

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2479

be and then compare that to see how they were off.

Mr. Ray asked what would happen if the committee would disallow and give them an increase of \$600,000 instead of \$1,055,400. Mr. Freer said the districts would be shorted and they would have to pro-rate back to districts. He said there was a provision in the law under the School Foundation Program that, in effect, said the Department of Education shall make the payment and advise the Governor and then this will be approved by the Legislature.

In answer to Mr. Ray's question as to whether the supplemental was caused by the passage of increased ADM, Mr. Freer said there was 1.8 million dollars added into the Foundation Program to cover this increase and he said the Department hasn't said that this was the reason for the supplemental. Mr. Freer said this is the basis on which they make their payments and in order for them to develop this they must have background information. Mr. Ray said they need the money because they underestimated the number of pupils and they have no information other than this. He said it doesn't seem possible they could make a mistake and compound it unless there was a reason for doing this.

Mr. Freer said he would ask the Department for this information. Mr. Sackett said some of the reasons they give for this supplemental is their increase of students and the fact that Budget and Management had cut them back 4%.

Mr. Ray asked the reason Budget & Management had cut them back and Mr. Freer said, again, they had cut them because they had been lapsing funds up through FY'67 but that this wasn't the case now. Mr. Sackett said it couldn't be contributed to the increased ADM because they didn't have that in FY67-68.

HOUSE
BILL 141

Mr. Ray discussed HOUSE BILL 141 and COMMITTEE SUBSTITUTE FOR HOUSE BILL 141 (an act relating to school district service areas). This bill was not in Finance Committee but Mr. Ray said they should look and see if there is any possible financial consideration in this transportation of students.

HOUSE
BILL 220

It was moved an unanimous consent was asked that HOUSE BILL NO. 220 (an act appropriating to the Alaska Native Housing Program) be considered. No objection so ordered. Mr. Haugen gave a brief explanation of this bill.

Mr. Freer suggested raising the \$95,000 budget request to \$100,000 and eliminating HOUSE BILL NO. 220. A brief discussion followed and it was then moved and unanimous consent was asked to return HOUSE BILL 220 to files for further study. No objection, so ordered.

HOUSE
BILL 64

Mr. moved and asked unanimous consent that the committee consider HOUSE BILL NO. 64 (appropriation - Department of Public Works). Mr. Hohman explained that the question this morning concerned whether the money was being appropriated to the proper fund (see earlier minutes on HB64; 3/7).

Mr. Freer said the bond reserve account was to provide for one year's debt service in the event anything happened and the state couldn't pay it. Mr. Ray asked if this is generally accepted procedure and Mr. Freer said yes.

Mr. Ray asked when this bond was sold and Mr. Freer said last April was the first time the \$650,000 was set up.

Mr. Hohman moved and asked unanimous consent that the committee adopt the following amendment:

p. 1, lines 13-14, delete "Revenue Bond"

No objection, so ordered.

Mr. Hohman explained the above amendment was only a technical correction and did not change the intent of the bill.

Mr. Hohman moved and asked unanimous consent that HOUSE BILL 64 as amended be passed with a "do pass" recommendation.

No objection, so ordered.

Recess: The meeting recessed at 2:25 p.m.

HOUSE FINANCE COMMITTEE MEETING
Monday, March 10, 1969
9:00 a.m.

Present:

All members except Mr. Hohman who was excused.

HB 68

Mr. Borer moved and asked unanimous consent that HOUSE BILL NO. 68 (Public Works supplemental - ferry system - \$2,215,900) be considered by the committee. No objection, so ordered.

Mr. Borer then moved and asked unanimous consent that HOUSE BILL NO. 68 be passed out of committee with a "do pass" recommendation. Mr. Sackett objected and stated he would like to hear a bit of background.

Mr. Borer offered the following breakdown (for more detailed breakdown, see bill file):

Reservation System:	\$ 27,100
Seattle Extension:	136,200
Wickersham:	2,052,600
	<u>\$2,215,900</u>

Mr. Sackett thereupon withdrew his objection and so HB 68 was passed out of committee with a unanimous "do pass" recommendation.

HB 133

Mr. Bradner moved and asked unanimous consent that the committee consider HOUSE BILL NO. 133 (creating the Alaska Commission on Youth Opportunity, Education and Employment). No objection, so ordered.

Mr. Hohman arrived.

When lack of enthusiasm was displayed for this bill, Mr. Ray moved and asked unanimous consent that HB 133 be indefinitely postponed. Mr. Bradner objected, so Mr. Ray amended his motion that the bill be laid on the table. Mr. Croft

objected and the following vote was recorded for laying
HB 133 on the table:

Yeas: Messrs. Ray, Sackett, Haugen, Borer, Bradner
Nays: Croft
Abstaining: Mr. Hohman

and so HB 133 was laid on the table. Mr. Ray reminded the members that any time any one of them was interested in again considering this legislation, it could be brought before the committee.

HB 66

Mr. Croft moved and asked unanimous consent that the committee consider HOUSE BILL NO. 66 (Department of Highways supplemental, \$350,000 for winter road). No objection so ordered. Mr. Croft read from a letter that Representative Schwamm had received from the Commissioner of Highways, detailing expenditures on the winter road. (see letter appended) Mr. Croft reminded members that they had indicated how they would vote on this bill before the legislature had convened. However, at the time former Governor Hickel had sent out the telegrams requesting this information, all legislators had been under the impression this was to have been put out to bid, then Highways reversed itself and built the road. Also, the original concept was that it would be maintained by the truckers and now Highways has taken over the maintenance cost of the road. Mr. Croft read the amendment that had been proposed by the State Affairs Committee which would have the bill read:

"The sum of \$350,000 is appropriated from the NORTH
Commission fund"

thus replacing the wording "general fund" with "NORTH Commission".

Mr. Croft said there was at present \$481,680 in the NORTH Commission fund and he personally felt this was the route to go. Therefore, he moved and asked unanimous consent that HB 66 be replaced with a Finance Committee substitute, which would say, in essence, that the funds come from the NORTH Commission. Mr. Sackett objected and asked what plans had been made for the funds in the NORTH Commission. Mr. Croft said he had talked to Mr. Freer about this and Mr. Freer had no idea. Mr. Sackett felt they should know what they were taking money away from before pursuing this particular course. Mr. Croft stressed the point that the original purpose of the NORTH Commission was to construct a road to the north. Mr. Bradner reminded the members that when the legislature originally passed the NORTH Commission bill, they intended that it be used for this purpose; however, the Governor had not interpreted it this way and never acceded to this theory. Mr. Borer requested that the vote taken by the Governor on how the road would be funded be given to the committee. The staff was instructed to obtain this information from the Office of the Governor. Mr. Croft said that according to the press release, 22 House members voted favorably and 13 Senate members were also in favor of using general fund money. Mr. Borer said he would still like a breakdown from the Governor's office on this. Mr. Bradner didn't see the need for any legislation if the Governor would take it out of the NORTH Commission, since the money was there to be spent at his discretion. Mr. Ray

disagreed with this statement and said if the Governor had wanted to do it that way, he would have, and it would take legislation now to accomplish it.

Mr. Croft said he would research further and see if there are any plans to use the NORTH Commission money in another direction. Mr. Ray thought that if they had no plans to use it, this would be a fine place to put this money to work. He could see no purpose in having money in a fund and not being put to a use. With the tight money at the moment, they should use it, and they could always replenish it if the anticipated oil money comes in later.

Mr. Sackett wanted an explanation of why the carriers were not maintaining the road as they had originally agreed to do. Mr. Croft said he has not been able to find any reason why the state is doing this, anymore than he could understand why the state decided they should take over construction of the road. Mr. Haugen did not feel it was legal to accept money for maintaining a road that was built by the state.

Mr. Ray reiterated his thinking on using the money available through the NORTH Commission and the possibility of tremendous income in the fall; and then went on to emphasize that if this did not materialize, the state would need every cent from every source just to keep going.

Mr. Croft said he could find nothing in Title 19 that authorizes the use of state funds for construction of a

highway not on land owned by the state. This does not fall under access or general highway program, so he was not sure it was legal to use state funds for this kind of road. He noted that Mr. Schwamm had introduced a bill (HOUSE BILL 231) to legalize this kind of road in the future. Mr. Bradner asked if it would be legal then if Economic Development had contracted to build the road and Mr. Croft thought that it would be.

Mr. Sackett moved and asked unanimous consent that HOUSE BILL NO. 66 be returned to subcommittee for further research, and Mr. Ray objected. Mr. Haugen suggested bringing Mr. Morris Thompson, Executive Secretary for the NORTH Commission before the committee and see if he could answer some of these questions. Mr. Bradner reminded the committee that at the time Governor Hickel sent out the telegrams for a concensus on this that he had suggested at that time that funds come from the NORTH Commission and he had tried to get other legislators to agree with him and when he failed, he then acceded to the Governor's request, therefore, he urged the committee to stick to this original agreement. At this point Mr. Croft withdrew his motion for adoption of a Finance Committee substitute and the motion by Mr. Sackett to return HOUSE BILL NO. 66 to subcommittee was accepted.

Recess:

Meeting recessed at 9:55 a.m.

STATE OF ALASKA

KEITH H. MILLER, Governor

DEPARTMENT OF HIGHWAYS

OFFICE OF THE COMMISSIONER

BOX 1467 - JUNEAU 99801

February 10, 1969

Re: Project X-21600
North Slope Road

Honorable John A. Schwamm
Alaska House of Representatives
State Affairs Committee
Capitol Building
Juneau, Alaska 99801

Dear Mr. Schwamm:

Following is a discussion of the points raised in our meeting of 9:30 A.M. Friday, February 7, 1969:

1. A summary of our estimate to open the haul road was as follows:

a. Preliminary Engineering & line selection	\$ 29,000
b. Mobilization	25,000
c. Livengood-Stevens Village construction	50,000
d. Ice bridges	40,000
e. Stevens Village-Sagwon construction	144,400
f. Contingencies	61,600
Total	<u>\$350,000</u>

As of this writing approximately \$300,000 has been expended and the road is completed to a point about 25 miles south of Anaktuvuk. Attached are two pictures which are typical of the work involved to date. From Anaktuvuk on to Sagwon the work involved will be considerably less as the country is barren of timber and flat to rolling in topography and, further, there is no running water to contend with. It is expected that the construction can be completed with the remaining \$50,000 fund balance from the proposed \$350,000 request for supplemental appropriation in H.B. 66.

2. It is expected that the cost to maintain the route until break-up will be \$75,000 to \$100,000. Since there has been a two-month period of extremely cold weather with little to no snow, our regular maintenance costs have been relatively light. Therefore, it is intended that the maintenance of the North Slope Road will be funded from our regular maintenance budget.

3. There were several factors upon which our decision was based to construct the road with State forces rather than awarding a contract for the work. There was no good basis for establishing criteria or describing the work to be done adequately or with any degree of accuracy so that a contractor could be given units of work which could be measured and upon which payment could be based, nor was there sufficient time or money available to develop them.

Therefore, it was necessary to provide a proposal based upon an estimate of equipment time required to do the work. There were too many unknowns involved to do otherwise. Bids were taken on this basis on December 10, 1968.

When bids were taken and analyzed, our costs at that point had amounted to approximately \$125,000, including \$25,000 for engineering, \$22,000 for mobilization, \$50,000 for construction of the road from Livengood to Stevens Village, and \$28,000 for the construction of three major ice bridges. Adding to this a projected cost of about \$12,000 for our supervision of the proposed contract plus the cost of the contract itself with no contingency, the cost would have been some \$375,000, or in excess of the funds allocated by at least \$25,000. Utilizing the hindsight that we now have the advantage of, the excess cost would have been substantially greater than this. The State would have no doubt been open for a claim of at least \$30,000 for the non-productive cold spell of approximately 3 weeks and the equipment time required for accomplishing the work is running about 30 percent more than anticipated in the bid.

The advantages to the State in labor costs, in degree of control of the work, in lower rates on State-owned equipment, in elimination of the profit item and in utilizing more fully the supervisory personnel who would have been necessary in any event and in having the complete freedom to make the day-to-day decisions in such an undertaking where so many facts, weather and ground and water conditions were unknown until actually encountered are those items which were definite cost advantages and upon which our judgment were based. At the time the decision was made the State was essentially mobilized at Stevens Village, with the exception of three additional new pieces of equipment, which was a time and money advantage also.

Further, the State is well experienced in work of a somewhat similar nature in opening approximately 800 miles of winter-closed highway each spring and a greater degree of confidence was placed in our own ability than was possible in utilizing a contractor under such conditions.

All these, which reduce basically to lack of knowledge of conditions along the proposed route, under winter conditions, and severe restrictions in time and funds, were reasons for proceeding as we are.

4. It is expected that the road will be open for at least two months in its entirety, or until about May 1, 1969 when the Yukon may be expected to go out.

In subsequent years a much earlier opening date can be expected with much less work required for opening the road. It could be open, provided work is initiated in a timely manner, by about January 1 to 15, depending on the date the river crossings can be accomplished. This would provide an open period of approximately 4 to 4-1/2 months.

5. It is estimated that the road could be reopened next year for approximately \$250,000. The maintenance cost would be increased to about \$175,000 due to the fact that the road would be open longer than this year.

