25,000. He then asked how long it had been completed, and Mr. Rasmuson said since January. He agreed to furnish a copy of the study to the committees.

Organized Activity

Mr. Rasmuson said that he might summarize the increases and decreases in the request for Organized Activity by saying that there really is not much change in this field at all.

Organized Research

With the cut in the request for organized research, Mr. Rasmuson said there is really no increase in this area. (a minimal \$100 increase is shown) It's pretty obvious, he said, that you can't have a modern university without increasing research. The unfortunate problem about this cut, he continued, is that the percentage ratio of funds from other sources matching state funds is 4 to 1, so that actually they lose four outside dollars for every one from the state. Mr. Strandberg asked if Mr. Rasmuson could give an estimate, based on the amount approved by the Governor's Review on the budget, how many dollars of outside funds were being lost. Mr. Byrd replied to the question, saying it is included in the material which the committee has. He added that Dr. Rae, who is Vice President for Research and Advanced study has indicated that something like \$400,000 is represented by cutting this request. This year, Mr. Byrd continued, the University

had estimated that by reducing the amount this year meant the loss of some \$400,000 in additional outside funds. Mr. Byrd was asked how much of a reduction there was in funds and he said about \$106,000 this year. According to the Governor's recommendation, the requested reduction is \$139,000 for next year. Mr. Rasmuson said that during this past year there has been a tightening up on the amount of overhead the University can get from outside sources. What he was not sure of, he said, is that he thinks part of the request for increased budget is for expanded research and part to offset loss incurred as a result of not getting the matching funds from outside sources. He explained that reducing programs for administration and service to research will lose outside support in a ratio of about 4 to 1 in new support, and slow the research program. The outside support covers much of the "overhead" costs so that any reduction in legislative support means additional reduction in such overhead recoveries. It was mentioned that for more on the specifics of increases for this program, Dr. Rae should really be asked. Dr. Rae not being present, Mr. Strandberg said they will defer that subject, then. Mr. Ray asked if there had been over expenditure of federal matching funds, to which Mr. Byrd replied that with the University having many projects being worked on, they have a number of times. Dr. Wood said that overhead recovery is established by audit of the federal government, and that they do from time to time find overhead less--that it all depends. In

In answer to a question by Mr. Sassara, Mr. Byrd said contracts provide for professional overhead rate in addition to direct expenses. The rate is 60% of the direct salary they are expending. Then the grant provides for exactly \$120,000 including this overhead at this professional rate. If the overhead is more than 60%, and the University is up against trying to recover on overhead rate, then they are still held to \$120,000. The University then has the opportunity of coming into a supplemental grant.

Mr. Ray asked if this averages itself out, and Mr. Byrd said yes, in most cases, but not last year. Last year, he said, the University was hit extra hard but he hopes over a period of years this will average out.

With reference to the Library and Museum, Mr. Rasmuson said they had been cited as being deficient in their library. He said the new building that is being constructed will have the library in it, but they need to put some books in it, and he felt they would now have to go to outside sources for contributions. He said the amount they are asking for in this budget is extremely modest, and they are in a critical position. According to Dr. Wood, cost of books has risen 15 percent.

In answer to a query by Senator Smith, Dr. Wood said the University originally was given seven years before they would be reviewed again for accreditation, and they are now in their fourth year. They will be in the new building by then. He said they were improving each year and are making good progress so he feels there is no problem with this. Mr. Byrd said he was sure the request for the library would have to be increased next year when they get into the new library building. He

noted they would also request federal support, and hoped to get about \$100,000 from the federal for books. Senator Vance Phillips felt that they should have spent somewhat less than 5-1/2 million dollars on the library and put some of that into books. Mr. Rasmuson said they built the library with an eye to the future -- that it would be large enough for many years to come. He said that for a library to be worthwhile to the students, it must be large and spacious or it is utterly useless as a study center. Mr. Rasmuson reassured the committees that outside money would be found for the books.

Mr. Rasmuson said that under Extension and Public Service, that this consisted of community college program and extension service.

He said the cut in this area meant the Anchorage Regional Center was dealt a cruel blow which affects Kenai, Kodiak, on-base schools at Ft. Richardson and Elmendorf, etc., plus deleting and reducing in many areas in the Division of State-wide services (see page 16 of Adjustment of 1968-1969 Budget).

