

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2595

Necrason agreed and said that they hope to be able to rearrange the position of thermostats in the armories -- some are too hot and others, such as Juneau's, are too cool. He feels that by this rearrangement they can cut expenses.

Juneau
Armory

Senator Engstrom asked about the meetings with the Greater Juneau Borough regarding the relocation of the Juneau Armory. General Necrason said that they are in agreement to move to the airport area and construct a new armory if the borough and city will give them a letter of intent. Nothing can be done until after the election to get the indication of the people and the method of raising the money. It will cost \$250,000 to replace the armory.

Senator Lewis came into the meeting at this time.

Page 41
Code 500
Equipment

No discussion.

Page 44
Air Nat'l
Board

Senator Blodgett noted a substantial increase in Code 400 and a general increase in this overall budget of \$8,000. He asked if the major increase was for fuel. General Necrason replied that it was.

Page 52
Code 450

Colonel Byington explained that the \$600 increase was for maintenance materials required. Senator Blodgett wanted to know if this money is federally reimbursable and was told 75%.

Page 53
Code 300

Senator Blodgett asked about the increase in this item. Colonel Byington replied that it was for the new maintenance shops being planned. Occupancy is anticipated during the year.

Page 59
Code 440

Senator Blodgett noted that fuel consumption was one of the

major items of increases in the budget and wanted to know if the figure takes into consideration the new buildings. Colonel Byington replied that it did.

Page 60
Federal
Scout
Armories

Senator Blodgett asked if this was 100% federal funds and was told that it was.

Senator Blodgett stated that he was not clear on the status of permanent Guard employees for retirement and asked if they were being put under the Merit System. General Necrason said that there has been a house resolution to have federal retirement for the federal technicians. He felt that this will be a find thing and it looks very favorable that it will pass this session of Congress. The only Civil Service rules they will come under is the Retirement System.

cess: Senator Haggland recessed the meeting until 8:00 a.m. tomorrow, February 16.

SENATE FINANCE COMMITTEE MEETING
February 16, 1968
8:00 a.m.

Present: All members of the Senate Finance Committee were present, except Senators Smith and Brady who were excused. Also present were Major General C. F. Necrason, Adjutant General; Brigadier General K. M. Taylor, Assistant Adjutant General(Air); Colonel Glenn Byington, Juneau Liaison Officer; Vince Chellis, director of the Disaster Office; and William McVay, Division of Budget & Management, Department of Administration. Senator V. Phillips opened the meeting and said they would continue with the review of the budget for the Department of Military Affairs.

Page 71

Camp Carroll It was noted that there is a reduction in this program of \$9,200. This program is reimbursed 100% by federal funds as as there is less money from the federal contract, additional temporary hires will not be used. Senator Blodgett discussed the deplorable condition of the Camp. The senator stated that they have had the Legislative Audit Committee look into this matter and he feels that an official letter of reprimand should be written.

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Alaska Disaster Office

Senator Phillips noted that this is the former Civil Defense Agency and has been transferred from the Department of Public Safety to the Department of Military Affairs.

Senator Smith entered the meeting at this time. Mr. Chellis explained that the major requested increase had been for addition of four people to the staff to assist in planning, accounting and stock handling. These positions were deleted in the Governor's allowance. The balance of

the increase in Personal Services is from step increases and state pay increase. It was explained that this program is funded by state, federal, municipal and borough monies. Discussion followed regarding federal grants which are usually not shown in the budget request. Mr. McVay said that the main problem is that they are not advised by the federal government of the amounts nor when they will be received for the various programs in time to include this information in the budget document. He stated, as an example, that the Federal Government may make a grant which will be effective on May 15 and run through the following May 15. Mr. McVay said that the Division of Budget & Management is trying to come up with a method of getting this information into the budget so that it will be available to the Legislature. In reply to a question on how this money is credited to a department, Mr. McVay said that it was funded to the department through the Governor's office under Executive Order No. 20. Senator Phillips asked if there are any new plans for the Disaster Office. General Necrason replied that there are none in this budget; however, there are tentative plans to have mobile units, consisting of trailers, vehicles, etc., which can be run right on to the airplanes and moved into a disaster area--similar to the flood in Fairbanks last year--so that our people will have the facilities for working, eating and sleeping. It is impossible to build an operations center in every area, but they can have these mobile units available to move in.

Senator Phillips asked if there were any other questions or comments on this section. General Necrason said that Colonel Isbell had asked him to point out to the committee that there is a discrepancy in his department. When the Disaster Office is transferred from Public Safety to Military Affairs, there will be a void in the ability to do proper auditing of funds as previously accomplished by Public Safety. They are transferring the responsibility, but not personnel authorization to do the auditing. The Disaster Office does not have the capability to pick it up and are requesting money for one additional person. Mr. McVay asked that they identify the position and was told that it is an Accountant III. Senator Phillips said that they would check into this and it would be taken care of.

Mr. Chellis said he also would like to point out that although the state share of the program shows an increase of \$6,000, this is offset by the normal increase in salaries and introduction of federal monies, and is, in effect, a decrease from last year.

Senator Blodgett cautioned that Travel should be kept to an absolute minimum.

Page 105
ADO Participants

This program is administered by federal personnel and the federal government matches 50% of salaries and administrative costs with the local governments participating in the program. No state funds are involved.

Senator Phillips left to attend another meeting.

Page 108
Radio-
logical
Program

This program is funded 100% by federal money. No questions.

Page 114
Community
Shelters

Mr. Chellis explained the proposed program and said it requires two personnel on the state payroll, a planner and clerk-stenographer. The program is 100% reimbursed by federal funds.

A brief resume' of the Civil Air Patrol program was given for Senator Lewis as he had not been able to meet with the committee yesterday when the program was discussed.

General Necrason discussed briefly plans for setting up a statewide communications system. It will be necessary to hire one person and can be funded 50% with federal funds and 50% with state funds.

Senator Haggland announced that the next budget review meeting will be with the Department of Labor at 8:00 a m., Monday, February 19.

Adjournment: Senator Haggland adjourned the meeting at 8:35 a.m.

SENATE FINANCE COMMITTEE MEETING
February 20, 1968
8:30 a.m.

Present:

All members of the Senate Finance Committee were present. Also present were Thomas J. Moore, Commissioner, Department of Labor; John Stringer, acting supervisor of Wage and Hour Division, Department of Labor; William McVay and Gene Smith of the Division of Budget & Management, Department of Administration. Senator Phillips opened the meeting and said that they would review the Department of Labor budget request.

Dept. of
Labor Bud-
get Review

Senator Phillips asked Mr. Moore if he had any comments regarding the budget.