Hon. John A. Schwamm

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February 10, 1969

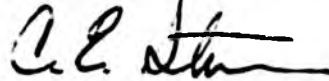
6. Attached is a chronological order of events which have occurred to date.

7. In procuring equipment for the work now under way, the decision was made to obtain new equipment if at all possible. The logistic problems and weather conditions were anticipated to be such which absolutely precluded attempting to use older equipment. (Our decision here has most certainly proven to be the proper one.)

Therefore 12 potential suppliers were contacted by telephone to determine what was available. Seven of these were requested to submit quotations. Three did submit bids and the lowest bid was accepted.

Hopefully this suffices to answer the questions which you posed. Certainly should further information be desired, please do not hesitate to call. It will be our pleasure to submit whatever is needed.

Sincerely yours,



C. E. Steen
Commissioner of Highways

CES/mth
Attachments

AFTER RECESS
10:05 a.m.

Present: All members. Also present Miss Susie Harris, Budget and Management.

Dept. of
Health & Welfare
BOOK II
Div. of Corrections
Administration

Personal Services: Mr. Ray said that the Department requested an increase of \$187,500 in personal services. New positions requested were for Fairbanks Regional Office - one Probation Officer I, one Clerk Steno II and one Clerk Transcriber II. The Governor allowed the Probation Officer I and the Clerk Steno II, but denied the Clerk Transcriber II position. Mr. Ray said the subcommittee recommends no change. Mr. Ray said the new positions requested in the Anchorage Regional Office were four Probation Officer I, one Clerk Typist III, one Clerk Typist II (Kenai) and one Clerk Typist II. The Governor allowed all positions but the Clerk Typist II. Mr. Ray said the subcommittee recommends no change. Mr. Croft questioned whether it does any good to increase the number of positions unless they raise their salaries. He noted that the requirement for a Probation Officer is four years of college and the starting salary for this position is around \$700 a month. Mr. Ray said the new position requested in the Juneau Regional Office was one Probation Officer I and the Governor allowed the position. He said the subcommittee recommends no change. The new position requested in the Ketchikan Regional Office was one Probation Officer I. The Governor allowed the position and Mr. Ray said the subcommittee recommends no change.

Mr. Ray said new positions of Social Research Spec. II, Training Officer, and E.D.P. Programmer III were requested for the Juneau Central Office. The Governor approved the E.D.P. Programmer and denied the other two positions. Mr. Ray said the subcommittee questions why all positions were not allowed.

Mr. Borer asked if the E.D.P. Programmer III was put in by the Department or the Budget Review Committee and Miss Harris said by the Budget Review Committee. Mr. Ray asked what the reasoning was on this and Miss Harris said the other two positions were considered less necessary than the one allowed. She said that they had used the assumption that they couldn't fund all three positions.

Mr. Ray asked that this area be left open for further consideration. Mr. Croft asked that the whole area of these salaries be left open and Mr. Ray said attempts were made by Administration to upgrade these salaries and that would be explained later in the budget.

Mr. Ray said new positions allowed for by the Governor amount to \$117,500. Re-classifications and transfer allowed the Department were for one Administrative Assistant I transferred to Central Office from Administrative Services, one Clerk Stern II transferred to Central Office from Administrative Services, one Probation Counselor in Juneau Regional Office reclassified to Probation Officer I, one Clerk Transcriber II in Juneau Regional Office transferred to Remote area (Sitka), one Probation Officer II in Ketchikan Sub-Regional Office reclassified to Probation Officer I. The re-classification and transfers amount to approximately \$21,000 increase. Mr. Ray said the

subcommittee questions the vacancy and turnover factor both in new hires and existing personnel. He said they estimate 10% or \$11,000 in New Hires and at least 4% in 48 employees for \$23,000 instead of \$5,500 as predicted by the Governor's allowance. He said the possible recommendation is that this code be reduced \$25,000.

In answer to Mr. Ray's question, Miss Harris said that one position was transferred from Juneau Regional Office probably to Sitka, in which case there was a 3% differential.

Mr. Ray said this area would be left open for further consideration.

Travel:

Mr. Ray said the Department requested an overall increase in travel of \$10,100 from \$20,000 to \$30,100 (over 50%). The Governor allowed an overall increase of \$7,600 which includes \$2,300 for Charter Air Travel within the state. The Department requested an increase of \$2,500 in outside travel to attend various conferences. He said they also requested \$500 for outside new hire. As \$2,500 was deleted from the Department request but not specifically in line items, it would appear they are allowing the Department to make their own determination as to priorities, Mr. Ray added.

Mr. Ray moved and asked unanimous consent that the Finance Committee line item the Travel Classification as follows: 210 - \$15,300; 220 - \$9,100; 230 - \$1,700; 240 - \$500; New Hires - \$1,000 for a total of \$27,600.

Mr. Croft asked what the reasoning is for line iteming, and Mr. Ray said so the increase will be used for inside air travel. No objections, so ordered.

**Contractual
Services:**

Mr. Ray said the Department requested an overall increase of \$18,600 from \$75,600 to \$94,200 (23%). The Governor allowed an overall code increase of \$5,300. He said actually the increase was \$7,550 as \$2,250 which previously appeared under 360 was transferred to travel and increased to \$2,300. As the overall increase amounts to some 10% but it is not line-itemed, Mr. Ray said it can be assumed the Department is requested to make their own determination where the priority expenditures are. Mr. Ray said the subcommittee recommends no change.

Mr. Borer questioned the Rents and Utilities paid at Sitka and Petersburg and said both these buildings are state owned, and yet they are paying twice as much for Sitka. Miss Harris said this was due to the difference in utilities.

Commodities: Mr. Ray said the Department requested an overall increase of \$6,000 from \$9,700 to \$15,700 (63%). The Governor allowed an overall code increase of \$500. The Department request reflected an increase of \$5,000 in maintenance and construction materials to renovate and refurbish existing office space. An additional \$640 increase for heating oil for Nome and Kenai Office was also requested as was \$400 increase in professional and scientific supplies. The Governor did not line item this code so again Mr. Ray said it can be assumed the Department is to make its own determination where the priority expenditures are to be made. It can be noted the \$500 increase could be expected to cover heating oil expense request at Nome and Kenai while the same level of operation can be maintained elsewhere.

Mr. Ray said the subcommittee recommends no change.

Equipment: The Department requested an overall increase of \$17,100 from \$5,000 to \$22,100 (over 300%) Mr. Ray said. The Governor allowed an overall code increase of \$7,500. The Department request reflected an increase of \$3,000 for a station wagon, \$12,600 for assorted office equipment and \$1,500 for other equipment such as a Pantograph Unit to be operated by inmate labor. Again the code was not line-itemed so it can be assumed the Department is to determine its own priority expenditures within the amount allocated, Mr. Ray said. The subcommittee recommends that the Department be instructed not to purchase a vehicle, otherwise no change in the Governor's allowance.

Legislative Intent

Mr. Croft asked how many people they have in the Fairbanks Office and Miss Harris said they have seven full-time regular employees, two trainees, 1/2 time typist and they are requesting two new positions.

Interagency Charges:

Mr. Ray said the Governor has allowed \$24,700 for Department of Administration Data Processing and \$2,300 to Division of Buildings for maintenance of the offices. Mr. Ray said this is a total of \$27,000. He said the subcommittee recommends the Division of Buildings maintenance costs be allowed, but that the Data Processing charges be broken out to be analyzed along with the other state agency (department budgets) charges at a later date. Mr. Ray said they would have to find out exactly what Data Processing is costing and what impact it has on the entire state budget.

Care of Prisoners

Adult Conservation Camp

Personal
Services:

Mr. Ray said the Department requested an increase in this code of \$8,700 from \$275,900 to \$284,600. The only change was a reclassification of a Probation Officer II downward to a Probation Officer I. This resulted in a decrease of (\$1,668), add increased employee benefits of \$4,792 and round off to \$3,100. Mr. Ray said if you subtract half of the vacancy turnover asked by the Department to be replaced \$5,600 (\$2,800) and add the increases then you get the Governor's allowance of \$281,800 which is essentially what the Department requested. Mr. Ray said that the subcommittee recommends a possible increase in vacancy and turnover from \$2,800 to \$5,600 (24 employees at 2%).

Mr. Ray said he wants to take 2% of amount allowed for personal services and subtract from the allocation. He said they are only taking 1% and that this is unrealistic.

Mr. Croft said that if they are going to increase vacancy they should take another look at the wages and he thought that a lot of this vacancy is due to the low wages.

Miss Harris commented that if the state employees receive a pay raise, this will make quite a difference in this area.

Travel:

Mr. Ray said the Department request was (\$1,700) less than last year's allowance and was approved at that level by the Governor. He said the subcommittee recommends no change.

Contractual
Services:

Mr. Ray said the Department requested an overall increase in contractual services of \$16,000 from \$53,300 to \$69,300 (30%). Increases of \$1,100 in printing and advertising; \$2,500 in

rents and utilities; \$1,300 in transportation of things; \$6,900 in equipment rental; \$700 in insurance and bonding; \$3,200 in professional fees and services; and \$300 in other contractual services. As the Governor's allowance was \$65,000 (\$4,300 less than the Department request) and no line-items were indicated it must be assumed, said Mr. Ray, that the Department is requested to make expenditures within the allocation on a priority basis. Mr. Ray said that the subcommittee recommends that the Department be notified the Finance Committee specifically approves of the rental of the Palmer Gym for inmate recreational use. He said there are no changes.

Mr. Borer asked if the subcommittee had given any consideration to chaplain fees shown in this item. Mr. Ray said the only thing the subcommittee had recommended was the rental of the Palmer Gym. Miss Harris said that the Department had asked for a position for a Chaplain to be used at API and McLaughlin. Miss Harris said that one of the reasons they have a chaplain is to avoid the "cranks" who might come to the institutions.

Commodities: Mr. Ray said the Department requested an overall increase in commodities of \$11,900 from \$108,000 to \$119,900 (+8%). He said increases of \$5,400 for food for human consumption; \$2,000 for motor vehicle parts, etc; and \$3,900 in other supplies make up the bulk of the requests. The Governor's allowance of \$109,900, an increase of \$1,900, was not line itemed and so it must be assumed, according to Mr. Ray, that the Department is requested to make expenditures on a priority basis within the allocation. Mr. Ray said the subcommittee recommends that this code be discussed with the Budget Review Committee for

possible amendment. Mr. Ray asked about the equipment used in code 460 and Miss Harris said this is primarily surplus that the inmates keep up. Mr. Ray asked if the state could claim federal reimbursement for fire fighter services that are provided by the inmates. Miss Harris said that as she recalled the state reimburses the federal government for fire fighting and that this is based on the ownership of the land. She said she thought the inmates are paid by the institutions for these services.

Mr. Ray asked if under code 490 there was enough money to provide for health and comfort items and Miss Harris said she would suspect that this would be enough but that the food costs should be looked at to see if this was sufficient.

Equipment: Mr. Ray said the Department requested an increase of \$3,200 from \$5,000 to \$8,200 (64%). Increase of \$1,200 for office equipment; \$1,100 for equipment peculiar to the program; and \$1,500 to other equipment were requested. A typewriter replacement and new transcribing equipment were requested; a rotary hoe and harrow were requested to implement the expanded farming program. One portable and one Handy-Talkie radio unit were also requested for minimal radio net versatility. The Governor's allowance of \$5,000 (no increase in the code) would appear to indicate the Department is requested to maintain the same level of activity. As the code was not line itemed it must also be assumed the Department is requested to make their expenditures on a priority basis within the allocation, Mr. Ray said. He said the subcommittee recommends that this code be discussed with the Budget Review Committee for possible amendment.

Legislative Intent

Mr. Ray said that he wanted the money to go for equipment that had to do with the health and welfare of the inmates rather than the walki-talkie. Mr. Sackett said that legislative intent should be that the walki-talkie not be included.

Mr. Ray said that this was a \$1,500 item and said if the majority of the committee felt that it should be included it would be but he did not think it was a necessity.

Support and Care of Persons:

Mr. Ray said the Department request was maintained at the same level as last year and was approved as such - \$24,000. He said the subcommittee recommends no change.

Mr. Borer said it was his understanding that the Adult Camp is one of the better correctional institutes and he felt it should at least be a Department request that this be raised substantially. Mr. Ray said the subcommittee does not agree with this.

Anchorage State Jail Personal Services:

Mr. Ray said the Department requested an increase of \$19,600 from \$285,900 to \$305,500 (14%). There are no new positions requested. Reclassified are Maintenance Mechanic II to Maintenance Mechanic III and Steward to Cook III approved by the Governor. He said overtime request of \$8,600 which was an increase of \$5,500. This was denied and maintained at last year's level of \$3,100. An adjustment was made in employee benefits of \$783 and vacancy and turnover request for full staffing was reduced 1/2 from \$5,800 to \$2,900. He said if \$5,500 is subtracted from overtime request, and if you subtract \$783 in employee benefits adjustments, and subtract \$2,900 in vacancy and turnover factor then you have the Governor's allowance figure of \$296,300 which is essentially

the same as the Department request.

Mr. Ray said the subcommittee recommends a possible increase in vacancy and turnover factor from \$2,900 to \$6,100 (25 employees at 2%).

