

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2482

NO. 27 (appropriation - Natural Resources). The Chairman ruled this motion out of order since the order of business now before the committee was the close-out for the Department of Labor.

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Labor

The committee discussed the remaining closeout of the Department of Labor Budget [see minutes, pages 602-607 for earlier figures].

Enforcement
Of Labor Law

Mr. Sackett moved the following breakdown:

Administration	\$203,100
Labor Law Enforcement	283,700
Workmen's Compensation	90,500
Employment of Handicapped	5,700
Employment Advisory	<u>32,300</u>
	\$615,300

No objection so ordered.

Administration This total is \$203,100. No objection so ordered.

Labor Law
Enforcement

There was a discussion on the \$15,000 shown under Inter-Agency Receipts. Mr. Croft said that the \$15,000 is paid from the Fishermen's Fund to the Labor Law Enforcement for the administrative work for handling the Fishermen's Fund which has no item under personal services. Mr. Ray said it does have an item under personal services but is spread out among six people. Mr. Sackett made a motion that they delete the Inter-Agency charges of \$15,000 and that the request of the Department for an Administrative Officer I and the Clerk Steno II be authorized and funded under Sick and Disabled Fishermen's Fund. No objection so ordered. [See letter dated 3-19-69 appended]. This makes the total for Labor Law Enforcement \$283,700. Mr. Croft moved and asked unanimous consent to allow the position of Safety Inspector I listed on line 21 that was deleted by the Governor's Budget Review Committee. There was

a brief discussion on this and Mr. Ray said if HOUSE BILL NO. 101 passes this would add \$57,100 to this budget.

Mr. Croft noted this money would be for welding supervisors not safety inspectors.

This motion was put to a vote and failed.

Workmen's Compensation Mr. Sackett gave the following breakdown for this section:

Personal Services	\$64,300
Travel	15,700
Contractual Services	7,800
Commodities	2,000
Equipment	<u>700</u>
	\$90,500

No objection so ordered.

Governor's Committee on Employment of the Handicapped

The total for this, Mr. Sackett said, is \$5,700.

No objection so ordered.

Employment Advisory Commission

The total for this is \$32,300, Mr. Sackett said.

No objection so ordered.

Sick and Disabled Fishermen

Personal

Services: This figure is \$20,900 which allows for an Administrative Officer I and a clerk. The breakdown is as follows:

Personal Services	\$20,900
*Travel	23,000
Contractual Services	130,000
Commodities	8,000
Equipment	900
Grants, claims and shared revenue	5,000
Inter-Agency charges	<u>0</u>
	\$187,800

*Mr. Ray objected to the additional \$5,000 in travel.

Mr. Sackett explained the \$18,000 shown is used for the injured fishermen and the additional money would provide for the investigation of these cases. Mr. Ray withdrew his objection.

The total figure adopted by the committee is \$187,800.

Second Injury Benefits This amount remains the same as the Governor's allowance --

\$108,000. No objection so ordered.

Employment Security This amount remains the same as the Governor's allowance --

\$3,114,700. No objection so ordered.

Logger Training There is a -0- amount in this program, and Mr. Sackett noted this had been just a one-time program.

Work Incentive Program Mr. Sackett said the total for the WIN program is \$516,000

which is the Governor's allowance. No objection so ordered.

Mr. Ray commented on the rumor that Department of Administration, Division of Personnel had asked the departments to phase out the positions of Personnel Clerks. Mr. Freer said he had no knowledge on this but would check it out. Mr. Ray noted it should be legislative intent that they inform the department they would like to maintain certain positions that have to do with personnel.

Adjournment: There was a brief discussion on this and the meeting adjourned at 2:40 p.m.

MEMORANDUM

State of Alaska

TO: Honorable John C. Sackett
Alaska State Representative
Pouch "V" State Capitol Building
Juneau, Alaska 99801

DATE: March 19, 1969

FROM: *TJM*
Thomas J. Moore
Commissioner
Department of Labor

SUBJECT: Director, Alaska
Fishermen's Fund.

The following is the information you requested on the Fishermen's Fund:

The Director of the Alaska Fund for Sick and Disabled Fishermen will be responsible for effectively administering the Fishermen's Fund. His duties will consist of:

- (a) Obtaining data on cases.
- (b) Preparing cases.
- (c) Making an initial decision as to approval or disapproval of cases.
- (d) Preparing cases for submission to the Fishermen's Fund Advisory & Appeals Council.
- (e) Acting as secretary to the Council.
- (f) Interviewing and questioning cases.
- (g) Preparing periodic financial statements as to the condition of the fund.
- (h) Preparing legislation, regulations and other data concerning the fund.

Presently, there is no full time administrator of the Fishermen's Fund within the Department of Labor. This position is needed in order to effectively administer the fund and provide the individual attention needed on each claim submitted to the fund. The reasons for creation of this position are many and numerous, suffice to say that with a case load of between 500 to 1,000 cases per year, the fund must be set up as an individual working program with adequate staffing to insure the Alaska fishermen of the best coverage possible.

Salary - Administrative Officer I	
Range 17 C - \$2,931 per month	
Yearly salary plus benefits	\$35,172.00

Salary - Clerk Grade II	
Range 6 C - \$528 per month	
Yearly salary plus benefits	7,536.00
	<hr/>
	\$20,908.00

Honorable John C. Sackett

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March 19, 1969

Travel	\$ 5,000.00
Printing of Forms	1,000.00 ✓
Supplies	500.00 ✓
Equipment (initial only)	<u>500.00</u>

TOTAL BUDGET \$28,316.72

Less: Program receipts appropriated
for the 1969-1970 budget. \$15,000.00

Additional required (all Fishermen's
Fund money) \$13,316.72
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Legislative bills affecting the Fishermen's Fund have not as yet been introduced.

In examining the Fishermen's Fund program, I find several areas which should be strengthened. However, I feel that by adopting regulations, these changes can be accomplished swiftly and with a minimum of expense. Regulations would negate the need for corrective legislation in areas of deficiency, and would still, at the same time, provide the guidelines needed for the effective operation of the Fund.

The requested balances of the Fishermen's Fund are as follows:

June 30, 1968	\$134,033.54
February 28, 1969	320,433.54
Projected - June 30, 1969	330,033.54
Projected - June 30, 1970	359,033.54

Thank you for allowing me to comment on this.

TOS:rah

HOUSE FINANCE COMMITTEE
Tuesday, March 25, 1969
9:00 a.m.

Present: All members. Mr. Richard Freer, Director of Budget and Management was also present.

DEPARTMENT OF
LAW

Chairman Ray called the meeting to order and requested Mr. Croft to give the presentation for the closeout of the Department of Law budget.

Mr. Croft said he had been requested to find out the differences between the Department of Law budgeting at Step D instead of Step C this year. The Department had budgeted at Step D. Mr. Croft said this amount for the attorneys' position increased the budget by \$32,580, and for the three secretarial positions, \$1,608, for a total increase of \$34,188.

There was a discussion on the vacancy and turnover factor and Mr. Croft said the Department went 10 months without a vacancy and then in the past six months they have had four. Mr. Ray questioned Mr. Freer as to what the Budget Review Committee normally budgeted this department at and Mr. Freer said the Department of Law has difficulty in hiring at Step A, so up until this year it was Step C, but now Step D. Mr. Ray asked if this was because the Department can't get the caliber of people they want. Mr. Croft said that part of the reason they want to budget at Step D is that they are trying to get away from hiring people fresh out of law school, and Mr. Edwards has been quite successful in getting more experienced attorneys.

Mr. Croft said he felt the difference is well worth it.

Mr. Ray said if they take the full vacancy and turnover they could stand to budget at Step D.

Mr. Freer noted that the vacancy and turnover is at 2%, where in the past they had quite a turnover and were able to stand the 5% and the Department has now been reduced to 2%. Mr. Croft noted this is the same rate of vacancy and turnover they are budgeting for all other departments. He said the Department at one time had a high turnover and this will always be somewhat of a problem with lawyers because the public practice has been a training ground to go into private practice. Mr. Croft requested that the committee consider the overall personnel before they do anything about vacancy and turnover.

He noted that the Department had originally requested six new positions - 3 attorneys and 3 support positions. He said that the Governor's allowance had only approved the Attorney IV in Ketchikan and Mr. Croft said his recommendation is that they approve the full request and in addition they add one attorney and one support position to be assigned to the Department of Fish and Game (HB 140). Mr. Croft said this would make the total increase of \$84,348, \$15,400 for an attorney and \$6,852 for a secretary in the Department of Fish and Game, plus \$3,113 in benefits. Mr. Croft said the support documents for all of these new positions are incorrect. They show a need for Highways attorneys and this has been taken care of in the reimbursable section. Mr. Croft said he would request the support position of a Clerk-Steno in Ketchikan

be allowed and feels this is needed because the Budget Review Committee had allowed an Assistant DA in Ketchikan and this would allow only one secretary for two attorneys. Mr. Sackett asked if he had understood that the justification for the new positions is erroneous. Mr. Croft said yes, that the Department of Highways had requested a "beef up" in the Attorney General's Office and that Highways had been taken out. In back-up justification they left in Highways rather than the Attorney's sheet and somehow had inserted the wrong pages. He said the Department is requesting another position in Anchorage which is not related to Highway work. They are also requesting a position in Fairbanks and they are requesting a position because of the additional caseload.