Mr. Moore very briefly ran over the total figures requested for operation of the department. He noted that a large percentage of the monies required for the department are derived from Federal funds. He mentioned specifically the increased request for the Second Injury Fund. Senator Blodgett asked for a more detailed explanation of this fund. Mr. Moore explained that basically this fund is used for rehabilitation of permanent-partial disabilities and permanent-total disabilities and is awarded by the Workmen's Compensation Board on a case basis. He cited an example of a man who had lost the sight of one eye and was being paid partial disability. Upon returning to work, through an accident the man lost the sight of the other eye. The second injury fund would pick up the rest of the liability. Mr. Moore stated further that this fund is administered very closely with the Vocational Rehabilitation office. Vocational Rehabilitation keeps a close check to see if there are additional persons ready for

additional training. In reply to a question on the number of cases pending, Mr. Moore stated that there are several hundred. Senator Phillips asked how often the Workmen's Compensation Board met. Mr. Moore said that they meet almost every month someplace in Alaska. It was felt that with the number of pending cases, the Board should meet more often, and Mr. Moore was asked if this recommendation had been made to the Administration. Mr. Moore said no, as this is a volunteer board and they are spending about three months of the year meeting on these cases and he felt he couldn't ask a volunteer board to do more than that. Senator Phillips felt that the state would have to go to a permanent board in this matter. It was understood that a resolution has been introduced in the House to make a study of this matter and report to the next Legislature. It was brought out that the Board can only make a decision in favor of the applicant; it is up to the applicant to see that the decision is enforced.

Senator Engstrom said that he had discussed the Department of Labor budget request very thoroughly with Mr. Moore and felt that they have a good budget. Federal receipts make up over \$3,600,000 of the total request. Mr. Moore said the balance requested is primarily in the addition of four new positions. Mr. Moore explained that the two new positions in the Division of Workmen's Compensation are needed because the workload in this division is at such a level that the people they now have just can't carry it. The Administrative Assistant and the Clerk III position are necessary due to increased activities and case loads. The other two positions are for a Wage and Hour inspector and secretary for the Anchorage office, necessitated by the increased industrial

activity in this area.

Senator Blodgett asked if they had requested any additional safety inspectors. Mr. Moore replied that they have not as the present salary level will not allow the hiring of trained personnel and the state at present time does not have the ability to train them. To put in inexperienced people would not solve the problem.

There was general discussion on various training programs which are federally financed.

Minimum
Wage

Senator Haggland asked about the minimum wage law and how it has affected young people in securing jobs. Mr. Stringer replied that employers are exempt from the minimum wage law where employment is less than 30 hours per week and most of the teenagers fall in this bracket. Senator Engstrom asked about the ruling on age limit for fishing on a seine boat. Mr. Stringer replied that anyone under the age of 18 cannot work on any type of fish processing boat. However it does provide that if a young man 16 or 17 registers with the department he may be granted a waiver -- it does not have to be on a parent's boat.

Mr. McVay questioned the 4 new positions as they had been disallowed by the Governor's Review Committee. He was advised that a meeting had been held with Carl McMurray and Walter Kubley a week ago to have these positions put back in the budget. Senator Phillips said that the committee won't put anything in the budget until they get definite word. Mr. Moore said that he would furnish memos showing that these positions have been put back into the budget.

Travel

In reply to a question, Mr. Moore stated that there is an increase in travel required because the state is now involved in a considerable increase in mediation services. The federal has backed out of the smaller disputes and only comes in on major disputes. He anticipated that travel in this area will exceed the amount allowed in the budget. A general discussion ensued on use of funds for travel. Mr. Moore explained that the state can only step into these disputes by request.

In reply to a question on where money was obtained for travel when the amount budgeted was expended, it was stated that it was sometimes necessary to go to one of the other codes that had money in it. Senator Blodgett objected to this and Senator Phillips stated that the subcommittee would look into it.

Senator Lewis asked for an explanation of the Tri-Regional Conference. Mr. Moore stated that it was a meeting of Labor officials relative to common problems and to develop necessary information regarding workmen's comp and wage hearings. He explained that other states hold hearings for Alaska just as Alaska does for them. These meetings are the only way to negotiate these matters.

Labor
Law
Enforce-
ment

Mr. Moore brought out that there were 30 deaths last year attributable to industrial accidents and that there have been 4 already this year. Senator Lewis asked that the committee be furnished the information on the 30 deaths and if and how the employer could have prevented them. Mr. Moore stated that there is an increasing amount of helicopter accidents and that the state does not have a helicopter code as yet, but that they are working on one.

Mr. Moore advised the committee that the responsibility for writing decisions is now back with the Board (Workmens' Comp) instead of by the winning attorney as was previously done. The director writes the decision with the help of the deputy director, and is now uniform in findings of fact and conclusions of law.

In reply to a question by Senator Engstrom, Mr. Moore stated that there are probably over 200 cases pending, but that they are not as far behind as they were 8 months ago. Senator Enstrom then asked how soon a person can get a hearing after filing a complaint. Mr. Moore said if the person has the required evidence to support his claim, probably in 3 or 4 months. There was some discussion on requested postponements because attorneys were not prepared. Senator Phillips requested that they review the budget request for the Employment Advisory Commission. He felt that this Commission should be eliminated. He suggested that the one person employed by the State in this area be put in a different area such as Wage & Hours and do away with the whole Commission.

Handicapped Mr. Moore stated that there is some work being done in this area. Senator Blodgett asked for a report on exactly how many handicapped are employed by the State of Alaska -- not in Alaska, but by the State.

Senator Phillips said that the time of the next meeting will be announced. Meeting adjourned at 9:50 a.m.

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. Conner 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

Mandatory
Sentences

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

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.

SENATE FINANCE COMMITTEE MEETING

March 5, 1968

8:30 a.m.

SB 374 &
SB 375

Present: Chairman Vance Phillips and Senators Haggland and Brady. Also present was Commissioner Tom Moore, Department of Labor. Senator Lewis was excused from the meeting. Senator Phillips stated that the committee had under consideration SENATE BILL NO 374 (relating to use of money credited to Alaska under Section 903 of the Social Security Act) and its companion bill SENATE BILL NO. 375 (appropriating money for erecting a building for use by the Department of Labor, Employment Security Division). He said that he had asked Commissioner Moore to discuss these bills with the committee.

Senator Smith entered the meeting.

Mr. Moore explained that these bills are enabling legislation which will allow the Department of Labor to utilize money which is in the Employment Security Trust Fund. He noted as background information that the Reed Amendment set up these funds which were available for administration and for the states' unemployment compensation program. There was a surplus which existed and this surplus was divided between all of the states--each one getting their proportionate share. The first was in the amount of \$6,000 and the second was \$45,660 for Alaska. The first amount, \$6,000, is no longer available to us because the time has expired for utilization of this fund. The amount of \$45,660.23 is still available.