Travel:

Mr. Ray said the Department request was for \$7,200 which was the same level as last year. The Governor's allowance was \$6,000, a reduction of \$1,200. As this code was not line itemed it must be assumed, Mr. Ray said, the Governor requested the Department to make expenditures on a priority basis within the reduced allocation. He said the subcommittee recommended no change.

Mr. Croft asked how this item had been cut and Miss Harris said, first, this had been cut because of austerity and, second, because they hoped this showed a certain excess.

Contractual
Services:

Mr. Ray said this amount (Governor's Allowance on page 96) should be changed to \$38,500. He said the Department requested an increase of \$6,900 from \$31,600 to \$38,500 (21%). Increase of \$2,100 in communications and \$3,900 in rents and utilities; plus \$1,700 for equipment rental make up the bulk of the requests. Reductions of (\$1,100) in transportation of things; (\$200) in insurance and bonding; and (\$500) in other contractual things makes the reconciliation of the Department's requested increase. The Governor allowed the Department request of \$38,500 but did not line-item the code therefore it is assumed the Department is to make expenditures as outlined in their code request, Mr. Ray said. He added that the subcommittee recommends no changes.

Commodities: The Department requested an increase of \$26,000 from \$60,000 to \$86,000 (43%). Mr. Ray said increased requests were \$2,300 for clothing; \$12,100 for food, \$2,300 for fuel (other than vehicle); \$2,900 for maintenance and construction; \$2,000 for professional and scientific supplies; and \$4,000 for other supplies, etc. Clothing increase request was based on 14¢ a day per man for anticipated 90 average population - \$4,599. In addition \$1,700 was requested for 20 new guard uniforms @ \$85.00 per uniform. Food allowance requested \$1.50 per day, per man for estimated 90 inmates -- \$49,275. Increase in drugs predicated on 6¢ per man, per day @ 90; photographic supplies at 15¢ per inmate; and eyeglasses, batteries, dental plates, etc. @ 9¢ per day, per man. Stationary and general writing supplies for inmates at 6¢ per day, per man and health and comfort items at 12¢ per day, per man, were also requested. Towels and linens at 3¢ and hobby and craft supplies @ 6¢ per man, per day. General indicated expense for food and comfort items is \$2.06 per day, per man at an estimated 90 inmates. Mr. Ray said the Governor allowed an overall increase of \$12,000 (20%) and did not line-item the code. He said it should be assumed the Department is requested to make their expenditures on a priority basis within the increased allocation. He said the subcommittee recommended that this code be discussed with the Budget Review for possible amendment. Mr. Ray asked if the figure of 90 for an average population was correct and Miss Harris said that off the top of her head she thought this was a little high. Mr. Borer said that the 1967-68 average

daily count is 85.9. After a brief discussion on this, Mr. Ray said that the subcommittee and other members of the committee would have further discussion on this for possible amendment.

Equipment: Mr. Ray said the Department requested a decrease of (\$900) from \$4,100 to \$3,200. They did not request last year's authorization in Code 510 for vehicle. They did request \$1,000 increase in office equipment and furniture; \$200 in equipment peculiar to the program; \$400 in shop maintenance equipment; and \$200 in other equipment which specifically is a storage cabinet in the Food Service Dept. The Governor allowed an overall increase of \$200 in last year's authorization if you subtract (\$2,700) for vehicle. It should therefore be assumed, Mr. Ray said, the Department is requested to make their expenditures on a priority basis within the code allocation. Mr. Ray said the subcommittee recommends that the Department be requested by the Finance Committee to purchase the storage cabinet for use in the Food Service Department. Mr. Croft questioned whether or not some of these items would be non-recurring items and Miss Harris said that she suspected some of the items in 1967-68 expenditures would be a one time purchase.

Support and Care of Prisoners: The Department requested \$4,200 which was the same level as last year and the Governor approved the request. Mr Ray said the subcommittee recommended no change on this item.

N.R.C.I. Care of Prisoners Personal Services: Mr. Ray said the Department requested an increase of \$56,900 from \$380,800 to \$437,700 (14%). There are

no new positions requested. Reclassification of seven Correctional Aide salaries were increased from \$612 to \$878 which amounts to \$3,192 annually per man for an increase of \$22,344. One Steward was also reclassified to Cook III an increase of \$1,572. Overtime was requested to be increased \$7,671 from \$3,329 to \$11,000 but the increase was denied. Vacancy and turnover reinstatement of \$7,700 was cut in half for an increase of \$3,800, Mr. Ray said. By subtracting \$7,671 overtime and \$3,800 vacancy and turnover and adjusting employee benefits the total is \$425,100 which was the Governor's allowance and substantially the Department request.

Mr. Ray said the subcommittee recommends that reclassifications increases of \$3,192 annually should be questioned. Vacancy and turnover should be increased from \$3,800 to \$8,700 (2% with 33 employees).

Miss Harris explained that the \$3,192 increase annually was for matrons. She explained that the men who were doing the same job as the women were at range 14 while the women were at range 9 and there had been complaints about this. She mentioned that the women were being discriminated against.

Mr. Hohman left the meeting.

Mr. Haugen asked if the women were actually receiving this salary now and Miss Harris said she would have to check on this.

Travel: Mr. Ray said the Department requested a decrease of (\$1,300) from \$7,000 to \$5,700. The request was approved and the subcommittee recommends no change.

Contractual Services:

Mr. Ray said the Department requested an increase of \$600 from \$69,400 to \$70,000. This does not reflect the true requested increase which is \$4,900. Rent and utilities, \$36,000, were budgeted on actual cost which was (\$4,300) less than last year's authorization of \$40,300. An increase of \$1,200 in routine maintenance and a \$1,600 increase in rental vehicles were requested by the Department. Small increases in all other line items except transportation of things were also requested in the amount of \$2,100. While the Governor's allowance appeared to cut the code authorization of last year by (\$2,200) from \$69,400 to \$67,200, by reconciling the rent and utility cost reduction, actually the code request was increased \$2,100 overall. As the code was not line-itemed it would appear the Department is expected to make their expenditures on a priority basis within the increased allocation. Mr. Ray said the subcommittee recommends no change.

Commodities: Mr. Ray said the Department requested an increase of \$13,600 from \$101,800 to \$115,400 (8%). Increases for guard and inmate clothing totalled \$1,400. Twenty-nine new guard uniforms at \$85 per uniform and a daily clothing allowance of 14¢ per inmate were requested. Food allotment increase of \$5,400 was requested; \$2,900 increase in professional and scientific supplies; expenses for inmates' care of \$2.04 total per man, per day at 100 average prison population was requested. The Governor's allowance of \$107,400, an increase of \$5,600 over 1968-69 authorization, was not line-itemed and indicates the Department is requested to make their

expenditures in this code on a priority level within the increased allocation. Mr. Ray said the subcommittee recommends no change.

Equipment: Mr. Ray said the Department apparently decreased last year's authorization (\$200) from \$6,000 to \$5,800. They asked for a decrease of (\$2,600) from equipment peculiar to the program such as soft restraints, handcuffs, etc. They also requested a decrease of (\$1,00) in shop and maintenance equipment. The Department asked for an increase of \$1,000 for office furniture and equipment and \$2,400 in other equipment such as a meat tenderizer, \$400, and radio com equipment, \$1,750. The Governor allowed \$4,800 a decrease of (\$1,200) from last year's authorization. In the absence of line-item appropriation it would appear the Department is expected to make their expenditures on a priority basis within the decreased allocation. Mr. Ray said the subcommittee recommends no change.

Support and Care of Prisoners: The Department requested \$7,000 in this code, Mr. Ray said, but the Governor allowed only \$6,000. Work payments are made to a group of 25 trustee inmates plus an outside crew. The Department request is predicated on increasing the expenditures by supplementing a fire fighting program over and above the usual maintenance, cooking, laundry, etc. presently being effectuated by the jail. The subcommittee recommends no change, Mr. Ray said.

Care of Prisoners
Ketchikan State Jail
& Detention Home

Personal

Services: Mr. Ray said the Department requested an increase of \$20,500 from \$149,600 to \$170,100 (13%). No new positions were requested. Four Correctional Aides' salaries were reclassified upward \$2,976 per man annually for a total of \$11,904. Vacancy and turnover reinstatement was cut in half for an increase of \$1,500. One Correctional Aide, temporary six month hire, was reclassified for an increase of \$1,380. By reconciling the adjustments the Governor's allowance of \$168,600 is essentially the same program level as requested by the Department. Mr. Ray said the subcommittee recommends reclassification increases in salary of approximately \$3,000 should be questioned. Mr. Ray said this will be discussed later.

Travel: The Department requested \$100 increase from \$2,500 to \$2,600. The Governor's allowance was decreased (\$700) from \$2,500 to \$1,800. The decrease was apparently predicated on actual expenses by the Department in 1967-68. Mr. Ray said the subcommittee recommends no change.

Contractual Services: Mr. Ray said the Department requested an overall increase of \$700 from \$33,700 to \$34,400. Modest increases in several areas have been requested by the Department but the Governor's allowance was reduced (\$6,000) from \$33,700 to \$27,700. It can be assumed the decrease was predicated on actual expenses of the Department in 1967-68 which were \$22,400. As the

Governor's allowance was not line-itemed the indication is the Department is expected to predicate their expenditures on a priority basis within the decreased allocation, Mr. Ray said the subcommittee recommends that this be discussed with the Budget Review Committee. Mr. Ray asked if the Department expected a lapse in this code. Miss Harris said she would have to check on this. Mr. Ray said that the Department request was an increase by \$700. Miss Harris said that this is based primarily on the actual past and she said the biggest increase is in professional fees and services. She said there was no indication that there was going to be such a great increase. She stated that if they have four or five inmates that develop a certain disease this could be tremendous hospital costs and they really have no way of predicting this. Mr. Ray said the Department is asking \$60 per day for 69 days and asked if this is a maximum or minimum charge. Miss Harris said she would imagine that this is what they expect to pay. Mr. Ray said the Department is also asking \$2,000 for x-rays, office calls, minor charges, etc. and also for physician fees of \$30 per hour. Miss Harris said she did not think they had a physician on contract.

Commodities: The Department requested an overall increase of \$6,100 from \$27,000 to \$33,100 (23%). The Department requested an increase in clothing of \$1,200 presumably to enable them

to completely replace 16 officer uniforms at \$85 per uniform. The Department requested an increase of \$1,400 in food allowance @ \$1.50 per man, per day. A \$500 increase in building and maintenance for the 2 installations was also requested. Professional supplies, etc. were increased \$1,400 and comfort articles and writing materials were increased a total of \$1,600. Food and comfort requests total \$1.92 per man, per day. The Governor's allowance increased the previous authorization \$2,500 from \$27,000 to \$29,500 but again it was not line-itemed and we can assume the Department is requested to make their expenditures on a priority basis within the increased allocation, Mr. Ray said. He noted that the subcommittee recommends no change.

Equipment: Mr. Ray said the Department requested an increase of \$2,900 from \$1,500 to \$4,400 (200%). The increases are for replacement of a stove, refrigerator, clothes washer, dryer and a food mixer. The Governor allowance was the same as the Department's requested increase and Mr. Ray said the subcommittee recommended no change.

Support and Care of Prisoners: Mr. Ray said the Department request was the same as last year's authorization, \$2,300, and was approved as such.

He added that the subcommittee recommends no change.

Care of Prisoners
Southeast Region.
Correction Institution

Personal Services: Mr. Ray said the Department requested an increase of \$110,000 from \$263,600 to \$373,600 (42%). Five new positions, Correctional Officer II, Correctional Officer I, Institutional

Instructor, Probation Counselor and Secretary I account for \$80,300 of the requested increase. Reclassification of five Correctional Aides salaries upwards from \$572 to \$820 which is \$2,976 annually per man, makes an increase of \$14,880, Mr. Ray said. Overtime was increased \$1000 and Guard Hire increased \$1,500. Vacancy and turnover reinstatement of \$2,700, one-half of requested Department request. By reconciling the increases there is substantially the same Department request as indicated in the Governor's allowance of \$370,900. Mr. Ray said the subcommittee recommends that they question the level of reclassification of \$2,976 annually per man. The vacancy and turnover of \$7,400 should be reinstated (2% of 33 employees - 25 present and 8 new hires). In answer to Mr. Croft's query, Miss Harris explained that this is the only jail that has been built by ASHA and this includes rent to ASHA. She said this jail is comparable to the Fairbanks Institution and added that the Anchorage jail has a different number of man stations. Mr. Ray further explained that this new facility is budgeted at the maximum and has been approved at the maximum.

In answer to Mr. Sackett's question, Mr. Croft said they keep juvenile cases separate at the Anchorage State Jail. There was a brief discussion on the Anchorage State Jail condition.

Travel: Mr. Ray said the Department requested an increase of \$1,200 from \$3,100 to \$4,300 (39%). The Governor's allowance was the same as the Department request and Mr. Ray said that

subcommittee recommended no change.

Contractual Services:

Mr. Ray said the Department has requested an overall increase of \$22,800 from \$50,000 to \$72,800 (46%). The requested increases are in almost every line-item in the code and are predicated on their movement into the new facility at Lemon Creek when it is finished. The Governor's allowance has approved the requested increases and have added \$206,700 for rental of the facility from ASHA. The total request in this code is \$279,500 and Mr. Ray said that the subcommittee recommends no change except to check the location of the rent item. Miss Harris said this item is in the right place and she noted that the facility will be opened around June.