Senator Vance Phillips brought up the subject of over-designing such as was done on the Anchorage Community College Building. He felt that the architect should be held responsible and possibly be bonded in order to avoid this situation in the future. Mr. O'Neill said they have had problems in the past with the bid being over the estimate, but this is the first time it has been so extreme. They had planned to negotiate it downwards, but found out there is a law against negotiating this particular amount downwards. Mr. O'Neill said it was a

combination of circumstances--the architect was at fault, but also the mechanical and electrical raised the cost, and he felt he himself was also somewhat at fault. He said in the future they will develop a procedure and establish certain conditions under which a contract will be given, and he feels this particular situation will never happen again. He pointed out that Mr. Sargent had transferred from the academic to the construction division of the University so he feels that the school will definitely benefit from this transfer of his services. Senator Phillips questioned the amount of money lost in having to call for new bids on the Anchorage building, and Mr. O'Neill told him between \$15,000 - \$20,000. Senator Phillips pointed out that building costs have risen 10 percent so he felt it would be more likely about \$200,000. Mr. O'Neill said the original architect fee was \$140,000, and now they had to pay an additional \$15,000 or so for the redesigning of a less costly building.

Under Maintenance and Operation of Physical Plant, Mr.

Rasmuson said they simply did not have enough money to take care of the physical plant. Mr. Strandberg asked about the insurance and Mr. Byrd replied that the insurance rate is not in danger in any way. He said the state fire marshal requires a fire chief and fire truck on campus which has given them a slight reduction in the fire insurance rate.

Senator Phillips raised a question about projections for enlarging and improving the physical plant, and Mr. Strandberg suggested that this wait for the review of the University's capital improvement plans.

The meeting adjourned at 5:30 p.m.

HOUSE FINANCE COMMITTEE MEETING  
March 5, 1968  
8:50 a.m.

Present

All members of the House Finance Committee were present, except Mr. Ray, who was excused. Also present was Mr. Ernest Lahn of the Alaska State Employees Association.

HB 376

Mr. Strandberg opened the meeting and reviewed a letter from the Attorney General regarding HOUSE BILL NO. 376 (relating to the oil and gas properties production tax). The letter stated in part ". . . we interpret the bill as containing simply a declaration of recommended legislative policy, without binding force and effect upon this or any future Legislature. . . ." The members of the committee briefly discussed HB 376 in view of the opinion by the Attorney General. (See bill file.)

SB 22am

Mr. Haugen moved and asked unanimous consent that the Finance Committee request an extension on SENATE BILL No. 22, as amended (motor vehicle inspection). There being no objection, it was so ordered.

HB 534

Mr. Strandberg moved and asked unanimous consent that HOUSE BILL NO. 534 (relating to the state's contribution for state employees covered by group life and health insurance) be considered by the committee. There being no objection, it was so ordered. This bill had been returned from the calendar to the Finance Committee with the following proposed amendments:

No. 1 by Mr. Fink: "Delete: 'The state shall make no contribution for the employee's spouse or dependent children.'"

No. 2 by Mr. Stevens: "Add: Section 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval."

No. 3 by Mr. Hoim: "Delete the words 'not more than'".

HB 534

Mr. Strandberg discussed the intent of the bill and the proposed amendments. Mr. Lahn pointed out that the insurance companies base their rates according to the full sum made available to the state. In Mr. Lahn's opinion, if the bill is left as it now reads, "they will play with the rates".

Mr. Strandberg stated that when the Act was originally enacted the theory was that the state would contribute not more than \$7.50 for insurance. There was no thought under the original program that the state would pay anything for dependents. The state was determined to stay out of providing dependent coverage.

Mr. Fink entered the meeting to present his view on his proposed amendment to the bill. He stated that he felt the sentence "The state shall make no contribution for the employee's spouse or dependent children" should be deleted from the bill. The state would then be able to pay a share of the dependent coverage. He stated further that if the state does not allow a portion of the \$10.00 to go toward the

dependent coverage, then the entire sum will go toward employee coverage and the rates for dependent coverage will continue to rise and will consequently make the insurance program unworkable. Mr. Strandberg agreed that Mr. Fink's opinion was valid and worth further consideration.