Mr. Moore stated that the department has a serious housing problem for the agency in the Bethel area and this piece of

legislation will allow the sum of \$45,660.23 from the Un-employment Compensation Trust Fund to build a building in that area.

Senator Engstrom joined the meeting.

Mr. Moore brought out the interesting fact that under this legislation which will be under the Employment Security Division, the federal government will also be paying rent on the building and the sum of \$45,660 to be expended will find its way back into the fund again.

Senator Blodgett joined the meeting.

Senator Phillips noted that it would not be possible to build too much of a building with only \$45,000. Mr. Moore agreed and said it would be possible to construct one consisting of about 500 to 600 square feet.

Senator Phillips thanked Mr. Moore for appearing before the committee and said that was all the explanation needed.

Senator Brady asked for the Committee Report so that he could change his "no recommendation" to "do pass."

Mr. Moore left the meeting.

The committee continued its meeting during which no minutes were required.

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 more 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.

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.

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 in this first page of the summary, the figure of \$6,000,000 could be \$1,200,000 and other figures should be spread out over 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 the funds requested total \$859,400, representing an increase of \$354,000 over the last fiscal year, which is explained as follows:

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.

Senator Phillips and Mr. Miller inquired of Nesbett what thought had been given to having all the justices under one roof. Judge Nesbett said he felt the situation with three justices in three locations was satisfactory. Mr. Miller asked what will happen when there are five justices, and Nesbett replied they would have to get together and vote on it. Senator Phillips then said, "What if the legislature wants you to be under one roof?" Senator Phillips then left the meeting without having received a reply to his question. Dr. Haggland assumed chairmanship of the meeting.

Mr. Miller asked if there is much coordination between judges. Judge Nesbett replied that there is coordination and the present system was set up when the court was organized. When the Alaska Court System was organized the California procedure was used as a pattern. Mr. Miller inquired of Nesbett if he could foresee any need for expansion of the court system, to which Nesbett answered in the affirmative, particularly in the third district, where at present the caseload is approximately 600 cases per judge. Blodgett asked how many cases the average judge handled in that district per year, and Nesbett replied "550 to 650 or 680 per year". Senator Engstrom asked how many justices there are in the State of California, to which Nesbett replied that there are 7.

The discussion reverted to the subject of the court buildings. Judge Nesbett 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 Nesbett 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 Nesbett to inquire if it might be possible for the state to purchase the Fairbanks court building as well as the Anchorage building. Nesbett 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 Nesbett 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:

Contractual Services
(300) 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

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

ravel
(200)

\$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

especially increased the number of jury trials and resulting jury fees, witness fees, expert witness fees and court appointed attorneys. He stated that the caseload in the third district has increased 13% per annum in the past three years. The statewide increase has been 10% per annum on litigation in courts of general jurisdiction. This includes both criminal and civil cases. Criminal cases have increased about 18% in the third district. In the rest of the court system the percentage is somewhat lower.

Mr. Reynolds stated that effective January 1, 1968, jurisdiction in juvenile matters will transfer to the superior court, in accordance with 1967 legislation. The courts now must appoint attorneys to represent juveniles in certain cases as a result of U.S. Supreme Court decision Gault v. Arizona, and therefore an increase for court appointed attorneys is necessary. Mr. Reynolds stated that he wished he had these figures broken down, and Mr. Strandberg inquired why he did not have them broken down. Mr. Reynolds stated that the figures were in fact broken down in the Budget Request. Mr. Borer asked what the relationship was with last year, and said he did not know if the budget for last year was prepared on the same basis as this year. Mr. Strandberg asked Mr. Reynolds to furnish this information in breakdown form so that the committee can see a comparison of the figures with those of last year. Mr. Reynolds agreed to furnish the requested material.

Commodities
(400)

Mr. Reynolds continued with his justification of the increase in the court system budget, and explained Item 400 - Commodities. This minor increase is necessary, he said, for office supplies as a result of increased superior court activity.

Equipment
(500)

No increase is requested in this line item, said Mr. Reynolds, because requested funds were included in FY 67/68 budget for furniture for the two additional judges in the superior court in the third district.

Lands,
Buildings,
etc.
(600)

The justification for the increase in this item (600 - Lands, Buildings, Non-Struc. Imp.) according to Mr. Reynolds is for funds to remodel a storage area to provide a grand jury room. Prior to the addition of the two superior court judges one room had been used as a combined petit and grand jury room. However, due to the present shortage of space this is no longer feasible without disrupting the court calendar.

Mr. Borer reverted to the item on Equipment (500), and stated that Mr. Reynolds had been justifying increases in the budget request, and questioned the decrease under the equipment classification. He stated that the legislature authorized the sum of \$16,920 for this item last year and this year the court system is requesting \$13,500. Mr. Reynolds stated that in this year's budget request several items are less than they were last year. He said that

last year the court system needed new typewriters. This year new typewriters are not needed. If the court system can acquire some new equipment this year many items of equipment will not be required next year. He stated that the court makes extensive use of surplus property for their offices. Three electric adding machines and eight manual typewriters have been so purchased for magistrate offices. The court system is required to furnish the magistrates with typewriters.

Mr. Strandberg asked the court members for a breakdown on Item 300 - Contractual Services, and Mr. Sassara interjected that this item is broken down in the budget.

Mr. Strandberg inquired of the court members the reason for their having increased jury fees, to which Mr. Reynolds replied that it was because they have two new judges and the trials have increased. Mr. Strandberg asked about the rate of payment and was told by Judge Nesbett and Mr. Reynolds that the rate had not been increased, but that per diem for out of town witnesses was increased from \$9.00 a day to the same rate of per diem as any state employee. A notice of the increase of per diem of out of town witnesses was circulated to all state departments informing them of the proposal. The Chief Justice was informed by Senator Ziegler that if the court did not increase the witness fees that the legislature would. Mr. Strandberg questioned the authority of Senator Ziegler on this point and stated that

he did not remember this question coming before the finance committee. Judge Nesbett replied that he did not say that it did come before the committee. Strandberg asked the judge how he could raise these items without coming before the finance committee. Nesbett said that the attorney general favored the increase and presumably took care of the budget request. He just notified everyone who would be affected by the change. Strandberg pointed out that if these items are not put into a budget it results in a supplemental budget or the taking of funds from another part of the budget. Nesbett said he was aware of this and was very careful that the atty.gen.knew about this so he could include it in the Department of Law budget, and that court system became a part of this only because Senator Ziegler had informed them that if the court did nothing about the increase, that the legislature would.