Commodities:

The Department has requested an increase of \$34,600 from \$65,400 to \$100,000 (52%). The requested increase in this code is also predicated on their moving into the new Lemon Creek facility. The Governor's allowance is the same as Department request. Mr. Ray said the subcommittee recommends no change except to check the uniform allowance. Miss Harris said this is policy procedure and said up to this time the state has provided for uniforms.

Equipment:

Mr. Ray said the Department request of \$1,000 doubles last year's authorization of \$500 and is requested as a contingency for acquisition of any necessary or emergency item needed in the operation of the new facility. The Governor's allowance

is the same and the subcommittee recommends no change,
Mr. Ray said.

Support and Care of Persons: Mr. Ray said the Department requested an increase of \$1,100 from \$5,500 to \$6,000 (20%). The request is predicated on increased inmate population at the new facility. The Governor's allowance was the same. He said the subcommittee recommends no change.

Inter-Agency Charges: The Administration has allocated \$12,000 to the Division of Buildings for maintenance of the new facility and the subcommittee recommends no change, Mr. Ray said.

Care of Prisoners - Other
(Bush & Federal Jails)

Personal Services: Mr. Ray said the Department has requested \$5,600 for Guard Hire in remote locations when a jail is not available. The Governor's allowance is the same and the subcommittee recommends no change.

Travel: The Department has requested \$13,900 which is at the same level as last year's authorization. The Governor's allowance is the same and Mr. Ray added that the subcommittee recommends no change.

Contractual Service: Mr. Ray said the Department requested an overall increase in this code of \$167,700 from \$552,900 to \$720,600 (30%). The only increase is in other contractual services which is the contract care of prisoners in Federal prisons outside the State plus the Nome State Jail and other bush facilities.

The Governor's allowance reduced the overall request by \$53,800 for a total of \$666,800. As the code was not line-itemed in the Governor's allowance it may be assumed the Department is requested to make code expenditures on a priority basis within the increased allocation. Because the majority of the Department's appropriation request is in outside prisoner care, \$469,048, and the care of prisoners in the Nome State Jail, \$135,780; and in other bush jail operations, \$45,625 (total \$686,190) it can be assumed the Governor expects less care necessary in other than state owned and operated facilities, Mr. Ray said. He said that the subcommittee is not satisfied with the Department's estimate of the needs for outside prison care and they also want an explanation of the assignment of prisoners from Tallahassee, Florida all across the country.

In answer to this, Miss Harris said that no single institution can take all the prisoners but that she thought this should be answered by the Department itself. Miss Harris added that the caseloads in the last few months have been rising rapidly.

Commodities: The Department requested the same authorization as last year and the Governor's allowance of \$4,700 was the same. Mr. Ray said the subcommittee recommended no change.

Equipment: The Department requested the same authorization as last year and the Governor's allowance was the same, \$900. He said the subcommittee recommended no change.

Support and

Care of Persons: The Department requested the same authorization as last year. According to Mr. Ray the Governor's allowance of \$2,300 was the same and the subcommittee recommended no change.

Care of Juveniles
Alcatraz Youth Camp
Personal

Services: Mr. Ray said the Department requested an increase of \$10,100 from \$172,500 to \$182,600 (6%). There are no new positions requested. Reclassification of one Correctional Officer I to Correctional Officer II, increase of \$624, appears on Page 200, line 5. On Page 200, line 2, is a notation "Group reclassification" which asks for an increase of \$2,496 which indicates 4 Correctional Officer II's. Vacancy and Turnover reinstatement of \$3,500 was cut to \$1,800 and \$1,200 overtime for search for "walk-away" prisoners was requested. The Governor's allowance of \$180,800 is essentially the same level as that requested by the Department. Mr. Ray said the subcommittee questions the reclassification on line 5, Page 200, as they do not understand why it was not included in the group reclassification. Miss Harris said she questioned whether they have been reclassified or whether they are going to be. Mr. Ray instructed Miss Harris to find out the answer to this.

Travel: The Department requested a \$300 increase in travel from \$2,400 to \$2,700. The Governor's allowance was for \$2,400 which is the same level as last year's authorization. Mr. Ray said that the subcommittee recommended no change.

Mr. Croft asked why the budget is going up with the number of inmates going down and Mr. Ray said it isn't going down and that they have increased. In answer to Mr. Borer's remark that he thought this area was to go down, Mr. Ray said the expenditures for 1968 are greater than authorized for 1969.

Contractual Services: The Department requested an overall increase of \$7,500 from \$22,000 to \$29,500 (33%). Increase of \$1,000 rent and utilities, \$1,200 for repairs and maintenance, \$2,200 for rent of bus for transporting larger groups and rent of new Xerox to replace old one, and \$2,400 for increase in dental and doctor fees make up the majority of the request. The Governor's allowance of \$29,500 is the same as requested by the Department and Mr. Ray said the subcommittee recommends no change.

Commodities: The Department requested an overall increase of \$17,400 from \$34,000 to \$51,400 (50%). Increase of \$1,600 for clothing, \$7,000 for food, \$2,000 for heating fuel, \$5,300 for maintenance and repair and for the establishment of an auto shop for instruction and vocational training, and \$800 in health and comfort items, janitorial supplies and insecticides, sprays, fertilizers needed for the farm program make up the majority of the request, Mr. Ray said. The Governor's allowance was \$43,600 which is \$7,800 less than the Department request. As the code was not line-itemed it can be assumed the Department is expected to make their

expenditures on a priority basis within the increased allocation. It is interesting to note \$1,950 was the anticipated saving in the food code from the farm program, while \$1,300 was requested in sprays, fertilizers, etc. to do the job. Mr. Ray added that the subcommittee recommends no change.

Equipment: The Department has requested a decrease of (\$2,400) from \$11,100 to \$8,700. While it would appear the Department is asking for a decrease, Mr. Ray said, when you discount code 510 the regular program is requesting an increase of \$5,300. Increases of \$1,200 in equipment peculiar to the program for dictating machines, tape-recorders, recreational equipment and vocations programs (lapidary); \$3,500 in shop maintenance for a commercial saw sharpener and grinder, an electric meat saw, meat cuber, two oil space heaters for the storage buildings, a small counter-top mixer, and a vacuum dust collection system; \$1,000 for other equipment for a portable 2-way radio are the requests. The Governor's allowance of \$5,500 is not line itemed so it is assumed the Department is requested to make their expenses on a priority basis within the increased allocation, Mr. Ray said. He added that the subcommittee would like to question the Budget Review allowance with the possibility of increasing this code \$2,500 to \$8,000 and that they would like to make legislative intent by line iteming this code. He said they would like the field cultivator (510) purchased, lapidary equipment (530) provided, under code 560 the saw sharpener and grinder equip., meat saw and meat cuber purchased.

Legislative
Intent

Support and The Department requested an increase of \$900 from \$4,500
Care of
Juveniles: to \$5,400. Mr. Ray said the Governor's allowance was
\$4,500 and the subcommittee recommended no change. However
he said it should be noted the Department requests are
predicated on maximum expenditure which normally exceed
actual costs.

Care of Juveniles
McLaughlin Youth Camp

Personal Services: The Department requested an increase of \$198,100 from
\$818,900 to \$1,017,000 (25%). Seven new positions have
been requested, Mr. Ray said. They are one Institutional
Nurse, one Cook II, one Cook I, one Clerk-Typist II and
one Housekeeping Aide. These new positions account for
\$47,300 of the Department increase. Reclassifications upward
in nearly all 98 positions, plus 2 transfers of Maintenance
Mechanic II and III account for \$150,800 of the Department
request. The Governor's allowance was \$967,000 or (\$50,000)
less than the Department request. The difference can be
found in the vacancy and turnover factor. The Department
requested full reinstatement but the Governor's allowance
set it at approximately 15%, a reduction of \$50,000.
Mr. Ray said the subcommittee recommended that a wide-scale
reclassification of personnel at this facility should be
questioned.
Mr. Borer asked what the net result of the reclassification
was and Mr. Ray said the increase was \$150,800 and the new
positions cost \$47,300. Miss Harris said they had started
out with a certain number of positions slated for this

of 1.5 inmates being transferred outside monthly and 1.5 inmates being returned to Alaska every month. Escort duty for these inmates is estimated on another formula and requests \$3,000. The Governor's allowance is \$11,300 a reduction of \$5,000 in the overall code. As there is no line-item, it can be assumed the Department is requested to make their travel expenditures on a priority basis within the allocation. Mr. Ray said the subcommittee recommends no change.

Contractual Services:

The Department has requested an overall increase of \$56,100 from \$87,400 to \$143,500 (64%). The Department requests in all codes is predicated on their last three month operation and the daily average of 75 inmates they expect to double during the next fiscal year 1969-70. It is hard to anticipate actual needs so the Department has apparently budgeted at maximum effort of 150 daily inmate population. The Governor's allowance of \$134,500 is an increase of \$47,100 or (\$9,000) less than the Department request. Since it is not line-itemed it can be assumed the Department is requested to make their expenditures on a priority basis within the increased allocation. Mr. Ray said the subcommittee recommends no change.

Commodities: Mr. Ray said the Department has requested an overall code increase of \$93,300 from \$63,700 to \$157,000 (150%). Increased requests in clothing, writing materials, food, health and comfort items are predicated on 150 inmate population.

institution and they had started out with more guards and more secretaries, and consequently had to have many reevaluations. Mr. Ray questioned the vacancy and turnover allocation, and Miss Harris said there is less taken out now in vacancy and turnover. She also said there are two new on the job trainees.

Mr. Borer asked about reclassified positions listed on page 222, line 11 and 12, and Mr. Ray said they are reclassifying 30 positions, 17 of these are Group Worker II's and 11 Group Worker I's, and adding all these together they have cut down and reevaluated the needs of the Department.

Mr. Borer asked if they just looked at Line 11, how many people does \$276,480 represent and Miss Harris said 30.

Mr. Croft asked why they have a vacancy and turnover factor at 15% when it runs about 2% in other areas and Mr. Ray said this is because this is based on a new facility.

Miss Harris added that to date this is not completely staffed. Mr. Ray said if they just had one position that was not filled that would represent a majority of the vacancy and turnover. He said the only thing he questioned was the upward serge in reclassification.

Travel: The Department has requested an increase of \$1,800 from \$14,300 to \$16,100 (8%). A decrease of (\$1,900) in Alaska travel and an increase of \$3,000 for outside travel plus \$600 in outside per diem are the requests in this code Mr. Ray noted. \$4,500 in outside travel is predicated on a formula

Maintenance and construction requests have been nearly tripled and are also predicated on 150 population. Professional and scientific supply requests are also predicated on increased population. The Governor's allowance is \$143,700 or (\$13,600) less than the Department request. Again, Mr. Ray said, the code is not line itemed. He said the subcommittee recommends that the Budget Review Committee be questioned before making a final determination. Mr. Ray said they were wondering about the formulas used and Miss Harris said these formulas were based on nationwide usage. Mr. Ray said he had no other questions and recommends no change on this code.

Equipment: The Department requests \$55,100 in the overall code. No comparisons can be made as no funds were allocated in Fiscal 1968-69. The largest single request in this code is \$30,000 for two relocatable classrooms. The rest of the requests are for miscellaneous equipment from 150 waste baskets, to lapidary drills, buffers, electric saws and assorted office equipment. Mr. Ray said the Governor's allowance of \$13,000 is (\$31,900) less than the Department request. The code is not line-itemed. He said the subcommittee recommends that the budget review committee be questioned before making a final determination. Mr. Ray asked about the \$30,000 for two relocatable classrooms and Miss Harris there is a good reason for this. She said there are no facilities at all. They had intended that most

of the kids attend the city schools but it hasn't worked out too well. She said the Department of Education will provide actual teaching service. Mr. Ray said it would be his recommendation that they investigate the possibility of using some of the vacancy and turnover factors in this area and any other area they would deem feasible.

Mr. Croft said they have a real problem as they have had to take living quarters and convert them into classrooms.

**Support of
Juveniles:**

The Department requests an increase of \$6,300 from \$7,700 to \$14,000 (82%) predicated on a full population of 150 inmates. The Governor's allowance is \$10,000 an increase of \$2,300, but (\$4,000) less than the Department request.

Mr. Ray said the subcommittee would like to know what amount of the \$7,700 appropriation will actually be used and what formula was applied. It was stated that this would have to be found out from the Department.

**Inter-Agency
Charges:**

The Department requests an increase of \$25,800 from \$21,500 to \$47,300 (120%). This request is to make contract payments for steam heat, \$45,000, and medical analyzations \$2,250 to A.P.I. Commodities of \$2,000 for laundry supplies are also requested for payment to A.P.I. The Governor's allowance was the same, \$49,300 and Mr. Ray said the subcommittee recommends examination of the heating contract. Mr. Ray added he was not satisfied that this was a fair contract.