HB 534

In Mr. Strandberg's opinion the bill should be completely changed before it is presented, and further testimony on the subject should be presented to the committee. It was agreed that the committee should request Mr. Holm to reconsider his amendment, and that further hearings with the Department of Administration officials be conducted on the bill.

Mr. Ward delivered a letter concerning the bill to the committee. (See bill file).

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

JOINT FINANCE COMMITTEES

March 5, 1968

3:30 p.m.

Present: All members of House and Senate Finance Committees were present, except Mr. Ray who was ill and had been excused. The Board of Regents; President Wood, and other members of the faculty were also present.

Capital  
Improve-  
ments  
U of A

Dr. Wood distributed a Summary of Individual Capital Improvement Project Proposals for 1969-1974 Capital Improvement Program.

Mr. Strandberg asked if this summary had been submitted to the administration and Mr. McNeill assured him that it had, and that this program had been discussed in previous years.

Mr. McNeill began speaking of the projects, the first being fire protection. He said that per inspection by the State Fire Marshal, the University fire protection has been found to be inadequate for the future. Therefore, the University is proposing a 300,000 gallon water reservoir, a fire alarm system, and renovation of the present system. Projected cost is \$530,000.

The next project he named was utilities expansion. This project is to include the domestic water line to facilitate service to the west part of the campus, the master clock system, steam, electric, and water meters, rehabilitation of Wickersham Hall utilities, and a sewer system for the Power Plant and Shop area. Proposed cost is \$190 000.

The third project is the campus activities center. This building is to contain the student government offices, alumni

offices, graduate placement facilities, staff dining facilities, and student service facilities, including a student infirmary. Projected cost is \$4,600,000, with \$4,000,000 to be in revenue bonds and \$600,000 in general obligation bonds. Mr. Strandberg asked if this had been submitted to administration and discussed with them as general obligation bonds before being submitted as revenue bonds. This item, he said, came up just recently with administration as revenue. There is a \$300,000 infirmary facility not covered under the revenue bonds.

Mr. Miller said there has been a \$4 million revenue bond introduced in the Senate (SB 370) covering this. (The \$4 million portion, not the \$600,000).

The fourth project is the planning fund. This is for planning money to develop programs and design additions for the near future. (e.g. the social science building and mineral science facility listed among the capital improvement budgets.) Projected cost is \$260,000.

The fifth project is the social science building. This is to house the departmental offices and classrooms for social sciences and also the offices and related facilities for Statewide Services and the Institute of Social, Economic and Government Research. The projected cost on this is \$6,000,000.

Project six is for a mineral science facility. The total cost on this is to be \$6,000,000, with the University portion to be \$1,200,000 in general obligation bonds, from the Department of Natural Resources, \$1,800,000, and from the federal

government, \$3,000,000, according to Mr. McNeill. Mr. Strandberg asked how the University proposes they finance this project, referring to the \$1,800,000 from Natural Resources. Mr. Beistline stood up and said that 20% of the facility was to be for the University, 30% for the Division of Mines operation, and 50% for the federal government. Dr. Wood indicated that the committees need only be concerned with the University portion. Mr. Strandberg repeatedly made the point that there have been no provisions for the Natural Resources portion, asking how the University expects to come up with the additional \$1,800,000. There was considerable discussion on this line, with no answer from the University on how they intend to come up with the \$1,800,000 other than it is from Natural Resources. Mr. O'Neill said that the whole project might not come to a head for several years, but that the University wants to show the federal government that they are making concrete steps in this direction. He said they have been criticized for having a lack of facilities in the mineral sciences department and this will show that they are moving ahead, and so would help in accreditation. Mr. Strandberg asked what was wrong with this analysis, that the University is requesting \$6,200,000 in GO's and asking other state agencies for \$1,800,000. Mr. O'Neill said that when the figures on the first page of the Summary of Capital Improvement proposals are broken down, it comes out different than the totals at the bottom. This is done in this way to comply with the budget instructions from the Department of Administration. In response to comment from Mr. Strandberg

Mr. O'Neill said that on this first page of the summary, the figure of \$6,000,000 should be \$1,200,000 and other figures should be spread out in other years.

Project 6a is the agriculture experiment station. This actually is two projects, the first being to reconstruct a storage barn at the Matanuska facility and the second project which is to construct a climatically adapted greenhouse at the College Station. The cost on this is \$76,000; with \$38,000 in matching funds for each of the two projects. There was some question raised as to the need for the greenhouse, and after some discussion, the University representatives stated that it is a necessary, basic tool.