Senator Blodgett asked about the bill before the committee on increased witness fees. Nesbett said that it was not introduced because the change in the fees was made by court rule. It was pointed out that Don Burr was attorney general at the time the rule of court was made. Senator Brady pointed out that the finance committee did not allot money for this increase, and therefore the sum was not expended. Nesbett agreed.

Mr. Reynolds continued with his letter of justification on increases in the district and magistrate courts.

Personal
Services
(100)

The amount of increase in these courts is \$95,500 over F/Y 67-68, and he presented the following breakdown: \$8,900 is necessary, he said, for the addition of a part-time deputy clerk of court to assist the district court in Kodiak, addition of a part-time deputy to assist the magistrate court in Kenai and the appointment of a magistrate in Unalaska. The sum of \$54,958 is felt to be necessary as the result of the 1967 overall employee salary raise effective 7/1/67. A part of this increase is for the new magistrates in Northwestern Alaska and the budgeting of all district judges at the statutory maximum salary for F/Y 68-69. He qualified this justification further by saying that the court is budgeting the statutory maximum salary because in the fall the judicial council will be required to appoint all 15 positions, and on that contingency they are budgeting the maximum amount. Sen. Blodgett stated he feels it unnecessary for these positions to be filled by lawyers. Reynolds said that it was required that they hire lawyers if they are available, though laymen might apply. Blodgett said he did not subscribe to that, and said he felt laymen make good district judges. Engstrom agreed with Blodgett. Blodgett said that they have the salaries of district judges up to \$17,000 a year, and wondered where it will stop. He said by using laymen in these jobs good laymen can be hired, whereas when lawyers are hired only the poor lawyers are hired. In answer to Strandberg's question if

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the statutes require the hiring of attorneys for the job of district judges, Nesbett replied that by interim agreement non-lawyers can be hired. Engstrom asked if district magistrates must be lawyers, and Nesbett replied that they do not.

Travel
(200)

Mr. Reynolds proceeded with his presentation. This amount (\$10,000) was allocated in F/Y 67-68 for travel costs involved with the training program for fourteen new magistrates in Northwestern and Northcentral Alaska. Funds for this project were made available by the federal government through O.E.O., so state funds allocated for this project were then lapsed. The court system would like to have more training conferences particularly in the Northwest and Northcentral parts of Alaska, and they would like to continue with this program to improve the quality of service rendered. He stated that everytime they can obtain federal money for this purpose they will use it. Senator Phillips asked what kind of rule book was given to the magistrates, and was told that this was the revised Magistrates' Handbook, which contains all rules of procedure, fee schedules, etc. The book is written with the layman in mind. After an initial request by Senator Blodgett for a copy of the book, Mr. Strandberg asked that each member of the finance committee be furnished with a copy. Mr. Reynolds said that this would be done when the book is received from the Michie Company with the recent revisions.

Contractual
Services
(300)

The amount of \$41,340, said Mr. Reynolds, is necessary due to the leasing of courts and court offices in eight

magistrate locations from the Alaska State Housing Authority, replacing court offices formerly located in magistrate's homes and other inadequate buildings. It also includes an increase of \$2,000 in jury fee allocations in Southeast Alaska and an increase of \$3,500 in autopsy costs based on prior years expenditure. Mr. Borer again requested that every page be filled in with the missing sections, and Reynolds agreed to do this. Mr. Sassara inquired of the location of the magistrate court at Galena, and Judge Nesbett replied that it is in the home of the magistrate, which is also a roadhouse. Mr. Strandberg said that it is pretty hard to get around that sort of thing in some places in Alaska. Senator ^{Blodgett}/asked of Reynolds a breakdown of the \$41,340 increase in this item, and Mr. Borer stated that the breakdown is in the budget request. Senator Brady suggested that the budget books of the witnesses be numbered the same as those of the committee members, and Mr. Strandberg asked the court members to number their book to conform to that of the committee members.

Commodities
(400)

The total increase in this item is \$2,200, broken down as follows: \$1,100 necessary due to additional magistrate courts; and \$1,100 primarily for supplies due to increase in recordings and demand for supplies for duplicating and preserving records. There were no questions on this item.

Equipment
(500)

Mr. Reynolds told of the increased activity in Kenai, and referred to three exhibits attached to the court's justification of their increases and to a letter to the finance committee chairmen from the chief justice dated March 1, 1968, (see bill file for exhibits and letter) relating to this item of \$7,380.00 and \$954.00. in increases. These items include primarily furnishings for court space in Kenai. Senator Phillips questioned the necessity of having high ceilings in courtrooms. Nesbett told him that atmosphere in a crowded courtroom can be dismal in a low-ceiling room and ventilation is poor when crowded with people. Also, the judge's dais is high, thereby necessitating a higher ceiling. Senator Blodgett asked if the housing situation in Kenai is just a temporary measure, to which Reynolds replied that they are hoping to get something which will last for a long time. He said that as it is they will just barely get a new facility before they lose their present lease in Kenai. They checked with the Department of Public Works to determine if the state plans to build a facility for all state agencies in Kenai before they contracted for private space. The department made such a study at the court's request, and determined that such a state building is not feasible at this time. If Kenai does not continue to develop then such a building would be a waste. The court now is negotiating for a four or five year lease with a year's option as it hesitates to

obligate the state or the court system for a longer period in view of the unstable nature down there. Senator Blodgett agreed with Phillips on the matter of ceilings in courtrooms being too high and said he would rather have larger rooms and ventilation control than high ceilings. Reynolds said he had found they could get a 11' ceiling for approximately the same price as one at 10'.

Senator Engstrom left the meeting.

Mr. LaRocca (AP) left the meeting

Mr. Poulson entered the meeting.

Mr. Strandberg asked what the court system would do if this money is not appropriated, and Reynolds said that space in Kenai is at a premium and that bid of a prefabricated building by Bentco was 59¢.

Senator Blodgett moved and asked unanimous consent that the Senate Finance Committee direct the Commissioner of Administration and representatives of the governor's office to review the problem of space for the court system at Kenai, and come into the finance committee with their recommendations. Dr. Haggland objected. After a brief discussion Dr. Haggland withdrew his objection, and there being no objection, it was so ordered.

Mr. Sassara asked about the negotiation of the bid, and Senator Phillips pointed out one of the reasons that the court system put in their recommendations to the contractor and this is why the rates on these buildings are so high.

In reply to a question from Mr. Borer regarding telephone charges, Judge Nesbett pointed out that judges and clerks receive calls from magistrates all the time and because Anchorage is the site of the administrative office they receive most of the calls in that city.