**Care of Juveniles - Other
(Foster Home Care)**

Travel:

The Department requests a decrease of (\$6,500) in travel from \$83,900 to \$77,400. The decrease is in outside travel

and per diem. Again, Mr. Ray said, the Department has used formulas predicated on maximum travel needs. The Governor's allowance of \$62,000 is (\$15,400) less than the Department request and returns the authorization to the level of actual costs in 1967-68 Fiscal, \$63,057. The code is not line-itemed so we assume the Department is expected to make their expenditures on a priority basis within the allocation. Mr. Ray said the subcommittee recommended no change.

Contractual Services: The Department requests an increase of \$21,100 from \$446,300 to \$467,400 (5%). A decrease of (\$13,800) in professional fees and services, and an increase of \$34,900 in other contractual services are the differences in the Department request, Mr. Ray said. The Department requested increase in other contractual services are for expected increases over 1968-69 for outside placements even considering the available state facilities. Again, the Department has apparently budgeted on maximum expectancies as present placements outside Alaska cost \$298,497 and expected foster home care is budgeted at \$73,000. The Governor's allowance of \$421,600 is (\$45,800) less than the Department request; (\$24,700) less than authorized in 1968-69; and (\$133,204) less than actual cost in 1967-68. Mr. Ray said the subcommittee recommended that the Budget Review Committee explain their suggested allowance.

Mr. Borer read from Commissioner's McDonald's letter of February 28 and there was a brief discussion on this.

Commodities: Mr. Ray said the Department has requested an appropriation of \$15,000 which is the same level as last fiscal year. The Governor's allowance is the same figure and he said the subcommittee recommends no change.

Equipment: No request.

Support and Care of Persons: The Department has requested an appropriation of \$1,200 which is the same level as last fiscal year. The Governor's allowance is the same figure and Mr. Ray said the subcommittee recommended no change.

Adjournment: The meeting adjourned at 12:20 P.m.

HOUSE FINANCE COMMITTEE MEETING
Tuesday, March 10, 1969
9:15 a.m.

Present: All members of the House Finance Committee were present with the exception of Messrs. Croft, Hohman and Haugen. Also present was Mr. Richard Freer, of Budget and Management.

DEPARTMENT OF
MILITARY AFFAIRS

The Governor's total allowance for this department was \$1,170,900 or a 10.01% increase over the previous year. Mr. Sackett, subcommittee on the Military Affairs budget, recommended a total figure of \$1,158,900, or a 8.92% increase. He suggested decreases in OTAG and State Armories, Air National Guard, and Civil Air Patrol.

Alaska National
~~State~~ & State
Armories
(decrease)

Under OTAG & State Armories, Mr. Sackett recommended that Travel be cutback \$100 from the Governor's allowance of \$12,100, just to round it out. He explained that the \$12,100 allowance by the Governor was their last year's actual.

Travel
(decrease)
Contractual
(decrease)

He recommended, too, that contractual services be cutback \$3,000 from the Governor's allowance of \$100,000. Last year they were authorized \$93,600 in Contractual, and requested \$100,000, or an increase of \$6,400 for this year. Mr. Sackett noted that their Communications figure was reduced (due to the radio network provided for last year) \$5,800, which makes their requested increase even more noteworthy and expressed the feeling also that the \$7,000 they have included in their request for the Adjutant Generals' Conference in 1970 is more than is necessary to host this event. The Department also maintains that they need \$6,100 for repairs, services and alterations in this division, which Mr. Sackett felt was in excess considering that two years ago they were

allowed \$22,000 in this area. Mr. Sackett indicated that he does not feel these cuts will prevent them from doing an adequate job. Mr. Borer asked if the cuts would come out of the Adjutant General's office or the State Armories, and Mr. Sackett replied from both. This is a general cut. Mr. Sackett moved and asked unanimous consent that the committee accept the figure of \$447,400 as the legislative allowance for OTAG and State Armories. Mr. Borer objected and stated that he would like legislative intent to state that the cuts come out of the Adjutant General's Office and not the Armories themselves. There was no objection to this, and so Mr. Borer removed his objection to the motion, and the committee accepted unanimously the figure of \$447,400 for OTAG and State Armories.

In response to comment by Mr. Freer, Mr. Sackett stated that the Adjutant General's office receives federal funds (for instance, their furniture was received from the federal government) and there is a lot not shown in their budget, so the cut should not hurt them as badly as it might appear.

Mr. Sackett recommended a \$2,000 cutback in Contractual Services in the Air National Guard. However, after some discussion, and a comment from Mr. Freer pointing out that in this case there are three federal dollars to each state dollar, Mr. Sackett withdrew his suggestion, and moved and asked unanimous consent that the figure of \$153,400 be accepted by the committee for Air National Guard. There being no objection it was so ordered.

LEGISLATIVE
INTENT

Air National
Guard

Civil Air Patrol

Mr. Sackett referred to the CAP report "Search for Tomorrow," mentioning that in the next 36 months CAP wants \$1,000,000 to upgrade its program.

The Governor's allowance for the Civil Air Patrol is \$78,600, and Mr. Sackett recommended a reduction to \$72,600 as follows:

Travel
(decrease)

\$2,000 from the Governor's allowance for travel, leaving \$3,000 (most of the cut to be taken from outside travel);

Contractual
(decrease)

\$1,100 from the Governor's allowance of \$28,100 for Contractual Services, leaving \$27,000, their last year's allowance; and

Commodities
(decrease)

\$2,900 from the Governor's allowance for commodities of \$20,900; thus making a total reduction of \$6,000.

Equipment

Mr. Sackett explained that the decrease in their request for equipment is because last year they were authorized a special amount of \$20,000 for equipment to aid in searches, as a result of the incident of the people lost in the Cathedral Mountains who they did not have the equipment to find. This was, however, a 1-time expenditure and so has been reduced

Contractual

this year. They also have a decreased request in Communications, because of increased use of their new radio equipment which means they use postage, telegrams and telephones less.

It was noted that in professional fees and services they requested an increase of \$3,300 for conducting, once yearly, a search and rescue technique seminar.

Commodities
(decrease)

Under commodities last year they were authorized \$11,500. This year they have requested, and the Governor allowed, \$20,900 for an increase of \$9,400, but Mr. Sackett recommended a figure of \$18,000. He said that their reason for this increase is for winter flying gear for the use of volunteer flying personnel in

connection with search and rescue missions, amounting to \$3,500, and fuel other than for motor vehicles amounting to \$2,900, both of which are new items. Two years ago their actual expenditures for motor vehicle parts, supplies and accessories was \$17,072, and they have requested \$9,500 this year. Mr. Borer asked if they could purchase automotive equipment surplus, and Mr. Sackett said no, they are hoping to get an exemption from the procurement regulations to allow this, however. Mr. Borer suggested buying clothing in the military stores. Mr. Sackett didn't know about this.

Mr. Borer asked where the money comes from for buying gas for the searches, and Mr. Ray replied that this is under the Governor's office, but they have requested it be transferred to Public Safety.

Mr. Sackett moved and asked unanimous consent that a total figure of \$1,161,800 be accepted for Military Affairs. Messrs. Borer and Ray objected. Mr. Borer said he objected to the cutback in Civil Air Patrol. He said that it is being reduced to 5% below last year. Mr. Sackett explained that the reduction is a general one, and that one of the big cuts in CAP was for travel. Last year they were authorized \$1500 for travel, and have requested \$5,000 for this year. His recommendation of \$3,000 is still twice as much as last year. Mr. Sackett went back over the cuts, outlining them as above, and Mr. Ray formally withdrew his objection. Mr. Ray stated that the budget will still be open after voting on the final figure for any specific amendment by the committee. Mr. Sackett moved and asked unanimous consent again that the new total of \$1,161,800 be accepted, and there being no objection, it was so ordered. The meeting adjourned at 9:40 a.m.

TOTAL:

Adjournment:

HOUSE FINANCE COMMITTEE MEETING
Wednesday, March 12, 1969
9:00 a.m.

Present: All members.

CSHB 71

Mr. Sackett moved and asked unanimous consent that the committee consider COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 71 (Department of Education supplemental). No objection so ordered.

Mr. Sackett reminded the members they had adopted the committee substitute several days ago and that the substitute did not change the bill, merely broke out the figures and made it easier to understand. He read the following letter to the committee:

Representative Bill Ray
Chairman, House Finance Committee

DATE : March 10, 1969

FROM: Richard W. Freer, Director
Division of Budget & Management
Department of Administration

SUBJECT: H.B. #71 - Supplemental
Appropriation, Dept. of Education

In line with your request for information on the above matter, following is an analyses of the supplemental request for District School Support related to the 1967-68 fiscal year.

<u>Date of Computation</u>	<u>ADM</u>	<u>Amount Required</u>	<u>Amount Allowed</u>	<u>Difference</u>
November, 1966	50,695 (est.)	\$20,956,651	\$20,118,000	- \$838,657
December, 1967	49,873 (9 wk. Report)	20,575,186	20,118,000	- 457,186
September, 1968	50,115 (Final Report)	20,819,190	20,575,186	- 244,190

On this basis, it can be seen that the supplemental of \$457,186 granted last year was not sufficient to meet final ADM requirements for fiscal year 1967-68 in the amount of \$244,190 plus the other minor adjustment indicated.

For the current year, the original ADM estimate was 55,384. A four per cent (4%) reduction was made on the amount originally requested to meet this requirement. Inasmuch as the nine weeks report indicates, an ADM of 54,912, a drop of only .85% from the original estimate, a supplement is required. Should the final report show any substantial increase from the nine weeks report, an additional supplemental for fiscal year 1968-69 would be required next year.

If we can furnish you any additional information in this regard, please let us know.

There being no questions from the committee, Mr. Sackett moved and asked unanimous consent that CSHB 71 be reported out of committee with a "do pass" recommendation.

No objection, so ordered.

Mr. Ray asked Mr. Hohman about the status of HOUSE BILL NO. 166 (relating to the Michael Murphy scholarship loan and grant fund). Mr. Hohman said the Commissioner from the Department of Education would be returning to Juneau today and as soon as he had talked to him he would be able to report out the bill.

Meeting recessed at 9:10 a.m., while awaiting arrival of staff members from the Office of the Governor.

HB 166

Recess:

After Recess
9:10 a.m.

Present:

All members of the committee were present with the exception of Mr. Haugen. Also present were Messrs. Walt Baldwin, Administrative Officer; Herbert W. Lehfeldt, Administrative Assistant; Kris W. Lethin, Director of Planning and Research; all from the Governor's Office; and Richard Freer and Miss Susie Harris from Budget and Management.

General Meeting: Mr. Ray called the meeting back to order for the purpose of going over the budget for the Governor's Office, the subcommittee for which he is chairing.

OFFICE OF THE
GOVERNOR

Administrative Office

Personal Services:
(100)

Southeastern
(Juneau)

The Department has requested an increase of \$34,404 from \$230,072 to \$264,476, a 12% increase. The Department request represents one new position of Accounting Clerk, \$7,200, and reclassification of Administrative Assistant, \$2,268 annually; a Legislative Assistant, \$2,268 annually; an Administrative Assistant I to Accountant II, \$1,452 annually. A transfer of funds from the Contingency Fund of \$7,860 to provide for a receptionist and the inclusion of a Secretary I, at \$7,392, which the Department declares was accidentally omitted, accounts for the Department's request.

Mr. Ray said that the subcommittee notes that there is actually an increase of four new positions in this office which should be explained by the Budget Review Committee.

With reference to the new positions, Miss Harris said there is actually only one position shown as a new position. Two positions were put in the budget by executive order; both were funded from the Contingency Fund this year. The third one isn't actually new, but was accidentally omitted from the budget last year; there has been someone on board all along, but was overlooked in putting the budget together.

Southcentral
(Anchorage)

Mr. Ray said that the Department requests no change in this office.

Central Office
(Fairbanks)

The Department requests no change in this office. For the benefit of the members of the committee, Mr. Ray read the subcommittee recommendation that employee benefits of 14% have been approved by the Budget Review Committee as opposed to prior years at 6% and 12%, and said the committee would like an explanation. Mr. Freer said that the increase is due to the increased Social Security, along with ordinary increased costs of doing business.

Mr. Rink arrived.

Travel:
(200)

The Department has requested an increase of \$8,400 from \$21,900 to \$30,300 (39%). Increases of \$2,100 for Alaska travel; \$1,400 for Alaska per diem; \$5,100 for outside travel; and, a decrease of \$200 for outside per diem, are requested. The increase in travel is apparently requested for stepped-up travel for the International Fisheries Commission Director; for the Governor; and for Special Assistants. The Governor's allowance approved the request. Subcommittee recommendation: Remove the name Hickel on page 11 and substitute the name Miller therefore.

Contractual
Services:
(300)

The Department has requested an increase of \$10,300 from \$43,100 to \$53,400 (24%). Increases of \$8,700 for communications and \$900 for equipment rental covers the majority of the request. The requests for communications are nearly a 50% increase. The Governor's allowance approved the request.

Subcommittee recommendation: It should be self-evident if the Governor's office expects other Departments to curtail their long-distance calls he should set the example.

Commodities:
(400)

The Department requests a \$600 decrease in appropriations from last year's level. The Governor's allowance was the same figure, \$11,300.

Subcommittee recommendation: No change.

Equipment:
(500)

The Department requests a \$200 increase for office equipment and furniture. The Governor's allowance was the same figure, \$1,200.

Subcommittee recommendation: No change.