The seventh project is streets and parking, with a total cost of \$500,000.

The eighth is a warehouse, the cost of which is \$600,000.

The ninth project is for remodeling the Bunnell Building, when the present library facility is moved. Cost is \$300,000.

The tenth project is to remodel the Patty Building. This project will consist of building two walls and a roof over what is now the single level rifle range, which will serve as a foundation for the proposed storage area. The cost projection is \$150,000.

The eleventh project is a dormitory, the cost for which is \$1,000,000. The last three items are under GO bonds except number ten, to be a direct appropriation because of its urgency.

Mr. O'Neill gave the total figures for this year as being:

\$9,996,000 - General Obligation bonds  
410,000 - Direct Appropriation  
{ 260,000 - Revolving planning fund }  
{ 150,000 - Remodeling Patty Building }  
510,000 - Revenue bonds

Mr. Strandberg asked about a priority list in case it was necessary to delete some from the GO bond issue. He asked about Project 5, the social science building, and Mr. O'Neill said that this is very high priority, possibly higher than the campus activities center. He said top priority are utilities, fire prevention, campus activities, and the social science building.

Senator Phillips asked if any consideration had been given to high rise structures housing classes and offices - something like the federal building in Juneau. Dr. Wood said just recently this had been recommended to them. Senator Phillips said that it would save a good deal in utilities and maintenance.

Mr. Miller inquired as to the relationship between the new proposed student union revenue and general obligation bonds. Mr. O'Neill said that the \$600,000 go bond issue for the infirmary part of the campus activities building, which is strictly service, not at all revenue. They are physically tied together, the two buildings, he said.

Mr. Strandberg referred back to Project 6 again. He asked what would happen if the University got the \$1,200,000 GO authorization this year, if they had a definite commitment from the federal government. Mr. O'Neill said there is no

federal commitment yet. Discussions have been held, but there is no commitment. This is partly why they want the GO authorization, to show the federal government that they have come up with their share. After some further discussion Mr. Strandberg said that a provision would have to be in the bond issue restricting use of these funds. Mr. Strandberg brought up again for further clarification the matter of the money from Natural Resources. He stated that it definitely could not come out of the general fund. He also said that there would be no election in F.Y. 69-70, so it would have to be 70-71 before the issue could come before the voters for the money from Resources. Mr. O'Neill said they are trying to get the federal government tied in to the project before the state. After questioning and discussion about the fact that GO's shouldn't have even been included in the 69-70 projection, it was brought out that these estimates were required by the State, as their 6-year plan. In response to Mr. Sassara's question, what will be done with the \$14,500,000 in bonds set up for 69-70, Mr. O'Neill said that with the revolving fund, the University will be able to do a better job of planning these things. More discussion continued around this point, and the meeting finally adjourned at 4:30 p.m.

**JOINT MEETING  
HOUSE AND SENATE FINANCE COMMITTEES  
March 6, 1968  
8:30 a.m.**

**Present:** All members of the house and senate finance committees were present, and the following members of the Alaska Court System: Chief Justice Buell A. Nesbett; Mr. Robert Reynolds, Administrative Director of Courts; and Mr. Raymond Gregory, Assistant to the Administrative Director. The press was represented by Virginia Sims, Ward Sims, Lael Morgan and Gerald Bowkett.

Court System  
Budget Re-  
view

Mr. Strandberg announced that the joint committee was meeting to hear the presentation of the Alaska Court System budget by the chief justice and his staff. Chief Justice Nesbett introduced Mr. Reynolds and Mr. Gregory. Mr. Reynolds presented each member with a written justification of the increase in the Court System budget. The justification covers each court and each line of each court and explains overage and why each is requested: Mr. Reynolds stated that in the Supreme Court he funds requested total \$859,400, representing an increase of \$354,000 over the last fiscal year, which is explained as follows:

*Supreme*  
Personal  
Services  
(100)

(A) Transcript Section--increase of \$79,909.00. This is due to the transfer of the Transcript Section from the Superior Court to the Supreme Court consisting of nine employees. (A corresponding decrease is reflected in the Superior Court personal services budget since there was no increase in overall court personnel as a result of the transfer.)