Mr. Ray noted that the vacancy and turnover formula used in the Attorney General's Office was 2.24.

Mr. Croft explained the necessary support positions had not been allowed by Budget Review and said the subcommittee's recommendation is that they approve the total increase of \$86,600, above the Governor's allowance, and of that total increase \$84,348 would be in personal services. Mr. Croft said they had made other reductions in other areas. The total cost of \$22,000 would be an increase for the Department of Fish and Game. Mr. Ray objected and said this was an increase of \$186,000 over last year's budget. There was discussion on this and Mr. Croft said that his recommendation would make the total of personal services for the Department of Law \$1,102,250. Mr. Sackett asked for a brief run down of the new positions Mr. Croft was recommending.

Mr. Croft said that the Assistant District Attorney in Ketchikan was the first priority of the Department of Law. He said, regarding the attorney that would be working in the Department of Fish and Game that this position would cost \$15,400 and with a secretary for support costing \$6,852. Travel and contractual services would be in the Fish and Game budget, while commodities and equipment would be in the Department of Law budget. Mr. Croft said the new position he is requesting in Anchorage for the Attorney General would be assigned to the civil section to handle civil litigation and this position would cost \$17,756 and the Clerk Steno III as support for this position would be \$7,332. The Clerk Steno in Ketchikan would be \$7,238. Mr. Freer was questioned on why these positions had not been allowed and he said they had left in one priority item which was the Attorney IV for the Ketchikan office and the rest had been cut because of the cutback in all budgets. Mr. Croft said he would recommend adding the other positions that were eliminated plus an additional attorney for the Department of Fish and Game. He noted that Highways had been taken care of here and is now in the Reimbursable Services. Mr. Croft said the Governor's Office took the Highways and Commerce attorneys out of these departments and are creating a separate section in Law called Reimbursable Services. Mr. Freer asked if Mr. Croft suggested taking the Fish and Game attorney directly out of the general fund. Mr. Croft said this should eventually be under reimbursable funds, if the attorney was to do nothing but Fish and Game work. However, for the

first year, they should put him in the Department of Law and fund it in that manner until they see how much of his time will be used at Fish and Game. Mr. Croft said his intent is that this attorney would be in the budget, and then it would be up to Fish and Game to decide when he was needed. Mr. Freer said he would not object on that basis. Mr. Croft said if after a year the attorney was needed full time then they could put the funding for this position under Fish and Game. Mr. Haugen said the Department of Fish and Game needs an attorney for at least two years full time and he would want legislative intent that this attorney will be physically available to the Department of Fish and Game. Mr. Croft said he thought they should make the legislative intent to read that this attorney will be used as much as necessary by the Department of Fish and Game, and Fish and Game would pay his travel and contractual services. This allows Fish and Game authority to provide travel for this attorney, but it will be paid out of their budget if they do.

There was a brief discussion on the Fish and Game Board meetings.

Mr. Ray said he couldn't believe that Fish and Game needs a full time attorney. Mr. Croft said what he suggests ^{is} doing/simply to set him up and if next year he is being used full time then they would put him under Reimbursable Services. Mr. Croft added that he thought it was very important from the Department of Law standpoint that they clearly establish that this man is responsible to the Attorney General. They would set it up so that the Fish

and Game could determine the extent this man would be used but if they start setting up separate attorneys in different departments that this would get very confusing and could lead to difficulty as the Attorney General's opinion might differ from the opinion established by an attorney from a different department, and the Attorney General could be put in the position of defending in court an opinion that he had not agreed to. Mr. Croft noted that it should be legislative intent that they intend to provide an attorney that handles the work needed by Fish and Game but the actual legal work is under the Attorney General. Mr. Croft moved and asked unanimous consent that this attorney be placed in the Attorney General's office and be assigned to Fish and Game as necessary, and full time if necessary. Mr. Ray said that even though this employee was under the Department of Law they would write legislative intent that the Department of Fish and Game had first choice of his time. Mr. Ray moved the figure of \$1,030,000 for personal services, Department of Law, which would provide an attorney for the Department of Fish and Game. Mr. Croft objected and moved to amend the motion to include the Attorney IV in Anchorage. Mr. Sackett objected. Mr. Croft moved to amend the motion that they allow the Attorney IV position in Fairbanks. Mr. Sackett objected. Mr. Croft moved to amend the motion to allow the Clerk Steno III in South Central, the Clerk Steno III in Southeast, and the Clerk Steno III in Central. Mr. Ray called for a vote of all those in favor of adopting Mr. Croft's motion. Motion

LEGISLATIVE
INTENT

failed. It was then agreed upon that all the committee would add would be the attorney and secretary for the Fish and Game Department. Mr. Ray moved and asked unanimous consent that the figure of \$1,040,000 be adopted and that the legislative intent show that this increase would provide for an attorney to be used by the Fish and Game Department, with the authority for this position in Department of Law; his first priority will be in the Department of Fish and Game. The motion carried 5-2.

Recess:

The meeting recessed at 10:00.

AFTER RECESS

1:40 p.m.

Present: All members and Mr. Mario Martini from the Division of Budget and Management.

Dept. of Law Chairman Ray called the meeting to order. He reviewed Administration and what had happened in the morning meeting of the closeout Operation of the Department of Law by saying that personal services Personal had been changed to \$1,040,000 to include an attorney Services: and secretary for the Department of Fish and Game.

Travel: Mr. Croft said that \$5,000 should be removed from the travel code (on pages 16-18) relating to Fish and Game and Department of Highways because this had been placed in Reimbursable Services and had not been deleted from the travel.

Mr. Croft said it is the subcommittee's recommendation that \$1,000 be added to transportation of new hires, code 250. Mr. Borer noted that the subcommittee recommended in personal services that the department be allowed to budget at step d and asked why they should have additional travel for new hires. Mr. Croft noted that they had four vacancies and each time they travel it takes about \$500 for someone to come from outside Alaska, and he felt that only allowing the department \$1,000 was unrealistic. He said when he reviewed this budget the department had assured him that the figure of \$44,100 was sufficient for the travel for the three new positions that were requested but as only one of these was allowed Mr. Croft felt that they could have reduced travel by \$750. In essence,

this would pay for transportation of new hires.

There was a discussion on this and it was moved and asked unanimous consent that the figure of \$39,100 be adopted for travel. Motion passed.

Contractual
Services:

Mr. Croft said the subcommittee recommends that transportation of things, code 350, be increased \$1,000 for a total of \$6800. Mr. Borer said they had increased the communications, code 310, by \$8,000 and that he was not aware of any problems in transportation of things when they had discussed the budget. Mr. Croft moved and asked unanimous consent that code 350 be increased by \$1,000. Motion failed.

There was a brief discussion on code 380, professional fees and services, and it was moved and unanimous consent was asked that the figure of \$314,700 be adopted for contractual services. No objection, so ordered.

Commodities:

Mr. Croft moved and asked unanimous consent that this figure be changed to \$16,100 to provide \$500 which was requested by the Department of Fish and Game in the fiscal note on HOUSE BILL 140. No objection, so ordered.

Equipment:

Mr. Croft moved the figure of \$9,700 which includes a \$2,400 increase for the Fish and Game position. Mr. Ray objected. Mr. Borer said when he reviewed the Fish and Game budget that the Budget Review Committee was far more liberal with that budget and he felt there was more leeway to provide for this in the Fish and Game budget. He said it is reasonable that the subcommittee would want this support to be provided by Fish and Game and this should be done by legislative intent. Mr. Croft said the

Attorney General prefers this to be in the Department of Law. Mr. Ray said if the attorney does most of his work in Fish and Game as anticipated then the equipment used should be provided by Fish and Game. Mr. Haugen commented that he would like legislative intent to follow on this all the way through. Mr. Ray amended Mr. Croft's motion to keep the Governor's allowance of \$7,300 for equipment. Motion carried.

Judgment Claims

On code 740, Mr. Croft moved the figure of \$4,000. No objection, so ordered.

Inter-Agency
Charges:

On Code 910, there was a discussion on the investigator positions that are paid for under this code. Mr. Martini said that Public Safety will be reimbursed by the Department of Law for these positions. Mr. Ray asked why the Budget Review Committee had cut their travel and Mr. Martini said they felt the \$41,900 allowed under code 910 was enough to cover the cost of these investigators including their travel. Mr. Croft moved that ^{the} \$2,400 be restored under code 920, travel. Mr. Borer amended Mr. Croft's motion to make this amount \$1,200. No objection, so ordered. This made the total figure for Inter-Agency charges \$49,200. No objection, so ordered.