Mr. Strandberg asked of Judge Nesbett, "If we have to cut your budget back about \$300,000 where should we cut it percentagewise?" He then said that this is the largest increase of all the state budgets.

Senator Blodgett read from the statutes (22.160) regarding district judges, and stated that many laymen were capable of becoming good district judges. He suggested that costs could be brought down in this area, by hiring laymen as judges and reducing salaries. Mr. Strandberg suggested that it would be difficult to have that statute repealed.

Mr. Strandberg asked the Chief Justice once more where the court budget could be cut if the finance committee found it necessary to do so. He stated that the committee does not want to cripple the court. Nesbett replied that much of the increase was due to the increase of justices & judges in the court system, and said that the court had always been realistic in its presentation, and if they do not spend the money they always lapse it. Strandberg asked about the salary rate of the district judges and was told by

Nesbett that the rate was \$17,500, and there are 15 district judges involved. Phillips asked what if good lawyers do not apply for these positions, and Nesbett replied that if the court does everything that is necessary they will certainly apply. Formerly the court had only one lawyer/^{-judge}sitting in the district court in Southeastern Alaska. Now there is a lawyer in Ketchikan, one in Wrangell, one in Juneau and one in Sitka. He said that if they do what is necessary they will get the results they want. Phillips suggested that the salaries will continue to rise. Nesbett said that as time passed the judges will gain tenure and will be in the jobs to stay.

Mr. Strandberg told the court witnesses that he assured them that if they plan any drastic cut in their proposed budget they will be advised well ahead of time. Mr. Reynolds told of how well the chief justice scrutinizes the budget. Mr. Strandberg commented that the administration had not reviewed the court budget and stated that finance committee would like to have the budget review committee review the budget, and told of how it was impossible for the governor to bring down a balanced budget unless he had reviewed all budget requests. He told the court they had no greater autonomy than the University and that the University budget had been reviewed. Mr. Strandberg said he hoped the court and the administration could work out this problem so that they could review the budget next year. He feels that the

finance committee had always dealt fairly with the court. Judge Nesbett stated that it was erroneous that the court system had by-passed the governor. He said they came down as they always do and justified every line of the budget with the governor's budget committee, and when they were finished they were told they had a good, understandable, sound, lucid budget. The judge said they have never attempted to by-pass the review committee. Senator Blodgett said that when the committee reviews the budget the department request is set forth and the governor's allowance is set forth, and the request is still there for the finance committee to review and these requests are not overlooked by the finance committee. They are considered whether they are approved or not. Mr. Strandberg stated that the court system had done a good job on their budget, but that the committee must consider the long range program. The governor's tax measures must conform to all programs. He said the committee does not always agree with the governor's review board and in many instances the committee allowance is greater than that of the administration. Nesbett again stated that the budget was reviewed line by line by four men on the governor's review board. He said the court did not ask to avoid a review. Strandberg reiterated that the governor's budget is only his recommendation as to what should be spent, and that review determines the spending level. Senator Blodgett concluded the meeting by complimenting the district judge in his district.

Adjournment: The meeting adjourned at 9:30 a.m.

SENATE FINANCE SUBCOMMITTEE MEETING

March 7, 1968

4:15 p.m.

Present: Senators Phillips, Haggland and Smith of the Senate Finance Committee were present, along with Senators Butrovich and Waugaman. Also present were Messrs. Gavora and Weaver, of the Food Basket in Fairbanks, Mr. Sexton of Bill's Drive-in in Fairbanks, Mr. Franich of the Quality Meat Company, and Commissioner Ward of the Department of Administration.

Meeting: Senator Phillips convened the meeting and announced that the persons present would be presenting testimony on behalf of their claims during the Fairbanks flood, to be compensated for by SB 387. He requested that each of the men identify himself before speaking. Mr. Paul Gavora, owner of the Food Basket, a Fairbanks store, said that the justification for his claim is based on inventories. Although he said there is no way of knowing precisely how much had been lost, based on inventories, and knowing that approximately 40% of his shelving space was under water, thus destroying the merchandise on them, he estimated that 45 to 50 thousand dollars worth of food was taken by various persons and groups. Although he kept no list of the people taking out merchandise the first day, he said, he does have a list of those who were in the second and third days. He stated that he had no way of keeping an account of what was taken and how much, as there was no electricity. He said that had others not submitted this compensation bill, he would never have come down and asked for the money, but when the bill was introduced, he realized that it was introduced for persons like him. Senator Phillips asked Earl Weaver, manager of the store, if he had anything to add to Mr. Gavora's statement. Mr. Weaver said

no, just to verify what he had said already. In response to questioning by Senator Phillips, Mr. Weaver said that he had been asked by Civil Defense to open up the store. Mr. Gavora stated that the whole area on the northeast side of the river was dry, so there were about 15,000 people congregated there -- who needed food.

Mr. Sexton, of Bill's Drive-in, spoke next. He said that looking over SB 387, he will be fully satisfied if the bill passes; and since his claims have already been included in the bill, he is all taken care of. However, he requested permission to speak on behalf of two other parties who are still in Fairbanks. He read a statement from Hi Continental Corporation (see bill file) which certified that Lowell G. Johnston donated \$625.00 worth of food stuffs, approximately, to feed persons at the University Commons during the August 1967 flood. He then inquired about Frank Chapados who had a truck commandeered by one of the agencies. The truck was ruined, leaving him with \$600.00 worth of damage. Mr. Sexton wanted to know if it was reasonable under this bill for this gentleman to submit a claim. Vance Phillips indicated that it would be necessary to have verifications here, such as the name of the man who commandeered the truck. He said, also, that the information required is not so much for the committee as for presentation on the floor of the two houses.

Mr. Joe Franich stated that he has already submitted a claim. However, the police report omitted a number of details - such as the 50 thousand pounds of meat taken from Mr. Franich's van. Apparently, from Mr. Franich's testimony, merchandise was taken and his van and store broken into without his permission. Senator Phillips stated that the Committee's intent is to get together with Commissioner Personett of Public Safety, and the Department

of Administration to see if more justification is needed. Senator Smith asked if there was any great rush to get this bill out. He felt it would be best to wait two or three weeks, until more substantiation for claims is available. Mr. Ward cautioned that the claimants be only those who sustained losses through giving out merchandise, and not ordinary flood losses. Senator Smith requested that this entire matter be coordinated through the Department of Administration, with persons presenting claims to them, and then when the information came to the Finance Committee from the Department of Administration, everything could be presented to the entire committee and then would be ready to present on the floor. Also, it was mentioned that working with Commissioner Personett would be necessary. The omissions in Mr. Franich's police report were further discussed. The meeting adjourned at 4:50.