Mr. Reynolds explained that this transfer of the section was necessary because ninety per cent of the appeals were to the supreme court and the transfer would give the supreme court closer supervision over the department.

(B) New Employees:

(1) Administrative Officer II: Needed by the Court Administrative office to serve as internal auditor for the 65 court offices located throughout this state. He will assist all court offices in matters relating to supply, personnel and fiscal, and is particularly needed to aid the magistrates in outlying areas. Mr. Reynolds stated that to his knowledge the requests for audits from the Department of Administration and Legislative Audit had not been performed. Mr. Strandberg questioned Mr. Reynolds on this point and stated that no request from the Court System for an audit had been turned down. Mr. Reynolds stated that no specific request had been made for any particular location -- there had just been an indication to the Legislative Audit Committee that a need for an audit was necessary in the system. Senator Blodgett and Senator Phillips had no recollection of seeing any request for assistance by the Court System. Mr. Strandberg said the Legislative Audit Committee would check on this endeavor to find out what happened to the Court's request. Mr. Reynolds continued:

(2) Deputy Clerk of Court I: This employee will serve as assistant to the state law librarian who currently supervises five public law libraries throughout the state and five reference libraries for supreme court justices and superior court judges.

The law librarian has been prevented from making necessary inspection trips to the other libraries outside of Anchorage due to workload there. He stated that the duties of the law librarian are too great to be carried by one person unassisted.

(3) Attorney IV. Mr. Reynolds stated that this position is vitally needed in order to train magistrates. There are 46 magistrates throughout the state, all of whom are lay people with no formal legal training. They are trying to supervise these people more closely. They now are trained by correspondence courses. Mr. Reynolds stated that they need continuing education--on-the-job training is needed. He also stated that there is some turnover in these jobs.

In answer to a question from Senator Blodgett, Judge Nesbett stated that last year \$8,000 was received from OEO to train the magistrates, but there is no money to carry on a continuing program. In the arctic and sub-arctic regions the OEO did help to the extent of \$8,000 last year. Senator Blodgett stated that the Food Stamp Program wants to utilize the services of the magistrates in the villages, to which Judge Nesbett replied that the Food Stamp Program could expect one hundred per cent cooperation from the Court System. The judge also stated that Court System was cooperating with the passport office, in that magistrates have been asked to perform this service. Senator Blodgett asked the Judge if this service had been publicized, and Mr. Reynolds stated that Senator Gruening had a press release on the subject just last week.

Mr. Reynolds continued on the subject of justification of court system increases:

(C) Other New Employees: The new employees will include two new associate justices, as required by law, and their staff of a law clerk and a secretary for each justice. Senator Phillips asked Mr. Reynolds to explain the duties and educational background of a law clerk. Mr. Reynolds said that generally law clerks must be graduates of law schools in order to be of assistance to the judges, as a tremendous amount of research is needed in weeding out legal problems. The boys are usually fresh out of law school. Senator Phillips asked if they had passed the bar, to which Mr. Reynolds replied that they usually pass the bar later on, and further said that in Alaska most of the better attorneys had started out as law clerks. Mr. Miller asked how much it cost to support one justice, not counting office space, to which Mr. Reynolds replied that it was close to \$40,000 per year. He also said that this does not include retirement, because retirement is specially funded, and there is no way to figure retirement until a judge retires.

Senator Lewis questioned an item of \$5,200 in the qualification letter which represents an adjustment due to the change in the method of funding judicial retirement. Mr. Reynolds said that of the total salary increases which came about last year, the total impact was \$5,200 because they are not funding total retirement.

Senator Phillips reverted back to the question of the law clerks, and asked why the Court System does not have to have more experienced people for these jobs. Judge Nesbett replied that generally speaking the men fresh out of law school are pretty sharp and make good research assistants for a low salary. A man of greater experience would demand a greater salary. The law clerk is one of the lowest attorney ratings. The court uses him for a year, which is generally about as long as he wants to stay. Senator Phillips asked if one experienced man would not be better than two green ones, and Judge Nesbett replied that each case demands independent research. Senator Phillips asked if five people researched the same subject, to which Judge Nesbett replied that the cases are divided up. They are assigned on a rotation basis. The law clerk prepares a memorandum analyzing all the legal points of the case which is read by all justices, and by the time the case is called up for hearing everyone is thoroughly familiar with the case.