Reimbursable
Services
Personal
Services:

Mr. Croft noted that personal services included \$27,000 for a Chief Attorney's position that is being funded from Department of Highways inter-agency funds. Mr. Croft said with the exception of that position these are federal matching funds (90%). Mr. Croft said he would request funding of the full amount and there is no vacancy and turnover included. He noted the problem of approving this

as set up because they created a Chief of Highways Attorney VI within the Right Away Division and the Attorney General objects to having an attorney who is an administrative officer in another office. The total figure for personal services was \$237,700. No objection, so ordered.

It was moved and unanimous consent was asked that the following figures be adopted for Reimbursable Services:

Personal Services	\$237,700
*Travel	7,400
Contractual	21,900
**Commodities	3,000
***Equipment	11,000
	<hr/>
	\$281,000

*Travel: Mr. Ray objected to the term "or designee" shown under person attending column in travel. There was a brief discussion on this and Mr. Ray withdrew his objection.

**Commodities: Mr. Ray noted the incomplete breakdown of commodities and Mr. Martini said one of the reasons this budget does not have more information was that it was prepared a day before the budget was finalized and therefore was put together rather hastily.

***Equipment: Mr. Ray felt the amount requested, \$12,000, was too much. Mr. Croft said they are setting up new positions and compared this to the fiscal note he had received regarding the Public Defender and felt this would compare favorably. Mr. Croft moved and asked unanimous consent that this figure be \$11,800 which would eliminate one executive desk. Mr. Sackett amended this figure to \$10,000. Mr. Croft moved to table Mr. Sackett's motion. Motion failed. Messrs. Sackett and Croft withdrew their motions. Mr. Borer moved and asked unanimous consent that the figure be \$11,000. Motion passed.

So, the final figure of Reimbursable Services was \$281,000. No objection so ordered.

The total for Administration and Operation is \$1,470,400 and the total for Reimbursable Services is \$281,000, making a total for the Department of Law Budget of \$1,751,400. It was moved and unanimous consent was asked that this figure be adopted. No objection, so ordered.

Adjournment: Meeting adjourned at 2:35 p.m.

HOUSE FINANCE COMMITTEE MEETING
Wednesday, March 26, 1969
9:00 a.m.

Present: All members except Mr. Haugen. Mr. Freer from Budget and Management was also present.

HB 65: Mr. Ray moved and asked unanimous consent that the committee consider HOUSE BILL NO. 65 (\$1,000,000 supplemental to Natural Resources for fire suppression).

No objection, so ordered.

Mr. Ray told the committee that the state must pay an annual pre-suppression fee of 3 cents an acre on state lands and then pay the balance of what it costs to the federal when they bill the state. The state had more fires this past fiscal year than in some time, according to Mr. Ray and that is why this figure is up. Mr. Croft asked Mr. Ray if he had the determination that this was the right amount due and Mr. Ray assured him that he had. They had been told that the actual figure was \$1,875,000, but it is hoped they can manage for now with \$1,000,000.

Mr. Ray then moved and asked unanimous consent that the committee report out HOUSE BILL NO. 65 with "do pass" recommendation.

No objection, so ordered.

DEPARTMENT OF
PUBLIC SAFETY

Mr. Ray asked about the lack of vacancy and turnover and Mr. Freer told him the number of employees (4) did not warrant it.

Commissioner's Office
Personal Services:

Mr. Ray moved the \$71,900 as originally requested plus the \$68,000 (that the Governor has now requested for a narcotics squad) for a total of \$139,900 for the Commissioner's Office for personal services. Mr. Croft objected, stating he not only objected to the program, but thought uniforms especially a waste since he understood they would not be making arrests. He went on to say that if the Governor wants to do anything in this area, he felt it should be handled in somewhat the same way they are handling the alcoholic problem. Mr. Ray then amended the figure for the narcotics squad to \$60,000. Mr. Croft amended the motion that they would have one additional trooper in Fairbanks and one in Southcentral (rather than a total of 5 as requested). Mr. Ray objected and on vote, the motion failed.

Mr. Croft then moved and asked unanimous consent that instead of 5 troopers, they have one for Juneau, one for Fairbanks and one for Anchorage. Mr. Ray again objected and on vote the motion failed. Mr. Ray renewed his motion to amend the figure to \$60,000 and the motion failed 3-3.

Mr. Ray said the meeting would adjourn until 7 p.m. and the budget for Public Safety would be taken up at that time.

Mr. Borer objected.

Mr. Croft left the meeting.

Mr. Ray requested that Mr. Personett, Commissioner for Department of Public Safety be instructed to come to the meeting. The committee recessed briefly while awaiting Mr. Personett's arrival.

Mr. Personett arrived and Mr. Ray told him the committee needed more information on the purpose of the narcotics squad. Mr. Personett stressed the point that these men would not be in uniform all of the time. He said the idea behind the squad has been misunderstood by some people whereby it was felt that the purpose was to arrest everyone. He said the department is now in a situation where they have no one trained in narcotics; no one to appear in public, go to schools plus they don't have people with knowledge to go out and enforce the law on misuse of drugs. The department wants these people specifically assigned to this task, thence they would be able to work in all phases of it -- not only arrest pushers, users, etcetera, but also pass the word to schools, public meetings, etcetera, or in other words try to get the public aware of the problem. He said that many people think this is not the state troopers' realm and they would insist on taking a hard line but he emphasized that this was not true. During the past two years, new information has come out about narcotics and LSD; and people who are using it realize it is unpredictable so a big percentage of these people are swearing off because it is too dangerous. They want to get to those who might try it for the first time. The method, as far as marijuana is concerned, would be to bring the facts right out to the people and he did not necessarily mean the facts that were established

or believed two or three years ago, e.g., anyone who smoked marijuana would go on to hard narcotics. He admitted that a good percentage of the heroin users used marijuana when they first started but this is only a small segment, he felt, of those who have used marijuana. He expressed the need for the committee to have a session while here in Juneau with Dr. Bloomquist and Professor Atamian, Associate Professor of Sociology at the University of Alaska. They are presently appearing in Juneau and discussing drugs, and he thought the committee could better understand the department's feelings, as these two men are able to put into words where he, Mr. Personett, is unable to do so.

Mr. Ray reminded Mr. Personett of a meeting last year with the former Attorney General and a person that was considered to be a worldwide figure -- Dr. Joel Ford -- on the subject of drugs. Mr. Personett said this was the other side of the coin; and, in actuality Dr. Ford, who advocates the legalizing of marijuana, is not respected even in his own state or community. He is not only not respected by the police, but not by other professional people either. Mr. Ray told him they were not discussing philosophy, they would just like to put this money into work towards alcoholism. He felt the state was already doing a good job on narcotics. Mr. Personett pointed out that though alcohol could be a problem with children, he felt drugs were directly affecting

then and he felt that with this squad, this is something that is possible to stop now -- they want preventative medicine.

Mr. Bradner disagreed and said it was not preventative, it was after the fact, the "sore" is there.

Mr. Personett informed the committee that the goal for these five people would be: 1) prevention; 2) education; and 3) enforcement.

Mr. Bradner could see no reason why these five troopers had to have labels and wanted to know why five people from the Department of Public Safety couldn't go out and do the job without all this emphasis on a "narcotics squad." He felt that in the past when people have gone in to talk to students, they were unable to communicate and he could not see where five state troopers would be able to communicate any better. He suggested giving some thought to finding one person who was talented in getting his point across, that this one person could be far more successful than five troopers and he would be willing to support this kind of program.

Mr. Personett agreed that if they were to take just any five troopers, that they, of course, would not have this information, and that the kids they were trying to convince would know far more about drugs than they would. He said the purpose of getting five men to do this work exclusively is so they can go to training school, learn and stay on top of the latest and that is, he pointed out, reason for all of the training listed in this special budget. He specifically mentioned

the problem in Fairbanks; however, he felt other states had far bigger problems than Alaska as a whole and this is what they want to solve, before it becomes any bigger.

Mr. Ray announced to the committee that the meeting would have to recess as he had just received word that they would have to report to the floor of the House.

Recess: Meeting recessed at 10:00 a.m.

HOUSE FINANCE COMMITTEE
Thursday, March 27, 1969
9:00 a.m.

Present: All members with the exception of Mr. Sackett.

Chairman Ray called the meeting to order at 9:00. He assigned the following bills, directing the members to have them ready to be reported out tomorrow.

	HB 50 (Teachers' retirement act)	Mr. Boxer
Bill Assignments	HB 297(Assistance - Persons displaced by highway)	Mr. Croft
	HB 48 (Western interstate nuclear compact)	Mr. Bradner
	SB 64 (legal holidays)	Mr. Ray
	SB 228(Coupon interest rate for state GO bonds)	Mr. Sackett
	HP 233(Sale of timber and materials)	Mr. Haugen
	HB 47 (Assaying and analyzing of Alaskan ores and minerals)	Mr. Hohman

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

HOUSE FINANCE COMMITTEE
Friday, March 28, 1969
9:00 a.m.