Inter-Agency
Charges:
(900)

The Department has requested ADP (IBM reports) of \$11,300 and the Governor's allowance has approved the request.

Subcommittee recommendation: This charge should be broken out and compiled with other computer charges for other State agencies and analyzed later.

Governor's
Mansion

The Department has requested an overall reduction in this function of \$18,600 from \$55,600 to \$37,000. The Governor's allowance is the same.

Subcommittee recommendation: Question the small staff at the mansion of just two persons. No funds for garden or general outside maintenance has been requested. One housekeeping aide and all temporary help, (2) utility workers, have been deleted by request of the Department. The subcommittee also questions the requested increase in telephone rental of \$1,900; the increase of \$1,400 in food and beverage costs (reduction in personnel should reduce food costs); and the complete elimination of the Division of Buildings' maintenance - certainly some repair and maintenance should be anticipated.

Mr. Baldwin said the Division of Buildings is budgeting the funds this year for maintenance of the mansion. Mr. Ray asked who will do the maintenance of the mansion, and Mr. Baldwin replied that employees of the Division of Buildings would.

Mr. Ray asked how they budget for expenses used for maintenance of the mansion if there is no budget figure. Mr. Baldwin replied that last year they had the funds for maintenance, but the Division of Buildings did all the maintenance work, along with the gardening, so this year it is in the Division of Buildings' budget rather than the Office of the Governor.

Mr. Borer didn't feel it made sense to remove this from the Office of the Governor, and Mr. Ray concurred, adding that there were no controls on this kind of spending.

Mr. Ray said the actual cost should be charged to the mansion if that is where the work is being done. He said he would take this up later with the committee.

Secretary
of State

Personal
Services:
(100)

The Department has requested an increase of \$1,000 from \$90,200 to \$91,200. The Director of Elections position has been decreased \$1,164, and an Executive Secretary II has been reduced from \$9,840 to \$8,988. The employee benefits have been increased from 12% to 14% for an increase of \$1,407 and an allowance for vacancies of \$1,600 has been requested.

The Governor's allowance is the same figure, \$91,200, as the Department request.

Subcommittee recommendation: Question the increase in employee benefits from 12% to 14%, which is \$1,357, and also the allowance for vacancies, \$1,600, which was approved. The committee will also expect some vacancy and turnover factor even though the Department has only seven employees. If continuity throughout all State functions (re: vacancy and turnover factor) is to be continued, the committee would expect the same in this office and not a contingency allowance.

In response to the subcommittee's recommendation, Mr. Freer said he wanted to make a general statement regarding the approach next year on all budgets, and that is that they want to try to eliminate the vacancy and turnover

factor, and in working up budgets for fiscal year 1969-70, in most instances, they went half-way in eliminating this vacancy and turnover charge. Hopefully, the following year they will get away from it altogether.

Mr. Sackett asked how they anticipate making up for it.

Mr. Freer said it is just that they feel it is not a good tool, particularly in a program this size, to authorize all the positions funded for 12 months and then say they will take some money away because all of these positions will not be filled. After two years they have come to the conclusion that except in unusual circumstances, it should be abolished.

Mr. Sackett said that there are, however, definitely going to be vacancies for a couple of months. Mr. Freer said this would then result in a larger lapse. Mr. Ray said that when he was first on the Finance Committee the vacancy and turnover factor was definitely acceptable. Mr. Freer said, however, that in earlier years they had a continual turnover in employees, but now it is one of the things they feel has begun to stabilize.

Mr. Ray wondered if in Mr. Freer's estimation it is because of the fine working conditions, compensation, etc., that the State employees are becoming satisfied with the services of the State and therefore provides less turnover in personnel. Mr. Freer said that is their goal.

The Department requests the same level of appropriations as in fiscal year 1968-69, which is \$12,000. The only

Tr 1:
(00)

difference is emphasis on travel and per diem in Alaska, \$200, with a corresponding decrease in outside travel and per diem of \$500. The Governor's allowance approves the figure of \$12,000.

Subcommittee recommendation: No change.

Contractual
Services:
(300)

The Department requests a decrease of \$600 in the appropriation from \$32,300 to \$31,700. The Governor's allowance approves the decrease to \$31,700.

Subcommittee recommendation: No change.

Mr. Borer referred to page 31, Code 380 (Cost of all hearings held under the Administrative Procedure Act. Annual average \$72,000. Includes magazines and newspaper subscriptions), and questioned the figure of \$72,000 since the figure above is only \$12,000. Mr. Lehfeldt said that this is an error, and should be \$12,000 in the explanation also.

Commodities:
(400)

The Department requests an increase in professional and scientific supplies of \$100 over last year's authorization. The Governor's allowance approves the increase and sets \$3,400 as the final figure.

Subcommittee recommendation: No change.

Equipment:
(500)

No requests and no allocations.

Elections

Personal
Services:
(100)

The Department requests an increase of \$39,600 from \$54,200 to \$93,800 (73%). According to the format, increases in this function are reclassification requests only. In Southeast

reclassifications from six-month employees to full-year status are two Administrative Assistant II positions, \$9, 990, to two Clerk V positions, \$15,720. In Southcentral, the six-month positions are increased as follows: Election Supervisor III from \$6,078 to \$12,156; Administrative Assistant I from \$4,248 to \$8,496; and Clerk Steno II from \$3,210 to \$6,420. The Kodiak position of Administrative Assistant II, six-month period at \$5,130, has been deleted. The six-month employees of the Central-Fairbanks Division have been requested increased to full-year employees as follows: Election Supervisor II from \$5,538 to \$11,076; and Clerk Typist III from \$3,396 to \$6,792. The Nome District Election Supervisor I is also requested increased to full-time status from \$5,586 to \$11,172. The Governor's allowance has approved all reclassifications.

Subcommittee recommendations: Question the necessity for full-time election employees in all functions. Also question the closing out of the Kodiak office if indeed the need for increased election office duties are required throughout the state.

Mr. Borer said that about \$40,000 was taken out of the Secretary of State's office this year and put in Elections in connection with the supplement, and this was done on the recommendation of the Office of the Governor. He wondered why \$40,000 couldn't be knocked off of this budget now. Mr. Baldwin replied that the \$40,000 was for the

current year; the supplement was for purposes of keeping election supervisors' offices open for the balance of the fiscal year. These were funds not used in the Secretary of State's office, and Mr. Borer wondered why it was going to be needed this year if they didn't need it last year. The Director of Elections and Administrative Assistant, whose positions were supposed to be in the Secretary of State's office, were charged to Elections rather than the Secretary of State, and this is why they transferred \$40,000 over to Elections.

Mr. Ray stated that the Director of Elections and the Assistant are to be funded under the Secretary of State's office and not under Elections, and asked why. Mr. Baldwin said that under the current year they are budgeted under the Secretary of State's office. When the people were hired, on the personnel actions they were charged against Elections.

Mr. Ray said that all the field officers were six-month positions every two years, and now they are asking for funding on a full-time basis. Mr. Ray wanted to know why they needed all of these full-time employees in Elections, and Mr. Baldwin said they needed to get the pre-registration program going. He said they also have some villages that have to be incorporated in order to get the Alaska village electrification program.

Mr. Lethin said the Secretary of State is responsible for carrying out elections for incorporation in those villages,

(Pre-registration)

and there is a considerable number of them. Mr. Ray thought that through the assistance of Local Affairs Agency they could get them into a six-month period, and wouldn't have to string them out a full year unless they leave them open for pre-registration. Mr. Hohman said that two percent of the people in his area are not pre-registered.

Mr. Baldwin said that they are holding a hearing in each village they incorporate. The problem is that they are spending most of their time holding hearings, and can't incorporate as many villages as they would like.

Travel:
(200)

The Department has requested a decrease of \$2,800 in travel requests, from \$10,000 to \$7,200. The Governor's allowance approves the figure of \$7,200.

Subcommittee recommendation: Question the 139 days of travel requested in this Department on an off-year for state-wide elections.

Mr. Croft wondered why travel is being reduced if personnel has to be made full-time. The total expenditure for 1967-68 was \$3,662. There was no pre-registration, no push to incorporate villages for electrification, and now they are requesting a decrease in 1969-70. With personnel and a tremendous amount of work ahead, Mr. Croft couldn't understand why they would have less travel than the current year. Mr. Baldwin, however, felt that they have more money in travel than they will spend for the current year.

Contractual
Services:
(300)

The Department has requested a decrease of \$119,300, from \$181,200 to \$61,900. The Governor's allowance has approved their request.

Subcommittee recommendation: Question the \$15,800 in communications, primarily the \$3,900 for long-distance telephone calls. In fiscal year 1967-68 (an off-election year) only \$4,786 was expended, and this year's request (another off-election year) is a 300% increase, or only \$600 less than requested for last year's state-wide elections.

Mr. Ray asked what is so important in the Director of Elections that they have to call long-distance every five minutes. He didn't see anything that would be that urgent. They know when the elections are, and long-distance telephone calls and communications should be limited in an off-election year. During a state-wide election they would have reasons to call long-distance often, and, therefore, Mr. Ray felt there should be a reduction in communications.

Mr. Baldwin said the major increases are due to the mailing of ballots and election forms between the Secretary of State's office and the election supervisor. In answer to Mr. Borer's question as to where they have "bounty" money (for signing pre-registration), Mr. Baldwin replied it was in professional fees and services (Code 380) at 50¢ per registration.

Mr. Ray asked what the estimate is of available voters not registered at this time, and Mr. Baldwin had no idea. Mr. Bover referred to material he had received previously from Thelma Cutler, Director of Elections, for supplement and around 25% aren't registered, or 75% of those voting are registered.

Commodities:
(400)

The Department has requested a decrease of \$700, from \$4,000 to \$3,300. The Governor's allowance approves that figure.

Subcommittee recommendation: No change.

Equipment:
(500)

The Department requests an increase of \$4,700, from \$1,600 to \$6,300 (300%). The increase is for file cabinets and drawers. The Governor's allowance agrees with the figure requested.

Subcommittee recommendation: No change.

Inter-Agency
Charges:
(900)

The Department has requested \$3,000 for central duplicating; and \$7,500 for data processing, a total of \$10,500. The Governor's allowance is \$4,000 for central duplicating, and \$7,500 for EDP, a total of \$11,500.

Subcommittee recommendation: Suggest both figures be broken out and entered on a compiled list of all State agency requests for the same service and analyzed later when full data processing and EDP requests are considered.

Planning &
Research

State Comprehens-
ive Planning

Personal Services:
(100)

The Department requested an increase of \$14,900, from \$110,200 to \$125,100 (15%). The increase of an Accountant III to be transferred from VISTA, \$11,364 and increased employee benefits of \$3,536, from \$11,800 to \$15,336, make

up the Department request. The Governor's allowance of \$112,400 denied the transfer.

Subcommittee recommendation: The committee would like the Director of the Department to appear and outline his priority assignments and reconcile the activities of private consultants, such as Mr. Crittendon, et al., with his Department.

Mr. Ray wondered why they had to hire Mr. Crittendon at \$45,000 to do the same job they are supposed to be doing. Mr. Borer said this is something that was set up to take advantage of Federal receipts two years ago, but felt it should be eliminated. Mr. Lethin said he had a report he would give the committee which was produced by Harold F. Wise & Associates, Inc. The report outlines what the individuals will be doing in the agency, their responsibilities.

Mr. Lethin said that in the case of Crittendon, it was appropriated into the Division of Buildings to do this study as it was not in their realm to do a complete comprehensive study of the capital improvement site, and this was provided for in the previous budget. Their responsibilities outlined in the framework is to establish the State goals and objectives to determine the need for a planning information system, utilization of available Federal programs being conducted now, and a complete breakdown of funding and source of funding from the

Federal Government. Also in this plan are the stages of developing a State-Federal-Local program. They are charged within the present legislation, which they are asking a change in, to do capital improvement of the State, and to put it on an EDP system to update the capital improvement program. He hoped that within about three months they would be able to produce the document, and then capital improvements can be kept on an up-to-date basis. They are in the process of doing a study in regard to department and divisional organizations, but this will take a number of months and they can't come out with anything on this at the present time.

Mr. Croft asked how much they anticipate lapsing this year, and Mr. Lethin replied they anticipate lapsing a certain amount of funds because they were unable to fill all positions in the Division, some have been vacant. He would anticipate that in the next month-and-a-half they would have all vacancies filled and would be able to move ahead; however, he couldn't give an exact figure.

Elections

Mr. Ray said he would like to go back to Elections and read from correspondence delivered to the Finance Committee last year on the total expenses of off-election years submitted by the Department. Salaries of four supervisors \$49,297.92, rentals \$12,780.00, commodities \$3,000.00, printing - contractual \$2,000.00, commissions - registration officials \$2,000.00, totalling \$69,077.92, as opposed to

their request of \$184,000, their estimate of what it would be this year.

Recess: Meeting recessed at 10:00 a.m. for purposes of Democratic and Republican caucus.

After Recess
2:45 p.m.