Travel  
(200)

The next item presented by Mr. Reynolds was 200-Travel. He stated that the increase in the number of justices involves additional transportation and per diem costs in attending supreme court sessions and judicial conferences. Also an amount of \$900 has been budgeted as a result of procedure for employing law clerks and to provide a transportation allowance for outside hires should they be necessary. Senator Blodgett asked Judge Nesbett how he obtained the law clerks. The Judge replied they were hired sight unseen, based on recommendation;

when possible they are interviewed by persons known to the court. He stated that it has become increasingly difficult to get law clerks to come to Alaska, primarily because of the expenditure necessary to come. Senator Blodgett stated that many superior court judges travel outside of Alaska. He asked if it were feasible for the judges to help find law clerks on their trips. Judge Nesbett stated that the judges did not attend conferences last year. Senator Blodgett asked if it was not true that judges went out for schools. To his knowledge Judge Sanders had gone out, and he suggested that the judges might have an opportunity to conduct some interviews with prospective law clerks. Nesbett agreed that this would be feasible if the judges were on a trip at just the time the law students were available.

Mr. Reynolds stated that the acquisition of two lots adjoining the present court building in Anchorage would be desirable in order to expand the present facility. They are now in a privately owned building, but he understands the governor has plans for the state to purchase the building. The present arrangement is expensive. In answer to Senator Engstrom's question, he stated that the rental is about \$25,000 per month. The building is presently owned by the Bank of America, having previously been owned by Alcan Pacific. Senator Engstrom asked who presently owns the two adjoining lots, and Senator Phillips asked Mr. Reynolds to furnish the committee with the names of the owners and the description of the lots.

The discussion reverted to the subject of the court buildings. Judge Nesbitt stated that the governor had requested the court system to estimate the saving to the state if the state owned the building. The figures were compiled and presented to the governor. Subsequently the governor informed Nesbitt that his efforts to purchase the building had failed. However, recently the governor informed him that it looked now as if the purchase might be possible. Senator Smith asked Nesbitt to inquire if it might be possible for the state to purchase the Fairbanks court building as well as the Anchorage building. Nesbitt replied that this was far out of the realm of the court system, and that this was the responsibility of the Division of Buildings. Senator Blodgett agreed that there was merit to Senator Smith's suggestion and he suggested that there be a comprehensive study made on the court buildings. Dr. Haggland suggested that the previous administration had a fine opportunity to make such a study. Senator Smith moved and asked unanimous consent that the joint committee determine the status of the plan for the state to acquire the two court buildings. There being no objection, it was so ordered.

Mr. Sassara asked whose decision it was to put the \$265,000 in the capital improvements budget. Judge Nesbitt replied that he had been asked to develop a capital improvement program with the Department of Public Works,

and they were attempting to have the Alaska State Housing Authority own the building and build the extension. Mr. Sassara asked if there had been any dealings with the people owning the land, to which Nesbett replied that it is not within his scope to have such dealings. That is the responsibility of the Department of Public Works. There ensued a brief discussion of the ownership of the lands adjoining the Alaska court building, and Sassara noted that the land in question is as expensive as any real estate in Anchorage. Senator Blodgett asked Nesbett if any additional story had been considered for the present structure. Nesbett said that it is possible to add only to the very center of the building. The rest of the building is not structured to go upward.

Reynolds resumed his discussion of the court system justification of the increase in the budget, as follows:

300 - Contractual Services. (A) Leased Space, Utilities, New Justices. \$45,500.00. Mr. Reynolds agreed with Senator Engstrom that the figure is very high, and stated that it was based on the current needs of the present justices for approximately two thousand square feet. Senator Engstrom asked Reynolds to further qualify that figure, to which Reynolds answered, "Utilities, telephones." Senator Engstrom said that telephones don't cost that much, and said that the concern here is the cost of the rental. Reynolds

Contractual  
Services  
(300)

said he would be happy to provide a breakdown of this figure, and Senator Engstrom thereby requested that such a breakdown be provided. Dr. Haggland said that the committee will expect such breakdown from Mr. Reynolds.