SENATE FINANCE COMMITTEE MEETING

March 18, 1968

3:00 p.m.

Present: All members of the Senate Finance Committee except Senators Engstrom and Brady. Also present were William McVay and Gene Smith of the Division of Budget and Management, Department of Administration. Senator Phillips opened the meeting and stated that the committee would proceed to close out the budget for the Department of Labor.

DEPARTMENT
OF LABOR
Administra-
tion
Personal
Services
(100)

Senator Phillips noted that the allowance for Personal Services is \$131,000. He explained that this figure reflects the state pay raise, the transfer of one position to Workmen's Compensation Division, the transfer of one position to the Wage and Hour Division, and the vacancy and turn-over factor. Senator Phillips recommended the figure of \$131,000.

Travel
(200)

Senator Phillips noted that it is necessary for the department to attend a great many more mediation meetings and with the increased activities and administration of the Local Autonomy Law the additional travel is justified. He recommended that the committee accept the figure of \$14,000.

Contractual
Services
(300)

Senator Phillips recommended that the committee go along with the \$35,200 as there was no change in this area.

Commodities
(400)

Senator Phillips recommended the figure of \$3,400.

Equipment
(500)

Senator Phillips noted that the review committee had reduced this request to \$800 and recommended that figure.

Intra-Agency
Charges
(900)

Senator Phillips recommended that the committee go along with the figure of \$2,000.

Senator Phillips brought up the subject of the Employment Advisory Commission and stated that he felt this money could be better utilized under a manpower training program. He stated that it was his understanding that a bill will be introduced during this session to eliminate the Employment Advisory Commission and it was his recommendation that the monies budgeted for the Commission be transferred to the Department of Labor Administration budget for use in manpower training. He requested that a letter of intent be prepared to Commissioner Moore setting forth that the funds in the amount of \$22,900 are to be used in training of people unemployed in the Manpower Training and Employment Advisory Board Act.

Letter
of
Intent

There was some discussion regarding the code under which this item should go. It was finally decided that it would be put under Code 300, Contractual Services, increasing the funds in this code to \$58,100. It was brought to the attention of the committee that if the bill to eliminate the Employment Advisory Commission does not pass, it will be necessary to reconsider this action.

Senator Phillips moved and asked unanimous consent that the figure of \$209,400 be accepted for Enforcement of Labor Laws Administration. Senator Lewis seconded the motion. No objections, so ordered.

Labor Laws
Enforcement
Personal
Services
(100)

There was considerable discussion relative to the staffing of this section. Through a misunderstanding the committee thought the additional positions requested to be reinstated by the Governor were for safety inspectors. Senator Smith brought

it to the attention of the committee that no additional safety inspectors had been requested in this budget, but that the request had been for an additional wage and hour inspector and a secretary for the Anchorage office. Mr. McVay stated that there were seven full time employees in the Anchorage office and they did not have the clerical help necessary. In reply to a question on how the clerical work had been handled, Mr. McVay said the office had been using temporary help.

Senator Hammond joined the meeting.

After a short discussion it was recommended by Senator Phillips that the committee accept the recommendation of the Governor to reinstate these positions.

Senator Phillips moved and asked unanimous consent to accept the figure of \$190,100 for Personal Services. Objection by Senator Haggland. Objection withdrawn. No further objections, the figure of \$190,100 was so ordered.

Travel
(200)

Discussed travel required for industrial safety inspections and the inclusion of the wage and hour inspector (additional). Senator Phillips moved and unanimous consent that the figure of \$26,000 be accepted for travel. No objection, so ordered.

Contractual
Services
(300)

Senator Lewis noted that the department planned to revise and reprint the Industrial and Electrical Codes. He advised the committee that a new National Electric Code has just been published and he felt the department could purchase them much cheaper. It was recommended that \$600 be taken out of this item. Senator Lewis moved and asked unanimous consent that

amount of \$11,000 be accepted for Contractual Services. No objection, it was so ordered.

**Commodities
(400)**

Senator Phillips noted that the department had requested \$1,900, the review committee had reduced this to \$1,400 and that the House Finance Committee had allowed \$1,800. Senator Phillips moved and asked unanimous consent that the figure of \$1,800 be accepted for Commodities. No objection, so ordered.

**Equipment
(500)**

Senator Phillips moved and asked unanimous consent that the committee accept the recommendation of the Governor's Review Committee that nothing be allowed for Equipment. No objection, so ordered.

Senator Phillips moved and asked unanimous consent that the total figure of \$228,900 be accepted for the Labor Laws Enforcement. No objection, so ordered.

Total

**Workmen's
Compensa-
tion Act
Personal
Services
(100)**

Senator Phillips explained that the increase allowed by the House Finance Committee was for the two positions-- a Clerk III and an Administrative Assistant for Southeast-- which Commissioner Moore had justified when he appeared before the Senate Finance Committee. Senator Phillips moved and asked unanimous consent that the figure \$63,400 be accepted for Personal Services. No objection, so ordered.

**Travel
(200)**

Senator Phillips moved and asked unanimous consent that the figure \$10,000 be accepted for Travel. No objection so ordered.

**Contractual
Services
(300)**

Senator Phillips moved and asked unanimous consent that the figure \$6,300 be accepted. No objection, so ordered.

Commodities
(400)

Senator Phillips moved and asked unanimous consent that the figure \$2,500 be accepted for Commodities. No objection, so ordered.

Equipment
(500)

It was noted that the only equipment left in under this item was the 3 inner bays. Senator Phillips moved and asked unanimous consent that the figure \$300 be accepted for Equipment. No objection, so ordered.

Total

Senator Phillips moved and asked unanimous consent that the total figure \$82,500 be accepted for Workmen's Compensation Act. No objection, so ordered.

Employment
of the
Handicapped

Senator Haggland questioned this activity. Senator Phillips explained that the funds in this area were for travel and small quantity of supplies for the Committee on the Employment of the Handicapped. Senator Lewis suggested that this money be added to the Manpower Training program. After a short discussion Senator Lewis moved and asked unanimous consent that this section be deleted from the budget. Seconded by Senator Smith. No objection, so ordered.

Employment
Advisory
Commission

Senator Phillips noted that the funds for this section had been pulled out and placed under Labor Administration. He then moved and asked unanimous consent that this Commission allowance be transferred to "Administration" under Contractual Services for the purpose of training people for employment in logging and other industries. No objection, so ordered.

TOTAL

Senator Phillips moved and asked unanimous consent that the total figure \$520,800 be accepted for Enforcement of Labor Laws. No objection, so ordered.