Present:

All members with the exception of Mr. Bradner.

HB 50

Mr. Ray moved and asked unanimous consent that HB 50 (An Act amending the Teachers' Retirement Act). Mr. Ray said that the Attorney General said there is an error in the language in the original bill so that survivor would not be entitled to the cost of living allowance, but the committee substitute clears this up. Going through the bill, Mr. Borer said that on page 1, line 23 the new language "first of the" is not explicit enough. On page two, Sec. 14.25.080, the bill changes the deposit sum by the state to be deposited monthly rather than semi-annually. Mr. Borer said that he wants to check with Administration to make sure this is feasible. He said he was not sure if page 3, section 8, was retroactive to section 6. In section 7, page 3, Mr. Borer said if they have not been paying the minor children the survivors allowance now, it seems to him it has to have some impact on the Retirement Fund. He wants to know what that is.

HB 297

He said that he had been told there would be no state money added. Mr. Ray directed Mr. Borer to research further Mr. Croft, in response to Mr. Ray's request that he bring up HB 297 (Providing for relocation assistance and authorizing payments to persons displaced by highway activities), said that he has been told this is provided for in the budget breakdown but said he has been unable

to find it. Therefore, he requested further time to research.

CSSB 64 am

Mr. Ray moved and asked unanimous consent that CSSB 64 am (changing the dates of certain legal holidays) be considered by the committee. No objection, so ordered. Mr. Ray read the letter from the Governor. This bill is in keeping with recent federal legislation. Mr. Ray moved and asked unanimous consent that the bill be sent out with individual recommendations. No objection. The bill was passed out of committee with 4 "no recommendation" votes and two "do pass".

SB 228

Mr. Sackett moved and asked unanimous consent that SB 228 (Increasing the maximum coupon interest rate for state general obligation bonds) be considered by the committee. He read the Commerce Committee amendment which changes line 13 to "life of the bonds not to exceed six and one-half per cent a year" rather than six per cent, and added on to line 16 " unless a longer period is specifically authorized by statute." Mr. Sackett then read the Governor's letter which accompanied the bill. Mr. Borer moved and asked unanimous consent that the bill be passed out of the committee with a "do pass" recommendation. Mr. Sackett objected. The bill was passed out of the committee with four "no recommendations" and two "do pass as amended".

HB 47

Mr. Hohman moved and asked unanimous consent that HB 47 (Relating to assaying and analyzing of Alaskan ores & minerals) be considered. No objection. Mr. Hohman said that Mr. Wallington said there will be no cost to this

as they can make the determination where needed.

There was an amendment by the Resources Committee which he read. Mr. Croft moved and asked unanimous consent that the bill be reported out with individual recommendations. Mr. Sackett objected and moved that the bill be postponed. Mr. Ray ruled him out of order. Mr. Borer said that he objected to section (2) on the second page which reads "a description, as precise as possible, of the location where the sample was taken." Mr. Haugen also objected. Mr. Croft said that the section also provides that the information will be confidential, and that this information would be valuable to the state. Mr. Borer said he can appreciate the value to the state but he thinks a person ought to have a year from the time of assay before giving the information, to allow himself time to set up a stake. Mr. Ray said that in the interest of time, they could pass the bill out of committee with "no recommendation" and make individual recommendations on the floor as amendments or committee substitutes. He moved and asked unanimous consent that the bill be passed out of committee with a unanimous "no recommendation". No objection, so ordered.

SB 105

Mr. Ray moved and asked unanimous consent that SB 105 (Authorizing the construction of a life-size statue of Senator E. L. "Bob" Bartlett) be considered. No objection. He moved and asked unanimous consent that the bill be passed out of committee with individual recommendations. The bill was reported out with 5 "do pass" recommendations and one "no recommendation."

HB 279

Mr. Croft moved and asked unanimous consent that HB 279 (Relating to the persons eligible to receive workmen's compensation benefits) be considered by the committee. No objection. He said that this bill only affects the Workmen's Compensation Act and provides the term "dependent" include persons of any age spending their first four years of vocational school or college and any age person attending high school. Mr. Ray moved and asked unanimous consent that the bill be passed out with a unanimous "do pass" recommendation. No objection, so ordered.

Recess:

The meeting recessed at 9:45.

AFTER RECESS
11:50 a.m.

HB 142

Mr. Ray called the meeting to order with all members present except Messrs. Bradner and Sackett. Mr. Ray moved and asked unanimous consent that the committee consider HOUSE BILL NO. 142 (relating to education of exceptional children within the state). No objection so ordered. After discussing the definition of "exceptional" children, Mr. Hohman moved and asked unanimous consent that the committee delay consideration of HB142 until a full committee was present. Mr. Ray assigned the bill to Mr. Hohman for further research and to report out on Monday.

Adjournment:

Meeting adjourned at noon.

HOUSE FINANCE COMMITTEE
Saturday, March 29, 1969
11:20 a.m.

Present:

All members with the exception of Mr. Sackett.

BILL SESSION

HB 313

Mr. Hohman moved and asked unanimous consent that HOUSE BILL NO. 313 (Appropriation to Mr. Werner Borher) be considered by the committee. No objection. Mr. Ray moved and asked unanimous consent that the bill be passed out of committee with a "do pass" recommendation. Mr. Croft objected. He said that there were two points about which he had question. One is whether the state paying this money would prevent a court case if there would have been one, and two is why only Mr. Borher's expenses would be paid. Mr. Ray assigned the bill to Mr. Croft to research.

HB 255

Mr. Ray moved and asked unanimous consent to bring up HB 255 (Establishing the Alaska Law Revision Commission). No objection, so ordered. Mr. Ray said that there is a \$10,000 fiscal note from the Director of Legislative Affairs, and another note for \$4290. He said that he feels the \$10,000 note is more accurate. Mr. Croft said that he would say ^{with} the \$10,000, which is less than the salary of one attorney, they could **get** many times that much money and savings by updating the statutes. Mr. Ray moved and asked unanimous consent that the bill be passed out of committee with individual recommendations. No objection. The bill passed out of committee with four "do passes" and two "no recommendations."

Mr. Irwin Metcalf came in at this point.

Mr. Ray moved and asked unanimous consent that HCR 44 (Relating to completion of the Resurrection Valley Tourist Access Road) be considered by the committee. No objection, so ordered. Mr. Metcalf was present to present testimony on this resolution. He said that the 1964 earthquake had virtually destroyed the economy of Seward and said the town really has nothing, and that they hope that if they get this road up to their glacier their tourist industry can be built up considerably. He presented some various facts and figures which are in the bill file. Mr. Croft asked Mr. Metcalf how he would feel about an amendment to change the wording "requested to direct" to "urged to request". Mr. Metcalf again emphasized the importance of this road to the people in Seward. Mr. Metcalf left the meeting, there being no further questions of him. Mr. Croft said that Seward really does need something. However, other members in the committee indicated a fear that since actually many, many communities in Alaska need such an access road or could make good use of such, they would be deluged with similar resolutions if this one passed. Mr. Ray said that he felt the best method of taking care of this would be to take Mr. Metcalf to Mr. Kubley, have them get together with the Commissioner of Highways, and see if they could get any funds from off-system roads. Mr. Croft moved and asked unanimous consent that the resolution be tabled. Mr. Borer amended the motion to have the resolution held in subcommittee until consultation had been held with the

CSHB 85

Governor's Office. No objection, so ordered.

Mr. Ray moved and asked unanimous consent that CSHB 85 (Relating to the sale of beer at recreational events) be considered by the committee. No objection, so ordered.

Mr. Ray said that the original bill by Mr. Kay had been for the sale of "liquor" instead of "beer" but that the State Affairs Committee Substitute changes that. The Committee Sub also limits the definition of recreational events. Mr. Ray read a letter from ABC Director, Mr. Millsap, which recommends two further amendments.

One of these, that the ABC Board shall promulgate regulations where necessary to further define this act, is unnecessary since it is already a statutory provision.

The other, that beer only be sold in paper containers,

Mr. Ray moved and asked unanimous consent that the committee accept. No objection, so ordered.

Mr. Ray moved and asked unanimous consent that the bill be passed out of committee with individual recommendations.

No objection. The bill was passed out of committee with the committee recommending HB 85 be replaced with State Affairs Committee Substitute for HB 85 with attached Finance Committee amendment, and five members voting "without recommendation" and one "do pass."

Department of
Labor
Leg. Intent

Mr. Ray read a request for a safety inspector in Kodiak. He recommended that legislative intent be written stating that it has come to the attention of the legislature that because of increased commercial activity in the Kodiak area that they need either stationing of or regular visitation by a Department Safety Inspector.

Mr. Borer objected, stating that they do have regular visitation. Mr. Ray said not in any adequate amount.

Bill Assignment:

Mr. Ray assigned HB 307 to Mr. Haugen.