Senate  
Legislative  
Intent:

Senator Blodgett moved and asked unanimous consent of the members of the Senate Finance Committee that a letter of intent be prepared stating that any building addition to the Alaska court buildings be structured to permit the building of additional floor levels. Senator Lewis objected. After discussion, Senator Lewis withdrew his objection. There being no objection, it was so ordered.

Mr. Miller asked where the two new superior court judges in Anchorage are holding court now. Mr. Reynolds replied that one of them is using the district courtroom and the other is trying cases in the supreme courtroom when the supreme court is not in session. When the district court has cases and no other district courtroom is available, they use a superior courtroom if one is not in use. The Department of Labor also uses the superior courtrooms.

Senator Engstrom questioned Mr. Reynolds on item 300 - Contractual Services, (A) Leased Space, Utilities, New Justices, and Reynolds agreed to send him a breakdown on leased space facilities after a slight misunderstanding about the item was voiced between Senator Engstrom and Mr. Reynolds. Dr. Haggland interjected a negative opinion

as to the preparation of the court budget.

Mr. Reynolds went on to (B) Change in Methods & Procedures under item 300. This item accounts for \$17,300 of the supreme court increase and is for installation of MTST units. Currently the transcript section has two units which have doubled the output of operators using them as against operators not using MTST. He feels the machine takes the place of seven employees, and can well pay for itself over a period of time. Mr. Borer asked why a Xerox machine could not be used as well, and Mr. Reynolds explained the function of the MTST machine: that it can be used to type at rough draft speed, and mistakes are of no consequence because the tape can be corrected and then types a corrected copy. Mr. Borer asked if the tape was used again for additional copies, to which Mr. Reynolds replied that it was not.

Senator Blodgett read from the Budget Request the item "Travel Outside Alaska", and asked if this budgetary item were to be approved by the committees in the general appropriation bill, if the traveling judges could interview prospective law clerks. Judge Nesbett said he thought not because by August when the judges might travel to conferences, the young lawyers had jobs as they generally graduate in May. Blodgett stated that it was conceivable that they could graduate at other times. Nesbett stated that was true, but the bulk of the graduates are available in the spring and that the market for their services is highly competitive.

Commodities  
(400)

Reynolds went on with his justification: 400 - Commodities. (A) an increase of \$600 is requested as a result of the transcript unit transfer to supreme court from superior court and additional office supplies for two new justices. (B) The amount of \$47,500 requested due to substantial increase in court activity in Sitka, Kodiak, Wrangell and Kenai in addition to Anchorage, resulting in the need to add law books. Mr. Reynolds stated that law books are purchased used every chance they have as law books are not cheap. Mr. Borer asked why this item is on the supreme court budget. The state law librarian, said Mr. Reynolds, is under the supreme court and she is responsible for all law libraries in the state. She maintains a central record and the state also benefits because she can buy in lots.

Equipment  
(500)

500 - Equipment. (A) This increase of \$10,643 is necessary, according to Mr. Reynolds, to provide furniture and equipment for new justices and their staff; equipment for a professional assistant in the administrative office; desk and chair for Juneau supreme court office. (B) \$11,657 increase is to provide shelving for new law libraries in Sitka, Kodiak, Wrangell and Kenai. Mr. Reynolds stated that some of the shelving now in use in Kodiak was damaged by the earthquake.

Lands, etc.  
(600)

600 - Lands, Buildings, Etc. \$2,400. These funds have been requested to effect remodeling of a portion of the Anchorage court building to accommodate the new justices

and staffs. This remodeling will consist of partitions primarily. If one of the justices is assigned to Fairbanks there will be a need to remodel there.

A discussion followed concerning unallocated funds of \$13,944. In answer to a question by Senator Lewis, Judge Nesbett stated that the amount is shown as extra because it was reserved in case they ran short this year. It was reserved in order to run a tight budget.

The increase in the Alaska Court System budget is \$368,864.

Recess: Dr. Haggland called a recess at 9:45 a.m. until a call of the chair.

JOINT MEETING  
HOUSE AND SENATE FINANCE COMMITTEES  
March 7, 1968  
8:00 a.m.

**Present:** All members of the house and senate finance committees were present, except Senator Smith, who was excused. The following members of the Alaska Court System were present: Chief Justice Buell A. Nesbett; Mr. Robert Reynolds, Administrative Director of Courts; and Mr. Raymond Gregory, Assistant to the Administrative Director. The press was represented by Virginia Sims and Thad Poulson of the Associated Press, and Mr. LaRocca of the Fairbanks News-Miner.