Mr. James Fisher was present at this time to give testimony to the committee on behalf of Kenai getting a superior court judge. Mr. Fisher, an attorney from the Kenai Peninsula, said that they are asking for equality of governmental services, starting with a superior court judge to serve the Kenai Peninsula and/or in cooperation with Kodiak. He said that he feels the judge would be justified with Kenai alone, but certainly with Kodiak also. There is no superior court judge in that area, and this arrangement, with cases being tried in Anchorage, is an unsatisfactory one. He stated further that the Court System has admitted this need, but has not recognized it as an immediate one and is talking about waiting three years. This, Mr. Fisher indicated, is too late. He said that all they are asking for in Kenai is equality of parity., and he said that the lack of a superior court judge affects other governmental services. For example, in a case where several troopers have to testify in a trial in Anchorage, the Peninsula is left unprotected. He said that by caseload, the superior court judge may not be justified; it would be very difficult to get a complete, accurate report of caseloads, although there are members of the Anchorage Bar Association attempting to come up with this. He said, however, that there is a crime load that would justify the judge. Mr. Croft asked how many troopers are in Kenai, and was answered 8 for the entire peninsula. Kenai pays for a couple of those.

Meeting recessed at 3:00 p.m.

After Recess
2:50 p.m.

Present: All members were present with the exception of Mr. Sackett. Also present were Messrs. Walt Baldwin, Administrative Officer; Kris W. Lethin, Director of Planning and Research; all from the Governor's Office; and Richard Freer and Miss Susie Harris from Budget and Management.

General Meeting: Mr. Ray called the meeting back to order, and asked if there were any further questions on Planning and Research. No questions.

State Comprehensive Planning The Department has requested an increase of \$3,000, from \$13,000 to \$16,000 (22%). Inside travel has a requested

Travel:
(300) increase of \$2,000, and per diem \$1,000, which makes up the requested increases. The Governor's allowance approves the figure of \$16,000.

Subcommittee recommendation: No change.

Contractual Services:
(300) The Department requests an increase of \$20,900, from \$46,800 to \$67,700 (42%). The bulk of the increase is in professional fees and services, \$19,900, for the hire of professional consultants for remote housing, comprehensive State planning, HUD, etc. \$2,400 is also requested for rental of an MTST typewriter.

The Governor's allowance approves the figure of \$67,700.

Subcommittee recommendation: The committee requests a format of consultant fees and the programs they are expected to assist in.

Mr. Haugen questioned the figure of \$50,500 under profes-

sional fees and services for the remote housing study, and said that it is confusing because everytime he turns around there is a new figure. Mr. Ray said his point was well taken. Mr. Ray asked Mr. Lethin who they are going to hire to do this work, and Mr. Lethin replied that there will be no determinations on who they will hire until they actually get the money. They have only an estimated figure. For the capital improvement study they have to have an estimate in the neighborhood of \$21,000 to accomplish putting it on the EDP system and getting the program so they will have continual updating on the capital improvement program. Other specific programs as outlined deal with studies for the native population, communication study, transportation study, program planning for the north, etc. Where they feel they will have to have professional people is where it is outside the realm of the Division of Planning and Research to accomplish these particular work items.

Mr. Ray felt that somewhere there is a duplication of effort with all the committees and planning going on. There was a Republican caucus called at 2:55 p.m., however, Mr. Ray said to let the record show the members of the minority party were polled and there was no objection to the committee continuing with this budget, provided it is not closed out.

Mr. Lethin said the item of \$67,700 could be reduced by \$20,700 since he was unaware it had been included in the inter-agency charges. Therefore, on page 58, Code 580, professional fees and services should be reduced from \$50,500 to \$29,800 - a reduction of \$20,700, thus making the total for contractual services \$47,000. The \$20,700 should have been under Code 900, inter-agency charges since this is for data processing services for the development of the capital improvement projects. This makes the overall total for State Comprehensive Planning \$199,300. Mr. Ray said to let the record show that this figure for inter-agency charges be broken out and considered in overall analysis at a later date.

Mr. Croft referred to page 54, the \$116,500 in Federal receipts received in 1968-69, and asked if they will not have that this year. Mr. Lethin said they will not due to fluctuations in appropriations by Congress. Also, when the Federal Government gets involved in these programs they dictate to the State exactly how to do a program. It doesn't make any difference if it conforms with the State's ideas or not, it is what they want, so in order to have an effective program, Mr. Lethin felt the Federal funds should be eliminated.

Commodities:

(400)

The Department has requested a \$700 decrease, from \$3,900 to \$3,200. The Governor's allowance approves the decrease. Subcommittee recommendation: No change.

Equipment:

(500)

No request this code.

Recess:

Meeting recessed.

After Recess

3:50 p.m.

Present: All members present except Messrs. Croft, Bradner and Haugen. Also present were Messrs. Walt Baldwin, Administrative Officer; and Kris W. Lethin, Director of Planning and Research; from the Governor's Office; and Miss Susie Harris from Budget and Management.

General Meeting: Mr. Ray called the meeting back to order.

OEO Technical Assistance
Personal

Services: Mr. Ray said the Department has requested an increase of \$9,300 from \$59,300 to \$68,600 (15%). Reclassification of Director downward to a Community Development Specialist I, a Community Development Specialist II downward to a Technical Assistant Supervisor, which makes a reduction of (\$18,400) from \$59,300 to \$40,900. The establishment of two Community Development Specialist I's in Anchorage makes an increase of \$27,700 which reconciles the requested Department increase. Mr. Ray said the subcommittee noted it appears incongruous the State would initiate O.E.O. efforts in Anchorage which is the most highly developed area in the State to the detriment of other less developed areas. The subcommittee questions the dilution of state wide efforts from the Capital and opposes this diversion to Anchorage of a majority of the program. Mr. Ray said that whoever is responsible for preparing the information on page 62 through 64 really "crapped-up" the material beyond comprehension. Commenting on the request for an Anchorage Office, Mr. Lethin said that he compiled the document at the request of O.E.O. and their desire is to have the operation closer to the major

functioning community action program in the state. The two major community action programs are the Anchorage Community Action Program and the Rural Alaska Community Action Program. O.E.O. desired they have personnel stationed there. In answer to Mr. Ray's question as to what percentage of funds come from the federal government, Mr. Lethin replied 65% - 66%, \$65,900 out of the \$94,600 which reduced the general fund share by \$21,800.

Mr. Ray said that in 1967-68 the actual expenditures were \$142,888, in 1968-69 they were authorized \$117,500 and now are asking for only \$94,600 and with this reduced figure they are asking to implement another office in Anchorage. Mr. Lethin said that is correct, he feels they can do the job. Mr. Ray said it is the subcommittee's recommendation that the Director stay in the Juneau office. Mr. Lethin said he is charged with the responsibility of administering the program and that the director's job was eliminated.

Travel: Mr. Ray said the Department requests an increase of \$7,500 from \$11,600 to \$19,100 (64%). Increases of \$4,100 in Alaska travel; \$3,100 in Alaska per diem plus \$370 in outside travel is the request. The Governor's allowance approved the requested increase and Mr. Ray said the subcommittee questions the blank check travel increase of 100% and wishes to have the program defined.

Mr. Lethin said that the reason for the increase in travel is due to the additional staffing plus requirements and requests of O.E.O. people in San Francisco that these people

get out more in the field and determine more what is going on in the programs so they in turn can report more effectively to them.

Mr. Ray said that in 1967-68 their actual expenditures in travel were \$7,455, in 1968-69 they were authorized \$11,600 and this year are requesting \$19,100, yet the amount of money expended in the program this year is less than it has every been since its inception in Alaska. Mr. Lethin said that they have been spending less money, but increasing their services. They have requested an increase because they are adding two additional personnel who will do considerable travel from what they have in the past. Mr. Ray commented that it is fantastic that they are improving the program with less money; commendable, but open to question.

Contractual
Services:

Mr. Ray said the Department requests a decrease of (\$15,700) from \$21,900 to \$6,200. The Governor's allowance approved the request. Mr. Ray said the subcommittee questions the need for an Anchorage office and wanted an explanation.

Mr. Ray commented that they are increasing the program, but asking for a reduction of \$15,700 on contractual services, mainly, in professional fees and services, communications, etc. Mr. Lethin said that this is due to the fact that the previous office was in another building and they had to pay rental fees but no longer have to pay now that they are in the Capitol Building, and expenses are being used for the Office in Anchorage. Mr. Ray thought rental would be pretty much the same in Anchorage, but Mr. Lethin said it is actually less, a decrease

in rentals and utilities.

Mr. Ray noted that in professional fees and services there is a reduction of \$9,000. Mr. Lethin said that was used for consultants fees and services and that item can be eliminated. At the request of O.E.O. several outside consultants had been utilized in Alaska, but with increased personnel, there is no longer any need.

Commodities: Mr. Ray said the Department requested a decrease of (\$1,000) from \$1,700 to \$700. The Governor's allowance approved their figure. Mr. Ray said the subcommittee recommended that if there is no Anchorage office, this request can be cut \$250.

Grants, Claims

& Shared Revenues: Mr. Ray said the Department requested no appropriation in this code. The Governor's allowance approved. The subcommittee recommended no change however would like an explanation of the second sentence from the bottom of page 69. The sentence in question reads, "These funds will be used to strengthen State Comprehensive Planning Program." Mr. Lethin said that when they compiled the budget they took planning and research as a total operation and put the money back in places they felt it more necessary to be used so they can re-program in other areas.

Planning & Research

VISTA Coordination

Personal Services: The Department has requested a decrease of (\$9,200) from \$49,700 to \$40,500. The change is an Accountant III reclassified to Accountant I and transferred to State Planning

and Research; and the reclassification of an Administrative Assistant II to Associate VISTA Coordinator. The subcommittee recommended no change.

In response to Mr. Haugen's question regarding how much activity there is in the various programs in Southeast, Mr. Ray stated that the big impact area as far as OEO offices are concerned is the Anchorage area. They will transfer some of their operations up there and can do it with reduced budget but increased program. Mr. Lethin said they have a request to have a Vista Volunteer lawyer in Ketchikan.

Travel:

Mr. Ray said the Department has requested an increase of \$3,800 from \$8,000 to \$11,800 (45%). The increased travel is for Inside travel and per diem to better service villages throughout the state. The Governor's allowance approved the Department's request and the subcommittee recommended no change.

Contractual Services:

Mr. Ray said the Department has requested an increase of \$3,000 from \$5,400 to \$8,400 (56%). The increase is for additional office space for new personnel. The Governor's allowance approved the request and the subcommittee recommended that they can see no increase in personnel, in fact, one person was transferred out of the program. Mr. Lethin said that actually they do have an increase in personnel: A Vista Associate and Vista Associate Coordinator, a secretary and also a Field Project Development Officer. These are volunteers within the program and though they do not appear in the budget document,

they have been provided housing in the Anchorage office.

Mr. Ray said that even if they are volunteers, the committee would like to know what it is responsible for. The committee has to take this document and explain it to their caucuses and if they have information that is not explained in the budget and the Finance Committee knows nothing about, they can take advantage of it and really bounce it around.

Commodities: Mr. Ray said the Department has requested the same level of appropriation \$1,000 as was authorized last year. The Governor's allowance approved the figure and the subcommittee recommended no change.

Equipment: Mr. Ray said the Department requested an increase of \$100 from \$200 to \$300 (50%). The request is for a desk and chair. The Governor's allowance approved the figure and the subcommittee recommended no change.

Planning & Research
Vista (Federal Support)

No program since 1967-68. It should be noted at this time the Vista Program is solely state funded Mr. Ray said.

Local Affairs Agency

Personal

Services: Mr. Ray said the Department has requested an increase of \$17,900 from \$115,300 to \$133,400 (16%). The Department has requested one new position, Clerk Typist III, \$6,700, but this has been denied. The increase of employee benefits from 12% to 14, \$2,614, and the reinstatement of \$5,300 for vacancy and turnover factor, plus two positions budgeted at Step F, \$3,264, accounts for the Department request. The

Governor's allowance has approved the figure. Mr. Ray said the subcommittee, for clarification, questions the increase in employee benefits and also the reinstatement of the vacancy and turnover factor. He said they recommend allowance of new position and suggest it be funded out of the vacancy and turnover factor (\$5,300).

Travel:

Mr. Ray said the Department has requested an increase of \$3,100 from \$15,000 to \$18,100 (20%). Increases of \$1,100 for outside per diem; \$700 for outside travel; \$600 for inside per diem; and \$700 for inside travel make up the request. Outside per diem is for increased time to work with Bond buyers and rating bureaus. Inside increases are for increased activities level of the Department. The Governor's allowance approved the figure and the subcommittee recommended no change.

Contractual Services:

The Department has requested an increase of \$9,400 from \$15,000 to \$24,400 (62%). Increases of \$1,800 in communications and \$7,300 in rents and utilities make up the request. The Governor's allowance approved the Department request. Mr. Ray said the subcommittee questions both increases and requests an explanation. Also \$1,000 previously spent on printing contracts has been switched to CDS - and Mr. Ray asked if this change has been reconciled. Mr. Baldwin replied that the Local Affairs Agency has moved from the Capitol Building to the Goldstein Building, therefore they need \$10,000 for rents and utilities. Mr. Sackett

asked how they are paying for it this year, he didn't know they were going to move or who authorized it. Mr. Baldwin said they were authorized \$2,700, and had to make a line item transfer to pay for rents and utilities for the current year. There was a vacancy in the Assistant State Assessor which gave a little excess to help on this.