He directed Mr. Croft to have HB 127 ready for reporting next week some time.

University of
Alaska

Mr. Ray said that when they go over the University of Alaska budget, he wants the committee to go into the legal services, because the University had been specifically directed last year not to go into this and had anyway. He also said that he want the pea project moved out of the University and into the Department of Natural Resources, Division of Agriculture.

Recess:

The meeting recessed at 12:00 until 2:00.

AFTER RECESS

2:00 p.m.

Present: All members except Messrs. Bradner and Sackett.
Mr. Richard Freer from Budget and Management was also present.

Dept. of Administration
Commissioner's Office
Chairman Ray called the meeting to order.

Office of the Commissioner: Mr. Borer moved the following figures:

Personal Services	\$100,700
Travel	5,000
Contractual Services	12,700
Commodities	400
Equipment	1,000
Inter-Agency Charges	3,300
	<u>\$123,100</u>

Mr. Borer moved and asked unanimous consent that the figure of \$123,100 be adopted. No objection so ordered.

Internal Audit: Mr. Borer moved the following figures:

Personal Services	\$102,400
Travel	2,500
Contractual Services	1,000
Commodities	200
	<u>\$106,100</u>

Mr. Borer moved and asked unanimous consent that the figures of \$106,100 be adopted. No objection so ordered.

Management Trainee Program: Mr. Borer moved the following figures:

Personal Services	27,700
Travel	700
Contractual Services	1,600
	<u>\$30,000</u>

It was moved and unanimous consent asked that the figure of \$30,000 be adopted. No objection, so ordered.

This made the total for the Commissioner's Office \$259,200.

It was moved and unanimous consent asked that this figure be adopted. No objection, so ordered.

Personnel Administration (See pages 739, 740 of Minutes showing this reduced from 12 to 7 new positions.)

Personnel

Administration: Mr. Borer moved on the following figures:

Personal Services	\$346,100
Travel	7,400
Contractual Services	37,100
Commodities	3,500
Equipment	4,000
Inter-Agency	5,000
	<u>\$403,100</u>

It was moved and unanimous consent asked that the figure of \$403,100 be adopted. No objection so ordered.

Personnel
Board:

The total of \$3,600 was the same as the Governor's allowance. No objection so ordered.

Mr. Ray then moved and asked unanimous consent that the committee adopt the total figure of \$406,700 for Personnel Administration. No objection, so ordered.

Budget & Management

Budget
Services:

Mr. Borer moved the following figures for Budget Services:

Personal Services	\$133,500
Travel	1,500
Contractual Services	2,900
Commodities	2,000

Equipment	1,200
Inter-Agency Charges	3,800
	<u>144,900</u>

Mr. Borer moved and asked unanimous consent that the figure of \$144,900 be adopted. No objection, so ordered.

Central Services:

Mr. Borer moved the following figures:

Personal Services	25,900
Contractual Services	31,900
Commodities	8,000
Equipment	<u>0</u>
	65,800

Equipment: There was a brief discussion on this and Mr. Freer requested that \$100 which was shown in equipment for a chair be taken out. So the figure was set at -0- for equipment. Mr. Borer moved and asked unanimous consent that the total of \$65,800 be adopted. No objection so ordered.

Records Management:

Mr. Borer said that the subcommittee recommended leaving this as shown in the Governor's Allowance and moved and asked unanimous consent that the figure of \$16,900 be adopted. No objection, so ordered. However, Mr. Ray moved and asked

Legislative Intent

unanimous consent that it be legislative intent that if the position of Record Management Supervisor was not filled this money would lapse into the general fund and not be used for any other purpose. No objection, so ordered.

Mr. Borer moved and asked unanimous consent that the total of \$227,600 be adopted for Budget & Management. No objection, so ordered.

Finance

Mr. Borer moved the following figures:

Personal Services	\$322,300
Travel:	1,000

Contractual Services	25,200
Commodities	1,700
Equipment	6,000
Inter-agency charges	<u>3,600</u>
	359,800

Mr. Borer moved and asked unanimous consent that the committee adopt the figure of \$359,800 for Finance.

No objection, so ordered.

Division of Supply

Mr. Borer moved the following figures:

Central Supply Services:	Personal Services	282,100
	Travel	3,000
	Contractual Services	22,900
	Commodities	4,000
	Equipment	3,200
	Inter-Agency Charges	<u>3,500</u>
		318,700

Mr. Borer said they had related to the charges of last year in determining the subcommittee's recommendation for this and Mr. Ray moved and asked unanimous consent that the figure of \$318,700 be adopted for Central Supply Services.

No objection, so ordered.

Central Duplication:

Mr. Borer moved the following figures:

Personal Services	51,200
Travel	100
Contractual Services	8,500
Commodities	60,900
Equipment	<u>10,200</u>
	130,900

Mr. Borer moved and asked unanimous consent that the figure of \$130,900 be adopted.

No objection, so ordered.

Central Mail
Service:

Mr. Borer moved the following figures:

Personal Services	37,600
Contractual Services	2,900
Commodities	1,100
Equipment	200
	<u>41,800</u>

Mr. Borer moved and asked unanimous consent that the figure of \$41,800 be adopted. No objection, so ordered.

Mr. Borer moved that the figure of \$491,400 be adopted for Division of Supply. No objection, so ordered.

Data
Processing:

Mr. Borer moved the following figures:

Director &
Operations:

Personal Services	317,700
*Travel	3,200
Contractual Services	375,200
Commodities	30,900
Equipment	12,500
Inter-Agency Charges	2,000
	<u>741,500</u>

He moved and asked unanimous consent that the figure of \$741,500 be adopted. Mr. Ray objected.

Travel:

*Mr. Ray questioned the travel amount and Mr. Borer said he felt this was justified because of the two new positions. Mr. Croft said the travel should be held at \$3,000 which is a 50 per cent increase and moved that it be amended to \$3,000. Motion failed.

He then moved and asked unanimous consent that \$741,500 be adopted. No objection, so ordered.

Systems &
Programming:

Mr. Borer moved on the following figures:

Personal Services	309,400
Travel	4,300
Contractual Services	1,700
Commodities	600
Equipment	1,000
Inter-Agency Charges	600
	<u>317,600</u>

Mr. Borer moved and asked unanimous consent that the figure of \$317,600 be adopted. No objection, so ordered.

Anchorage:

Mr. Borer moved on the following figures for the Anchorage

Data Processing:

Personal Services	251,700
Travel	2,100
Contractual Services	95,400
Commodities	10,500
Equipment	11,100
	<u>370,800</u>

Mr. Borer moved and asked unanimous consent that the figure of \$370,800 be adopted. Mr. Ray objected.

Mr. Ray discussed this briefly stating that he objected to moving offices from the capital city to other cities of the state. Mr. Borer stated that this office was necessary because of the lack of a decent communications system. Mr. Ray noted that there had been an increase in this operation from 1967-68 to 69-70 of some \$365,000.

The figure of \$370,800 was put to a vote and everyone but Mr. Ray was in favor of this figure.

Mr. Borer then moved and asked unanimous consent that the total figure for Data Processing of \$1,429,900 be adopted.

Mr. Ray objected. This was put to a vote and all the committee members except Mr. Ray were in favor of this figure so \$1,429,900 was adopted.

FICA
Administration

Mr. Borer moved and asked unanimous consent that the figure of \$13,500 be adopted for FICA Administration.

Mr. Ray objected and then after a brief discussion withdrew his objection. So the figure of \$13,500 was adopted.

Pioneers' Home
Sitka:

Mr. Borer moved the following figures for the Sitka Pioneers' Home:

Personal Services	548,800
Travel	3,000
Contractual Services	51,600
Commodities	107,500
Equipment	15,000
Lands & Structures	10,000
Grants, Claims	48,700
	<u>784,600</u>

Mr. Borer moved and asked unanimous consent that the total figure of \$784,600 be adopted. No objection, so ordered.

Pioneers' Home
Arbans:

Mr. Borer moved on the following figures:

Personal Services	267,500
Travel	2,400
Contractual Services	57,800
Commodities	79,000
Equipment	5,600
Lands & Structures	500
Grants, Claims & shared	14,400
	<u>427,200</u>

Mr. Borer moved and asked unanimous consent that the figure of \$427,200 be adopted. No objection, so ordered.

Mr. Ray moved and asked unanimous consent that the figure for the Pioneers' Home of \$1,211,800 be adopted.

No objection, so ordered.

Administration of
Retirement Systems
Public Employees
Retirement System:

Mr. Borer moved on the following figures:

Personal Services	23,900
Travel	3,700
Contractual	33,000
Commodities	500
Equipment	900
Inter-Agency	22,600
	<u>84,600</u>

Mr. Borer moved and asked unanimous consent that the committee adopt the figure of \$84,600. No objection, so ordered.