Court System Budget Review Mr. Strandberg called the meeting to order for the purpose of the continuation of the review of the court system budget.

Mr. Miller asked the court members about the matter of legislative intent that the court system acquire and annually maintain the law books to be discontinued by the Federal court in the Nome Library. (See House Journal Supplement, 4/5/67). Judge Nesbett replied that the court system is gradually building a library at Nome.

Superior Court

Personal Services  
(100)

Mr. Reynolds continued his presentation of the written justification of increases in the court system budget. The superior court has requested an increase of \$223,700 over F/Y 1967-68, and Mr. Reynolds presented the justification and breakdown of this sum as follows:

100 - Personal Services, increased \$78,724. This amount includes addition of three Attorney IIIs, one each for

Juneau, Anchorage and Fairbanks superior courts [these are law clerk positions], and the addition of one bailiff for Anchorage superior court. The Juneau Bar Association specifically recommended that this position be filled in Juneau as the delay in detailed research on several complicated cases prevented calendared trials from being held. Senator Phillips inquired of Mr. Reynolds how this person would help the people in Juneau. Mr. Reynolds explained that a law clerk would assist Judge Stewart in the research of cases he has under advisement. At the present time Judge Stewart has so many cases under advisement which must be researched before he can render a decision that it now looks like they may have to temporarily assign another judge to the district to help out with the trial work. Senator Phillips asked why the Juneau Bar recommended the addition of this position. Judge Nesbett told him that some of the attorneys brought up the subject at the Bar meeting, and they recommended it for information value, nothing else. Senator Phillips suggested that the judge keeps staying cases because the attorneys are not prepared. Mr. Reynolds explained that the cases under advisement are cases which have already been tried and for which a decision cannot be rendered until the judge can do additional research. Phillips told the court members they should not allow judges to keep staying cases because

attorneys are unprepared. Mr. Reynolds told the committee that the administrative office requires the judges to keep a record of their oldest cases and therefore a check is kept of the cases assigned to the judges. To his knowledge the judges in Alaska expedite their cases very quickly. The Alaska judges are very firm about this matter. In answer to a further question by Senator Phillips, Judge Nesbett agreed that the attorney and not the client should be penalized for delayed cases in which the attorney is unprepared. Senator Phillips discussed politics as it applied to the court system, and suggested that there be no politics involved in the court system, and if it is removed therefrom the legislature might be more inclined to be more lenient with the court system. Senator Phillips said, "That is why you did not get an Attorney III last year".

Mr. Reynolds continued with Item 100, and discussed Change in Salary Rate. He stated that the amount of \$25,324 represents increase necessary for salary raise adjustment for superior court personnel from pay raise of 1967. The amount is minus the transcript section of nine employees which was transferred from the superior to the supreme court. Senator Brady stated that this item does not include a description, to which Mr. Reynolds replied that this was a statutory pay raise.

Mr. Reynolds stated that this item is increased by

\$13,260 and is justified as follows: (A) \$400.00 represents travel costs for two additional judges to attend the annual judicial conference; (B) funds requested for the impact of the peremptory challenge of judges statute enacted by the 1967 legislature, Ch. 48, SLA 1967. Mr. Reynolds said 13 such cases occurred in 1968, and as more lawyers become aware of this statute, he felt more of them would take advantage of it. He said this amount had to be an educated guess since they have had no previous experience with it.

(C) change in quality of service requires an amount of \$9,260 due to increase in court activity in Sitka, Kenai, Kodiak, and other places, and necessitates additional travel allotment for traveling judges and clerks. He stated that the current appropriation is inadequate and is about \$3,300 less than that actually spent for this purpose in F/Y 66-67. He stated that there is a large increase particularly in Kenai. No place has had such an increase at all levels as Kenai and it requires the Anchorage judges to visit there often. There is also increased activity at Kodiak, which increase has indicated that the superior court will have to spend a month there. These people are entitled to service and the state is obligated to take these court services to them.

Contractual  
Services  
(300)

Mr. Reynolds stated that this increase is necessary because of the addition of two superior court judges in Anchorage, which increased the costs for contractual services such as telephone and space requirements, and