Commodities: The Department requested the same level as last year's authorization, \$3,500. The Governor's allowance apparently made an arbitrary cut of \$100 making this \$3,400 and Mr. Ray said the subcommittee recommends no change. Mr. Baldwin said this \$100 cut came out of a new position that was denied by the Budget Review Committee.

Equipment: The Department requested an increase of \$500 from \$1,000 to \$1,500 for a typewriter. The Governor's allowance denied the request as they had previously denied the request as they had previously denied the new position of Clerk Typist III. The subcommittee recommended if the new position request is re-instated the typewriter must also be approved, Mr. Ray said.

Inter-Agency Charges: The Budget Review Committee has changed the printing services previously contracted by the Department to a \$1,000 appropriation to Department of Administration for Central Duplicating Service and the subcommittee recommended no change. Mr. Lethin left the meeting.

Rural Development
Administration
Personal

Services:

Mr. Ray said the Department has requested an increase of \$7,700 from \$60,000 to \$67,700 (12%).

Reclassification of a Clerk Steno II to an Accounting Clerk I in the Anchorage office, \$456; an increase of the Deputy Directors (Juneau) pay scale, \$924; and \$1,886 for increased employee benefits from 12% to 14% have been requested. Also an item \$4,128 for "NYC personnel paid over \$15,000," round out the Department request. The Governor's allowance approves everything. Mr. Ray said the subcommittee recommends an explanation of the increased employee benefits and also questions the transfer of Director to Anchorage. Mr. Baldwin said the Rural Development Administration personnel are now stationed in Anchorage; however, the Deputy Director is still in Juneau.

Mr. Ray objected, feeling that the head of every state function should be in this capital complex, and felt that transferring the heads of this Department to other localities should be made public knowledge and should request the administration to make it public knowledge. Mr. Borer asked that the Chairman request that the Rural Development Administration furnish the committee a report on every penny spent on their various projects and where it was spent in the last year or two years. Mr. Baldwin said he would get this information from the Deputy Director here in Juneau. Mr. Ray requested the secretary to prepare a letter with this request.

Travel: The Department has requested an increase of \$3,600 from \$9,000 to \$12,600 (40%). Increases in outside travel, \$1,300; per diem inside Alaska, \$1,500; and \$800 in inside travel are the requests. Increased frequency of outside travel to Washington, D. C. and St. Louis and stepped-up inspection of program sites by the Director are verification by the Department. The Governor's allowance approves and Mr. Ray said the subcommittee recommends no change.

Contractual Services: The Department has requested an increase of \$1,300 from \$12,100 to \$13,400 (10%). Increases of \$1,600 in Aircraft Charter, Xerox rental and state vehicle rent provides the request. The Governor's allowance approves the request and the subcommittee recommends no change, Mr. Ray said.

Commodities: The Department has requested a decrease of (\$500) in this code and the Governor's allowance approves. Mr. Ray said the subcommittee recommends no change.

Equipment: The Department requests an increase of \$200 in this code to allow them the purchase of an IBM Dictation Unit. The Governor's allowance approves the figure of \$400. The subcommittee recommends no change.

Rural Development
Grants & Claims

Contractual Services: Mr. Ray said the Department requests an increase of \$700 from \$2,000 to \$2,700 to allow the labor costs for setting up a new saw mill. The Governor's allowance approves and the subcommittee recommends no change. Mr. Ray asked where

this saw mill they plan to set up is to be located since the location is not mentioned in the budget. He couldn't see how an appropriation could be made if they didn't know where it would be. Mr. Hohman was very sure it would be in the vicinity of McGrath.

Equipment: The Department requests \$9,600 for a new saw mill, \$9,000, and two chain saws, \$600. The Governor's allowance approves and the subcommittee recommends no change.

Grants, Claims & Shared Revenue: The figure of \$390,500, which is the same level as last year's authorization has been requested by the Department. These are state funds. This has been approved by the Governor's allowance and the subcommittee recommended no change, Mr. Ray said. Mr. Ray referred to page 94, the first paragraph, which reads, "The Rural Development Agency is responsible for a state program of Public Welfare Work directed toward the economic and social improvement of rural communities in Alaska," and which doesn't say who provides the money. Mr. Baldwin said these are all state funds.

Neighborhood Youth Corp Mr. Ray said this is a continuing program
Operation Mainstream fully funded by the federal government. The Department had authorized funds only through October, 1968 for out-school NYC and Operation Mainstream, and has funds only through May, 1969 for In-school NYC so they cannot at this time give a budget for a meaningful program. They face congressional reductions in funds and don't know what the extent will be.

Mr. Sackett commented this is all federal money anyway.

Far-East Office Mr. Ray said this office is operated on a contractual basis in Tokyo

with Japanese nationals. The Department has requested a (\$15,000) reduction in the last year's authorization level from \$80,000 to \$65,000. The Governor's allowance approves and the subcommittee recommends no change.

State Museum - Juneau

Personal Services:

The Department requested an increase of \$6,700 from \$55,600 to \$62,300 (12%). Reclassification of Exh. Tech. to Exh. Spec., \$48; Curator I from pay range 12 to 15, \$1,752; Clerk Typist III to Museum Assistant, \$1,512; and Clerk III to Museum Assistant, \$1,184, are requested. Increased employee benefits from 12% to 14%, \$1,707, makes up the difference. The Governor's allowance approves and Mr. Ray said the subcommittee recommended no change.

Travel:

The Department has requested an increase of \$3,400 from \$2,300 to \$5,700 (140%). Increases of \$2,200 for inside travel; \$700 for inside per diem; \$400 for outside travel; and \$100 for outside per diem makes up the request. Stepped-up statewide participation at various conferences, workshops and historical meetings are the verification. The Governor's allowance approves and the subcommittee recommends a reduction of \$1,000 in inside travel and per diem and \$500 in outside travel and per diem recommended -- total reduction (\$1,500). Mr. Ray outlined the inside travel on page 120. He said that all of this is well and good, but thinks they are asking a pretty large amount, 140% increase, and feels this is too much. He suggested they stay in Juneau and take care of this museum.

Contractual Services:

The Department has requested an overall re-allocation in the various code items and has come up with a reduction of (\$1,600) from \$19,100 to \$17,500. The Governor's allowance approves and the subcommittee recommends no change.

Mr. Ray said that after considerable thought, he felt the committee might as well approve the figure requested.

Commodities: The Department has requested a reduction of (\$1,000) from \$8,000 to \$7,000. The Governor's allowance approves and the subcommittee recommends no change.

Equipment: The Department requests an increase \$2,500 from \$8,000 to \$10,500 (30%). The increases are \$4,000 for purchase of artifacts, and \$1,100 for purchase of audio-visual equipment. Reductions of (\$1,500) for office equipment, and (\$1,100) for maintenance which is a total of (\$2,600) reconciles the request figure. The Governor's allowance approves, Mr. Ray said, and the subcommittee recommends no change. Mr. Ray felt this is a very worthwhile budget request.

Inter-Agency Charges:

The Department requests \$6,100 for payment to the Division of Buildings for construction of 14 exhibit cases. The Governor's allowance approves and the subcommittee recommends no change.

State Commission on Human Rights

Personal Services:

Mr. Ray said the Department has requested an increase of \$10,800 from \$49,300 to \$60,100 (22%). Reclassification of Executive Director from range 20 to 24, \$2,868; Field Representative at Step E, \$900; Clerk Steno III from range 9 to 11, \$1,008 (all in Anchorage office); and Field Representative in Fairbanks Field office from range 13 to 17, \$3,936; plus increase in employee benefits from 12% to 14% makes up the request. The Governor's allowance approves and the subcommittee

questions such large reclassifications of Executive Director (4 steps) and Field Representative (4 steps), Mr. Ray said. Mr. Baldwin said the Field Representative in Fairbanks was budgeted last year at a range 13, and the Division of Personnel classified the position as Field Representative at a range 13. However, the Field Representative in Anchorage was classified at a range 17 and the reason for this request is to have them both at the same range.

Travel: The Department has requested an increase of \$3,000 from \$9,800 to \$12,800 (30%). Increases of \$2,600 in Alaska travel, and \$700 in outside travel and per diem is the request. The Governor's allowance increased the Department request \$500 for air charter. The final figure is \$13,300 which was approved by the Governor and the subcommittee recommended no change.

Contractual Services: The Department requested an increase of \$2,300 from \$11,300 to \$13,600 (20%). Increase of \$1,700 in equipment rental for air charter, which was moved to travel provides for the difference of (\$500) from the Department request and the Governor's allowance of \$13,100. Mr. Ray said the subcommittee recommends no change.

Commodities: The Department requested an increase of \$400 from \$1,000 to \$1,400 for stationary and office supplies. The Governor's allowance approves and the subcommittee recommends no change.

Councils and Commissions

WICHE The Commission has requested funds totaling \$74,700; \$15,000 for WICHE program dues; \$52,200 for the Student Exchange program; and \$7,500 for Alaska's continued participation

in the National Mental Health Council. The Governor's allowance approved the figure and the subcommittee requested an explanation of the \$52,200 figure and its source.

Mr. Baldwin said the \$52,200 comes from the general fund. This money goes to WICHE, according to Mr. Ray, and they set up a student exchange program and the state sends the kids to college.

Council of State Governments

The council has requested an increase of \$2,500 from \$4,000 to \$6,500 for Alaska's contribution to the administrative expenses of the Commission. The Governor's allowance approves and the subcommittee recommends no change.

Athletic Commission

The commission has requested the same \$2,000 figure that was authorized last year. The Governor's allowance approves and the subcommittee recommends no change.

Council of the Arts

Mr. Ray said the Council has requested an increase of \$100 over last year's level of \$97,500 to \$97,600 to purchase a book case. The Council is funded by a \$50,000 federal grant and the rest by state appropriation. The Governor's allowance approves. \$80,000 is distributed to projects throughout the state. Mr. Ray said the subcommittee questions the increase in long-distance requests and the cost of the annual report to the Governor. Mr. Ray specifically questioned the figure of \$1,500 for the annual report to the Governor and \$1,750 for long-distance telephone calls. Mr. Baldwin said, however, that the total request for communications is \$1,200 and that the \$1,750 should have been only \$850 (plus postage \$350). This was a typographical error. Mr. Ray said to let the record show that the Budget Review Book is in error.

Commission on Status of Women Mr. Ray said this Commission has requested a (\$1,000) cut in their appropriation and the Governor's allowance approved the figure of \$4,000. The subcommittee recommends no change.

Rural Affairs Commission The Commission has asked for a \$300 increase over their last year's appropriation and a realignment of \$1.350 outside per diem to outside travel. The Governor's allowance has approved this and the subcommittee recommends no change. There was a brief discussion regarding the relation of HOUSE BILL NO. 152 (Alaska Native Land Claims Committee) to the Rural Affairs Commission. Mr. Hohman said the purpose was to publicize the need.

Pioneers Home Advisory Board No change. This amount is \$6,300, Mr. Ray said.

Council on Criminal Justice This program has been readjusted and increased \$5,000 from \$10,000 to \$15,000 all allocated under miscellaneous. The Governor's allowance approves and the subcommittee recommends an explanation of the program realignment. Mr. Baldwin said that for the current year they have a grant from the federal government of \$118,000 and for new year their Crime Council is requesting a total budget of \$150,000, 10% to be paid by the State, or the \$15,000 requested. The Crime Council is requesting \$135,000 for an additional grant for next year.

Pacific Marine Fisheries This program was funded by a supplemental appropriation last year as provided for under SLA 1968, Ch. 217. The Governor's allowance approves the same level of \$17,600.

The subcommittee recommended no change, Mr. Ray commented.

Yukon-Taiya Commission The Commission has asked a reduction of (\$2,500) from \$7,500 to \$5,000. The Governor's allowance approves and the subcommittee recommends no change.

Nuclear Compact Commission Mr. Ray said there is no change - \$5,000.

International Development No program.

North Commission There is an apparent balance of \$529,410 in this continuing program although no expenses have been lined out for 1968-69 fiscal. The subcommittee recommends that they would like to know what the expenses, if any, were for 1968-69 and what are the actual funds that are left in the program. Mr. Baldwin said he would ask the Executive Secretary to submit to the committee a report on the North Commission.

Contingency Fund This program has been set at \$100,000 and approved by the Governor's allowance. The subcommittee recommended an explanation of 1968-69 expenditures as none appear in the budget book. Mr. Ray requested the breakdown that is normally given to the committee on this and Mr. Baldwin said they would prepare a report.

Sea Otter Harvest No funds were authorized in 1968-69 for this program and none have been requested for 1969-70. There is presently legislation pending to transfer this program back from Fish and Game to the Governor's Office. Mr. Ray said the committee would like to discuss this matter for possible funding. Mr. Ray said that if it does go back there will have to be some way to get funds in there.

State Comprehensive Planning Mr. Hohman made the following request: relative to page 58, professional fees and services, he would like a copy of their statement which explains the nature of these studies, what they are expected to do, and how much they are expected to expend in these different categories for consultants' fees.

Elections Mr. Hohman also made the following request: costs of past and anticipated elections relative to the fourth class city incorporation, and how much expense the villages can expect. He would like this information to get an idea of what they are facing.

Adjournment: Meeting adjourned at 4:40 p.m.