Employment
Security
Division

This program is fully funded by Federal monies. Senator Phillips moved and asked unanimous consent that the total figure \$3,017,500 be accepted. No objection, so ordered.

TOTAL

Second
Injury
Benefits

It was noted that there has been a change in the administration of this section under Code 900. Senator Haggland moved and asked unanimous consent that the figure \$45,000 be accepted. No objection, so moved.

TOTAL

Sick &
Disabled
Fishermen's
Benefits

It was noted that Inter-Agency Charges reflects transfer of \$15,000 to the Division of Administration and \$10,000 to Labor Laws Enforcement for the administration of this fund. It was moved and unanimous consent asked that the figure \$175,000 be accepted. No objections, so ordered.

TOTAL

DEPARTMENT
OF LABOR
TOTAL BUD-
GET

Senator Phillips moved and asked unanimous consent that the figure \$3,758,300 be accepted for the Department of Labor. No objection, so ordered.

Senator Phillips called a 5 minute recess.

LEGISLA-
TURE

Senator Phillips reconvened the meeting and said the committee would review the Legislature Budget. He stated that Legislative Audit would be deferred temporarily and the committee would consider Legislative Affairs Agency first.

Legislative
Affairs
Agency
Personal
Services
(100)

Senator Phillips referred to the number of General Clerks hired for temporary duty during the legislative session and stated that he felt this was more help than is necessary. He moved and asked unanimous consent that the number of temporary General Clerks be reduced to 22. No objection, so ordered. Senator Phillips then directed that a letter of intent be written to the Legislative Affairs Agency advising them that

Letter of
Intent

See
Page 152
for addi-
tional intent.

these four positions have been deleted and the amount for Personal Services is reduced to \$704,400 (see later in notes for additional change in this figure). It was noted by the committee that the agency had requested an automatic collator under Code 500, Equipment. Senator Phillips stated that at the present time the agency is working two shifts on collating, employing four people--2 on each shift. He said that with this new collator it would be possible to get by with two less people. Senator Phillips moved and asked unanimous consent to delete two more temporary General Clerks. No objection, so ordered. Senator Phillips requested that the letter of intent to Legislative Affairs Agency include that two additional temporary general clerks have been deleted due to the purchase of the automatic collator.

Addition
to Letter
of Intent
(Page 151)

It was also noted under Code 500, Equipment, that a request had been made for two manual typewriters. Senator Phillips advised the committee that he did not believe these were necessary as the agency had been allowed six new typewriters last year. He recommended that the typewriters be taken out of the budget and the committee agreed. Senator Phillips requested that the letter of intent to Legislative Affairs Agency include the information that the two manual typewriters have been disallowed because six new typewriters were purchased for this agency last year.

Addition
to Letter
of Intent
(Page 151)

(Decrease)

Senator Phillips moved and asked unanimous consent that the figures \$700,900 for Personal Services, \$159,500 for Travel, \$45,500 for Contractual Services, \$22,200 for Commodities, and \$15,000 be accepted. No objection, so ordered.

Total

Senator Phillips moved and asked unanimous consent that the total figure \$943,100 be accepted for the Legislative Affairs Agency. No objection, so ordered.

Legislative
Audit

There was considerable discussion relative to the duties of this division. Senator Phillips briefly outlined the duties as set forth in the Program Summary. Some of the committee expressed concern that they are unable to obtain copies of the reports prepared by the division. Senator Phillips stated that the majority of the reports are available for the legislators review as soon as they are released by the Governor's office. He felt that this division offers a good post-audit control of state activities and, although there have not been very many, have brought irregularities to the attention of the Administration and the Legislature. Reports involving personalities are usually kept confidential.

Senator Phillips moved and asked unanimous consent that the figure \$216,600 be accepted for Legislative Audit. No objection, so ordered.

Senator Phillips said he would discuss with Mr. Strandberg, chairman of the Legislative Audit Committee some of the problems brought up by the committee.

Senator Phillips moved and asked unanimous consent that the figure \$1,159,700 be accepted for the Legislature. No objections, so ordered.

TOTAL

Senator Phillips adjourned the meeting at 5:20 p.m. and announced that the committee would meet tomorrow morning, March 19, at 8:00 a.m.

SENATE FINANCE COMMITTEE MEETING

March 19, 1968

8:00 a.m.

Present: All members of the Senate Finance Committee were present except Senator Blodgett. Also present were William McVay and Gene Smith of the Division of Budget & Management, Department of Administration. Senator Phillips opened the meeting and stated that the committee would close out the budgets for Military Affairs and the Department of Highways.

MILITARY
AFFAIRS
BUDGET

Administra-
tion and
Operation
OTAG &
State Ar-
mories

Personal
Services
(100)

Senator Phillips stated that the committee has had several conferences with the representatives of the Department of Military Affairs and he felt that the budget has been well prepared. He noted that there are a couple of changes--one in OTAG & State Armories and one in Civil Air Patrol.

Senator Phillips moved and asked unanimous consent that the figure \$230,900 be accepted for Personal Services. No objection, so ordered.

Travel
(200)

Senator Phillips moved and asked unanimous consent that the figure \$10,000 be accepted. No objection, so ordered.

Contractual
Services
(300)

It was noted that a letter from the Department of Administration correcting the amount allowed by the review committee by \$16,200 for a new figure of \$93,600. Senator Phillips moved and asked unanimous consent that the figure \$93,600 be accepted for Contractual Services. No objection, so ordered.

Commodities
(400)

Senator Phillips moved and asked unanimous consent that the figure \$39,200 be accepted. No objection, so ordered.

Equipment
(500)

Senator Phillips moved and asked unanimous consent that the figure \$1,000 be accepted. No objection, so ordered.

Senator Phillips moved and asked unanimous consent that the figure \$406,800 be accepted for OTAG & State Armories. No objection, so ordered.

Total

Air
National
Guard

It was noted that there had been no changes requested in the review committee recommendations. Senator Phillips moved and asked unanimous consent that the total figure

\$144,900 be accepted for the Air National Guard. No objections, so ordered.

Total

Army
National
Guard

There are no recommended changes in this budget request.

It was moved and unanimous consent asked that the figure \$38,000 be accepted for the Army National Guard. No objection, so ordered.

Federal
Scout
Armories

There are no recommended changes in this budget request.

Senator Phillips moved and asked unanimous consent that the figure \$97,200 be accepted for Federal Scout Armories. No objection, so ordered.

Camp
Carroll

As there are no recommended changes in this budget request, Senator Phillips moved and asked unanimous consent that the figure \$27,000 be accepted for Camp Carroll. No objection, so ordered.