Teachers' Retirement

Administration: Mr. Borer moved on the following figures:

Personal Services	34,000
Travel	2,800
Contractual Services	34,000
Commodities	500
Equipment	500
Inter-Agency charges	<u>22,600</u>
	<u>94,400</u>

Mr. Borer moved and asked unanimous consent that the committee adopt the figure of \$94,400 for Teachers' Retirement Administration. No objection, so ordered.

Mr. Ray moved and asked unanimous consent that the committee adopt \$179,000 for the total of Administration of Retirement Systems. No objection, so ordered.

Retired Employees' Benefits:

Mr. Borer moved and asked unanimous consent that this figure be the same as the Governor's allowance - \$8,000. No objection, so ordered.

Surplus Property:

Mr. Borer moved the following figures:

Personal Services	89,200
Travel	2,100
Contractual Services	14,200
Commodities	5,400
Equipment	<u>200</u>
	<u>111,100</u>

There was a brief discussion on this and Mr. Freer noted this has always been in Anchorage.

Mr. Borer moved and asked unanimous consent that the committee adopt the figure of \$111,100. No objection, so ordered.

Mr. Borer moved and asked unanimous consent that the figure of \$4,597,907 be adopted for the Department of Administration. No objection, so ordered.

HB 142

Mr. Ray moved and asked unanimous consent that the committee consider HOUSE BILL NO. 142 (education of exceptional children within the state). No objection, so ordered. Mr. Ray noted it is easier and cheaper to send exceptional children from Southeast Alaska to outside organizations than it would be to send them to Anchorage. Mr. Croft suggested that the committee ask Dr. Beirne to discuss this with them, and also suggested that they might discuss HOUSE BILL NO. 251 (purchase of primary services by the Department of Health and Welfare from private voluntary institutions and agencies).

There was no further discussion on HOUSE BILL NO. 142 and it was returned to the files.

Adjournment: Meeting adjourned at 3:10 p.m.

HOUSE FINANCE COMMITTEE MEETING
Friday, April 11, 1969
9:30 a.m.

Present: All members except Mr. Sackett. Representative Gene Guess was also present.

HOUSE
BILL 173

Mr. Ray called the meeting to order and moved and asked unanimous consent that the committee consider HOUSE BILL NO. 173 (an act relating to the deposit and investment of state funds; and providing for an effective date).

Mr. Croft gave a brief explanation of this bill and it was returned to file.

HOUSE
BILL 272

Mr. Croft moved and asked unanimous consent that the committee consider HOUSE BILL NO. 272 (an act relating to depositing of state funds; and providing for an effective date). No objection so ordered. Mr. Croft had a proposed COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 272. Mr. Croft explained that this bill liberalizes the collateral reducing it to 50%.

At the present time a bank has to secure state money 100% and this will reduce this to 50% for certain banks. In answer to Mr. Ray, Mr. Croft said the banks will be determined by the Director of Banking. Mr. Guess added this allows a deduction of 50%.

Mr. Borer objected to this bill. After a brief conversation regarding Mr. Borer's objection, Mr. Croft suggested deleting the section on line 18, "however all state deposits in qualified state banks shall have first priority in the event of insolvency

of the state bank and state funds shall have the highest priority permissible under federal law in the event of insolvency of a federal bank having state funds deposited under this paragraph."

It was decided this section would be deleted and Mr. Croft moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 272 be passed out of committee with a unanimous "do pass" recommendation. No objection so ordered.

Dept. of Public Safety

Mr. Ray noted he had received a memo from Richard Freer giving the figures for the Narcotic Squad for the Department of Public Safety.

General Administration

Office of the Commissioner

Mr. Ray moved the following figures for the Office of the Commissioner which included the additional amount for the Narcotic Squad:

Personal Services	\$115,200
Travel	14,300
Contractual Services	54,800
Commodities	5,700
Equipment	<u>30,700</u>
	\$220,700

Mr. Ray moved and asked unanimous consent that the committee adopt the total of \$220,700. No objection so ordered.

Reserve & Relief

Mr. Ray moved and asked unanimous consent that the committee adopt the figure of \$7,500. No objection so ordered.

Boards

Mr. Ray moved and asked unanimous consent that the committee adopt the figure of \$0 for Boards. No objection so ordered.

Mr. Ray moved and asked unanimous consent that the committee adopt the total of \$228,200 for General Administration. No objection so ordered.

HOUSE
BILL 179

Mr. Ray moved and asked unanimous consent that the committee consider HOUSE BILL NO. 179 (an act establishing the Alaska Police Standards Council). There was a brief discussion and it was moved and unanimous consent asked that HOUSE BILL NO. 179 be passed out with unanimous "do pass" recommendation. No objection so ordered.

Recess: Meeting recessed at 10:00 a.m.

HOUSE FINANCE COMMITTEE MEETING
Friday, April 11, 1969
2:30 p.m.

Present: All members with the exception of Messrs. Hohman and Sackett.
Also present was Mr. Freer of Budget and Management.

Department of Health and Welfare Book I Mr. Borer said that the justifications for increases and decreases for the Department of Health and Welfare are in a prepared notebook, a copy/of which is appended.

Administration Office of the Commissioner Mr. Borer moved and asked unanimous consent that the committee accept the Governor's Allowance figure of \$173,200 for the Office of the Commissioner. No objection, so ordered.

Comprehensive Planning Mr. Ray moved and asked unanimous consent for acceptance of the Governor's Allowance of \$226,500 for Comprehensive Planning. No objection, so ordered.

Administrative Services Mr. Borer moved and asked unanimous consent that the figure of \$946,600, the Governor's Allowance, Be accepted for Administrative Services. No objection, so ordered.
Mr. Borer moved and asked unanimous consent that a total for Administration of \$1,346,300 be accepted. No objection so ordered. Mr. Freer reminded the committee about the Office of Alcoholism that they had wanted to put into Administration and take out of Mental Health. The committee rescinded their action of the total figure. Mr. Ray moved and asked unanimous consent that \$95,000 be added to the Administration portion of the budget for Office of Alcoholism. No objection, so ordered. Mr. Borer moved and asked unanimous consent that a total for Administration of \$1,441,300 be accepted. No objection, so ordered.
The committee decided to pick up \$50,000 from this budget to compensate for their addition to Office of Alcoholism.

Public Welfare

Juvenile Code

The committee voted without objection to remove \$50,000 from the Juvenile Code, leaving a total for that section of \$706,200, and Mr. Borer moved and asked unanimous consent that a total of \$13,007,200 be accepted for the Public Welfare budget. No objection, so ordered. (This figure is the Governor's Allowance less \$50,000)

Legislative Intent

The committee voted on Legislative Intent to state that the money for the Office of Alcoholism is to be directed toward the concept of halfway houses and such, and participation with local community efforts. It is to be directed toward practical programs rather than building up administrative bureauoracy. No objections were expressed to the intent.

Economic Development

Mr. Ray moved and asked unanimous consent that the committee reopen the Economic Development budget for specific amendment. No objection, so ordered. Mr. Croft moved and asked unanimous consent that the Office of the Anchorage Commissioner be deleted from the budget, to make available funds for the Department of Labor to add a boiler inspector and safety inspector. No objection, so ordered. Mr. Ray moved and asked unanimous consent that a total of \$169,000 for the Office of the Commissioner in Economic Development be accepted, which is a reduction of \$29,900. No objection, so ordered. Mr. Ray moved a new total for the Department of Economic Development of \$1,191,500. No objection, so ordered.

Department of Labor

Mr. Ray moved and asked unanimous consent that the Department of Labor be reopened for specific amendment. No objection. Mr. Croft moved and asked unanimous consent for addition under Enforcement of Labor Laws, Labor Law Enforcement,

Labor Law
Enforcement

Legislative
Intent

of a boiler inspector and safety inspector. The given cost for boiler inspector and necessities for him is \$12,400; for safety inspector, \$13,800. The committee decided to add \$25,000 for the two positions. Legislative Intent is to be written that this money will be added to the Southcentral District for a Boiler Inspector I and Safety Inspector I in the sum of \$25,000.

It was moved and unanimous consent requested that a figure for Labor Law enforcement of \$308,700 be accepted. No objection. It was moved and unanimous consent requested that a figure for Enforcement of Labor Laws of \$640,300 be accepted. No objection so ordered. It was moved and unanimous consent requested that a total figure for Department of Labor of \$4,566,800 be accepted. No objection, so ordered.

Adjourned:

The meeting adjourned at 4:30.

COMMISSIONER'S OFFICE

Personal Services

Recommending the same number of personnel except the transfer out of the Commissioner's Office to Administrative Services of one Clerk Typist III. This change of \$3,576, plus the Budget Review Committee's allowance of \$1,100 of a vacancy factor previously taken plus \$1,242 additional cost of employee benefits, accounts for the only changes within personnel services.

Travel

For the current year \$5,100 was budgeted for the Commissioner and Deputy Commissioner to travel, plus \$800 for the Administrative Officer and \$800 for the Systems Analyst. The increase of \$1,000 almost in its entirety is for the Systems Analyst to travel out into the regions to assist in implementing systems designed and placed into operation.