Senator Phillips moved and asked unanimous consent that the total figure \$713,900 be accepted for Administration and Operation. No objection, so ordered.

TOTAL

ALASKA
DISASTER
OFFICE

Administra-
tive Pro-
gram

It was noted that there were no recommended changes from the review committee allowances for the Alaska Disaster Office. Senator Phillips moved and asked unanimous consent that the figure \$207,800 be accepted for the Administrative Program. No objection, so ordered.

ADO
Partici-
pants

It was moved and unanimous consent asked that the figure \$36,000 be accepted for ADO Participants. No objection, so ordered.

Radio-
logical
Program

Senator Phillips moved and asked unanimous consent that the figure \$19,900 be accepted for the Radiological Program. No objection, so ordered.

Community
Shelter

Senator Phillips moved and asked unanimous consent that the figure \$29,500 be accepted for the Community Shelter. No objection, so ordered.

Senator Phillips moved and asked unanimous consent that the total figure \$293,200 be accepted for the Alaska Disaster Office. No objection, so ordered.

Total

CIVIL AIR
PATROL

Increase

Total

It was explained that because of needed engine repairs and additional radio equipment an increase in this budget request is justified. Senator Phillips moved and asked unanimous consent that the figure \$75,000 be accepted for Civil Air Patrol. No objections, so ordered.

Senator Phillips moved and asked unanimous consent that the total figure \$1,082,100 be accepted for the Department of Military Affairs. No objection, so ordered.

TOTAL

DEPARTMENT
OF
HIGHWAYS
Adminis-
tration

Executive
Division
Office of
the Com-
missioner

Senator Phillips said that the committee would now review the budget request for the Department of Highways.

Senator Phillips moved and asked unanimous consent that the figure \$98,800 be accepted for the Office of the Commissioner. No objection, so ordered.

Internal
Review

It was moved and unanimous consent asked that the figure \$37,600 be accepted for Internal Review. No objections, so ordered.

Claims
Section

Senator Phillips explained that this function has been transferred from the Construction Division to the Executive Division. In reply to a question, Senator Phillips stated that this section was to review contractors' claims. Senator Phillips moved and asked unanimous consent that the figure \$41,900 be accepted for the Claims Section. No objection, so ordered.

Mr. Strandberg joined the meeting.

Total for Executive Division is \$178,300.

Design
Division
Chief De-
sign Engi-
neer

Senator Phillips moved and asked unanimous consent that the figure \$34,900 be accepted for the Chief Design Engineer. No objection, so ordered.

Road
Design

Senator Phillips moved and asked unanimous consent that the figure \$74,500 be accepted for Road Design. No objection, so ordered.

Bridge
Design

Senator Phillips moved and asked unanimous consent that the figure \$50,900 be accepted for Bridge Design. No objection, so ordered.

Mr. Strandberg left the meeting.

Utilities
Division

It was noted that this is a new section under the Design Division and had previously been a part of the Right of Way function. Senator Phillips moved and asked unanimous consent that the figure \$20,200 be accepted for Utilities. No objection, so ordered.

Right of
Way Section

Senator Lewis questioned the amount of outside travel requested and the number of different conferences scheduled. It was requested that a letter of intent be prepared to Highways relative to outside travel. (See addition to letter of intent later in minutes.) It was noted that the review committee had reduced travel allowance in nearly all instances.

Letter
of
Intent

Senator Phillips moved and asked unanimous consent that the figure \$171,300 be accepted for Right of Way. No objection, so ordered.

Maintenance
Division

Senator Phillips moved and asked unanimous consent that the figure \$54,600 be accepted for Maintenance Division. No objection, so ordered.

Construc-
tion Divi-
sion

Senator Phillips moved and asked unanimous consent that the figure \$230,800 be accepted for the Construction Division. No objection, so ordered.

Adminis-
trative
Division
Adminis-
trative
Director

Senator Phillips moved and asked unanimous consent that the figure \$41,400 be accepted for the Administrative Director. Objection was heard. Senator Lewis called the attention of the committee to the travel requested. He stated that he could see no reason for all these different people attending all the conferences. It was requested that the Letter of Intent that there will be only one representative of the department

Addition
to above
Letter of
Intent

attend conferences such as the one in Cheyenne and the department is to keep track of who attended and report to the committee. Senator Lewis asked just what Highways gets out of meetings such as WASHO and AASHO. Senator Phillips briefly explained that they are meetings with state highway officials and federal people relative to highway programs and problems. Senator Phillips moved and asked unanimous consent that the figure \$41,400 be accepted for Administrative Director. No objections, so ordered.

Senator Phillips requested the staff to contact the Acting-Commissioner of Highways and request that he send a letter to the Senate Finance Committee outlining exactly what WASHO and AASHO are and purpose and advantages of the conferences. Senator Phillips also requested that copies of the letter be made for each member of the committee. (Acting Commissioner Steen was called March 19 and asked to forward the above letter.)

Finance
Section

It was noted that the only major increase was in Personal Services and was because of reclassification and salary increase by state. It was also noted that data processing had been taken out of Contractual Services and placed under Code 900, Inter-Agency Charges. Senator Phillips moved and asked unanimous consent that the figure \$344,800 be accepted for Finance Section. No objection, so ordered.

Personnel
Section

It was moved and unanimous consent asked that the figure \$63,200 be accepted for Personnel. No objection, so ordered.

Supply and
Services
Section

Senator Phillips moved and asked unanimous consent that the figure \$371,400 be accepted for Supply and Services. No objection, so ordered.

Total for Administrative Division is \$820,800.

MATERIALS
DIVISION
Materials
Engineer

Senator Lewis questioned the two trips to Portland-Seattle by the materials engineer. It was explained that it is necessary for inspection of materials purchased for the state--this is a requirement of the Bureau of Public Roads. Senator Phillips moved and asked unanimous consent that the figure \$55,300 be accepted for Materials Engineer. No objections, so ordered.

College
Lab

Senator Phillips moved and asked unanimous consent that the figure \$25,000 be accepted for College Lab. No objection, so ordered.

Total for Materials Division is \$80,300.

ANCHORAGE
DISTRICT

Senator Phillips moved and asked unanimous consent that the figure \$505,100 be accepted for Anchorage District Administration. No objections, so ordered.

FAIRBANKS
DISTRICT

Senator Phillips moved and asked unanimous consent that the figure \$519,400 be accepted for Fairbanks District Administration. No objections, so ordered.

JUNEAU
DISTRICT

Senator Phillips moved and asked unanimous consent that the figure \$237,600 be accepted for Juneau District Administration. No objections, so ordered.