Contractual Services

Fiscal Year 1977-78, excluding contractual services for data processing, the Commissioner's Office spent \$3,250 or a few dollars for the 600 copies produced. For the current year there is authorized \$1,000 and for next fiscal year we are limiting our total request in this area to \$3,800, a reduction of \$650 over the current year's appropriation.

Commodities

A total of \$1,000 is being requested - the same as the current year's appropriation.

Equipment

A total of \$400 is being requested to purchase furniture for the Systems Analyst III. It is anticipated a Systems Analyst or Programmer, or combination thereof, will be assigned to the department on a permanent basis and will require a suite of furniture and temporary equipment can be made available to persons consulting for the department or for persons receiving temporary assignments in the central office.

Inter-Agency Charges

A total of \$41,000 has been allowed by the Budget Review Committee. This amount, as you can see from your budget document, is broken down as to \$10,000 for development of the overall State Information System and \$31,000 for operation. This is \$10,000 less than approved for the current fiscal year.

COMPREHENSIVE HEALTH PLANNING

Personal Services

Budgeting at step D and increased employee benefits account for an increase of \$3,000 applicable to current employees. We are recommending a Systems Analyst II, Soc. Research Spec. I and Statistics Clerk III. The department needs the latter classified people to continue with the development of statistics in order for this department to have management information available and statistics to present to the Comprehensive Health Planning Council so the council can then comprehensively plan for medical treatment and medical facilities throughout the State. This staff increase will cost \$34,100 of which 75% is paid by Federal participation.

Travel

An increase of \$20,000 is being requested to defray travel of council members to at least four meetings a year, executive committee member's travel, staff travel and travel and per diem associated with any special studies the State wishes to undertake. Again, it should be pointed out that all funds allocated under this program are 75% Federally funded.

Contractual

Under the contractual category our budget request is \$100 less than our present appropriation. Whereas we conducted a Title XIX study and were able to charge most of the cost off to this program, it may be necessary to conduct a study at the request of the Comprehensive Health Planning

Council next fiscal year. This would be the only source within the Department of Health and Welfare where funds could be obtained to conduct such a study. As stated previously, seventy-five percent Federal funding is involved.

Commodities

We are requesting \$900 over and above the current year's appropriation. More planning, distribution of printed materials and increased supplies will be required for the council.

Equipment

Request is \$1,000 less than last year and the amount budgeted, \$2,800, is to cover equipment for new personnel, except for one tape recorder amounting to \$400.

Inter-Agency Charges

Computer and key punch time, multilithing, plus utilities and maintenance on building will require an expenditure of \$1,900.

DEFENSE & DISASTER PLANNING

PERSONAL SERVICES

This office is staffed by one planner who is a GS 11 United States Public Health Service employee. Thus, there are no state funds expended for the salary of this assignee.

TRAVEL

An increase of \$500.00 is being requested to cover the cost of inspection of six package disaster hospitals which are located in Anchorage, Seward, Nome, Ketchikan, Juneau and Sitka. Each such hospital must be inspected twice annually and all drugs and equipment of a value of \$ 45,000 per hospital accounted for to the USPHS.

CONTRACTUAL

There is a decrease of \$100.00 in the amount requested last year.

A decrease of \$400.00 in rental as the result of relocation of the office and reoccupation of the space occupied was counteracted by an increase of \$100.00 in postage to cover the costs of mailing Medical Self Help films and training kits throughout the State. There is a decrease of \$100.00 in the funds requested to transport exhibits, etc.

COMMODITIES

There is an increase of \$200.00 in the amount requested which is to cover the planner's commodities cost fully. In the past his stationery and office supplies budgets have been inadequate and have had to be absorbed in other office units.

EQUIPMENT

Nothing requested

(2)

INTER-AGENCY CHARGES

As a result of a pro-rata, utilities, fuel and janitorial service charge not previously made to this office but absorbed elsewhere there is an increase of \$200.00 requested.

FACILITIES DEVELOPMENT

Personal Services

There is an increase of \$600.00 requested over the current year budget to cover the cost of the 2% increase in personnel benefits and to reduce the vacancy and turnover factor applied last year.

Travel

There is a decrease of \$100.00 from the amount requested last year.

Contractual

The increase of \$10,400 over the amount requested last year is the result of the requirement to pick up the maintenance of the Griffin Memorial Hospital in Kodiak which will revert to Department control in March of this year. Costs for electricity, fuel and water are projected at \$8,000, while \$2,000 is for maintenance and \$400 for liability insurance.

Commodities

There is a \$200 increase over the current year to cover costs of publications on construction, equipment, etc. relative to hospitals and for office supplies.

Equipment

No change.

Inter-agency Change

There is an increase of \$800 dollars requested for the cost through central duplicating of the mental health, mental retardation and hospital plans required annually. There is also an increase of \$400 for the pro rata cost office rental which has been reallocated as a result of move of the office.

Mr. Chairman:

The total budget request for the Division of Administrative Services as finally approved by the Governor's Review Committee is \$946,600 representing \$797,800 in General Fund money and \$148,800 in Federal and program receipts. The General Fund request is \$19,300 below the current year authorized. The total budget shows an overall increase of less than 1%.

A detailed analysis of our overall increases and decreases reveals the following:

Personal Services (Net Increase \$44,600)

\$26,100 To pay salaries and benefits for 3 internal position transfers, i.e., 1 Clerk Typist III from Commissioner's Office to Information/Education Section of this division and a Personnel Specialist and Clerk Steno II from Division of Public Welfare to the Personnel Section.

The Information and Education Section is being assigned to Division of Administrative Services effective July 1, 1969. At the present time there are two professional positions in the section and no clerical support. We do have a Clerk IV authorized, but the incumbent of this position operates the Department Film Library. The two professional positions will share the services of a Clerk Typist being transferred in from the Commissioner's Office. Information and Education in the Department of Health and Welfare needs to be strengthened and expanded to meet new educational developments in this area.

The Department has operated 100% federally funded Recruitment Demonstration Project under the Welfare Division for the past two years. This project terminates on June 30, 1969. Our two full time incumbents (Personnel Specialist and Clerk Steno II) have clearly demonstrated the need for full time recruitment staff. They have been successful in bringing professional welfare staff up from a low of 36% of authorized in July 1967 to 84% of authorized as of January 15, 1969. We have at this time 98 professional vacancies within total department; and, whereas, in the past recruitment has been pretty well restricted to welfare workers, we now intend to broaden the scope of operations to include all professional disciplines. We need to continue this effort in order to stay abreast of the department's demands and to hold the gains we were able to make through Federal assistance. The \$18,500 in salary money will pay great dividends in the year ahead.

\$ 3,000 To restore approximately 50% of vacancy/turnover reduction included in FY 1968/69 budget.

\$28,300 To fund the upward reclassification of existing positions, primarily in the Statistics/Vital Records Section. The upgrading of this service is long overdue and has been recognized as an area of greatest need within the Department.

Comment: We have long recognized our inability to provide program divisions with the detailed statistics they must have in order to effectively manage their increasingly complex programs and to develop unit costs upon which they can base their budget reports. The 1967 amendments to the Social Security Act, as well as subsequent changes, has placed additional requirements on this section which they are incapable of supplying under present conditions. We need employees of higher caliber to perform technical and detailed work involved in present day research and statistics.

In the Vital Records area we have served as a training ground for general clerks for other State and Federal offices because of the lower classes and pay scale. Employees in these lower clerical classes stay with us until trained and then move on to more pay and less demanding jobs. During this past year we hired 9 new clerks and lost 7. We need a separate Vital Records clerical career field in order to attract and retain our trained personnel.

The Division of Personnel is now working on our requests for reclassification. Thus far, the Chief, Statistical Services position has been reclassified and upgraded.

\$16,100 Unavoidable 2% increase in employee benefits.

\$13,900 To fund two new clerical positions (Clerk Typist III and Clerk Typist II) in Vital Records. In the past we have used program receipts to hire temporary employees. The nature of the work to be performed does not lend itself to the use of temporary employees, especially now that workload is increasing as a result of Native Land Claims and Alaska Driver's License Act.

Also included in this amount are funds to make our part time messenger position in SCRD into a full time position. Increased workload justifies this request.

(\$43,495) This decrease represents salaries and benefits of 4 positions which are being returned to the program division (i.e., 2 positions to the Division of Mental Health and 2 positions to the Division of Corrections). Experience has proven that program divisions cannot do without these full time positions. These are included in their budgets (69/70).

Travel (Net Increase \$1,500)

In order to get the most out of our Department Recruitment Program, the recruiter must visit various population centers and universities both inside and outside Alaska. Without travel funds the recruiter could only

be partially effective in selling a career with the Department of Health and Welfare. We shall continue to concentrate our recruitment efforts for professional personnel within Alaska. This will mean effecting close liaison with Alaskan universities and going outside only when we are unable to find applicants from within the State with the requisite degree and who meet other minimum qualifications.

Contractual Services (Net Decrease \$2,500)

This decrease is due to reallocation of rents, utilities, and equipment rental to program divisions and some very minor increases in other areas. By and large, we are holding to the current year level.

Commodities (Net Increase \$1,700)

This increase is related to central duplicating service charges, and a requirement to purchase additional paper and miscellaneous supplies. We have studied our requirements and find that a bit less is needed in Code 900 and a bit more in commodities.

Equipment (None Requested - Net Decrease \$1,900)

In view of other increases requested for the division, for FY 69/70, we will try to meet our equipment needs through the use of State and Federal surplus rather than request State funds for this purpose.

Inter-Agency Charges - Code 900 (Net Decrease \$35,600)

- (\$ 1,700) Internal transfer to Commodities (Code 400).
- (\$ 5,500) Transfer out. For Department of Administration, Central Duplicating, which is being budgeted within each program division.
- (\$12,400) Transfer out. This represents the program divisions' pro rata share of rent and utility charges in the Health and Welfare Building.
- (\$17,000) Transfer out. These are other building maintenance and repair costs which are not being shown within budgets of responsible program divisions.

The transfer of Code 900 charges to program divisions is necessary and desirable because:

- a. The Division of Public Welfare qualifies for about 50% Federal reimbursement for their program related expenditures, whereas, the Division of Administrative Services is eligible for only 20% Federal reimbursement.
- b. The Division of Public Health receives Federal assistance under a Section 314 block grant and reimbursement for nursing expenditures under the terms of a contract with the Alaska Native Health Service.

- c. Based on results of recent audit, Federal auditors would, in all probability, take exception to and disallow any claim for Federal Public Assistance reimbursement for Code 900 expenditures made in behalf of the Divisions of Corrections, Mental Health, and Public Health.
- d. Considerable time and effort is expended by the Fiscal staff in maintaining up-to-date records of expenditures and making intra-departmental billings for Code 900 charges. This is time which could be devoted to more meaningful and productive work.

GENERAL STATEMENT

DIVISION OF PUBLIC WELFARE

One program "Office of Aging" has been added to the Division of Welfare responsibilities. This was previously within the Commissioner's Office. Including this \$189,800 program, the Division of Welfare budget before you amounts to \$13,057,200 or \$2,844,200 more than the current year's budget and represents a 21.8 percent increase.

As discussed with the House Finance Sub-Committee, the State is presently experiencing a tremendous or unprecedented case load increase in the AFDC and APA programs. For example, during the fiscal years 1962 thru 1968 the AFDC case load increased an average of 149 persons per year. Over prior recent months a marked increased trend has started as detailed below for AFDC cases. These are net additions to the rolls.

August 1968 -	107 persons
September 1968 -	107 persons
October 1968 -	157 persons
November 1968 -	160 persons
December 1968 -	199 persons

We of the Department of Health and Welfare originally projected an increase of 191 individuals for the entire fiscal 1969-70 year over the amount budgeted for the current year. These projections were made during the month of August 1968 and subsequently submitted to budget review committee.

The Budget Review Committee accepted our projections as being valid and included information accordingly in your budget documents. Subsequent to the closure of the budget documents, we have reanalyzed projections and find that cases as stated are now coming onto the rolls at an unprecedented rate and that we should look at a case load of 7764 AFDC individual recipients and 2425 APA cases instead of the case counts reflected in the budget documents. This will necessitate additional State funds as follows:

APA - 2425 x \$110 x 12 =	\$3,201,000
Less Fed. 2425 x \$57.50 x 12 =	<u>1,673,244</u>
State Share	\$1,527,756
AFDC 7764 x \$45.50 x 12 =	\$4,239,144
Less Fed. 7764 x 22 x 12 =	<u>2,049,696</u>
State Share	<u>\$2,189,448</u>
Total State Share	\$3,717,204
Previous Allowed State Exp.	<u>2,440,116</u>
New Additional State Monies Requested	\$1,277,088

Detailed Brief - Administration

In Administration, one new FDP programmer IV has been added to conduct training sessions in the field and to mechanize beyond our initial efforts within the division.

The Division of Public Welfare requested \$91,000 for travel. This figure represented the current \$45,000 for travel plus the current \$38,000 for Air Charter plus an increase of \$8,000. The Governor's allowance of only \$42,200 actually represents a cut of \$40,800 from the current budget. We believe the reason this came about is in the current budget, the travel (code 200) and Air Charter (code 300) are in two different codes, thus the request of \$91,000 in the 1970 budget request, at first glance, would seem to represent a requested increase of \$46,000. It actually was a requested increase of \$8,000 since the approved \$45,000 (200) and \$35,000 (300) total \$80,000. It will be impossible for this Division to carry out its responsibilities to the public with this amount of travel.

Code 200 TRAVEL.

REQUESTED \$91,000

ALLOWED \$42,200

We are asking that the \$40,800 cut be restored to equal our 68-69 budget.

DETAILED STATEMENT OF THE STAFF DEVELOPMENT PROGRAM

The Branch of Staff Development is responsible within the Division of Public Welfare for educational activities which include orientation of Public Welfare staff, inservice training activities, social services, library maintenance, educational leave, training leave, cooperative activities with the University of Alaska and occasional Federal demonstration projects.

The Branch of Staff Development is funded from three Federal matching formulas. Child Welfare training activities are matched with 50% Federal funds, Public Assistance training activities are matched with 75% Federal funds, educational leave for child welfare staff is matched from 100% Federal Children's Bureau funds. The total Staff Development activities average close to 75% Federal and 25% State funds.

The total Staff Development budget has been cut to \$170,600 for fiscal Year 1969-70.

\$49,500 is now budgeted for personal services allowing \$22,900 for for staff (present Social Worker Training Supervisor and Clerk Siteno II) and \$26,600 for seven stipends. We are under a Federal mandate to increase the number of trained staff through educational leave each year. The amount now budgeted provides \$3,800 for each stipend or \$482 per month for nine months. This amount is to cover living costs, tuition, fees, books, thesis costs, insurance, travel from Alaska to the chosen university and return.

\$120,100 is budgeted for contractual services allowing \$600 for communications, \$350 for printing and advertising and \$100 for transportation of equipment. These amounts are a minimum amount to accomplish the requirements of the program.

The \$119,200 is for the University of Alaska Undergraduate Social Welfare sequence. The division acts as a fiscal intermediary between the University of Alaska and the Federal Social Rehabilitation Services. The University of Alaska supplies 25% of the cost and the Social Rehabilitation Services supplies 75% with no cost to the Division. The budgeted amount should be adequate to serve the program.

\$1,000 is budgeted for commodities allowing \$300 for hardbound books for the library and \$700 for professional journals, booklets, professional magazines for distribution to staff for information and training purposes.

1967 Social Security Amendments, Part C, Sec. 430 to Sec. 445 established WIN as a required program for AFDC recipients in all States as of July, 1968, except those with legal barriers. Alaska was one of the first States to implement the program, with 200 training slots budgeted for FY 1968-69. This goal was not reached until 1-69 due to physical limitations on implementing a new program, however these are now 232 active enrollees, and this number is expected to increase monthly to 7-69, to compensate for the earlier deaths.

The WIN program is a joint effort between the Department of Labor and Department of Welfare to train appropriate referrals into becoming wage earning members of society.

The State Welfare WIN staff is the counterpart of Labor and Employment Security WIN people involved with caseworkers and district offices in referring appropriate AFDC recipients.

At the present time funds are being provided for child day care and medical evaluations on persons referred, within prescribed fiscal limits.

We estimate that if only 40 of the 200 obtain full time employment in the fiscal year 1969-70, the program in Alaska will come close to breaking even on expense of training 40 people against having them remain on welfare. An added benefit accrued will be a gain to the state in taxes paid by those who obtain employment.

Welfare's direct fiscal responsibility is designated for pre-referral physical examinations for recipients, payment for child day care services, child care medicals and child care transportation. These and supportive services are broken down and compared to 1968-69 FY as follows:

SUMMARY OF EXPENDITURES BY OBJECT

	68-69	69-70 Request	Increase (Decrease)
100 Personal Services	67,500	67,800	300
200 Travel	6,100	67,000	60,900
300 Contractual Services	159,500	402,100	251,600
400 Commodities	600	600	
500 Equipment	3,900		(3,900)
900 Inter-Agency Charges	51,700	103,200	47,500
TOTAL	284,300	640,700	356,400

The Division is requesting a total of \$640,700 for fiscal year 1969-70 for a 225% increase over fiscal year 1968-69 which was \$284,300. The Federal receipts increased from \$194,200 to \$469,500 for a 242% increase. The State's share increased from \$28,000 to \$160,000 for a 177% increase. This is designed to cover increase of the program to 200 trainees in 1969-70 FY.

Personnel remains the same as 1968-69. The travel request is up from 6,100 to 67,000; \$60,900 of this amount is for transportation for children to day care.

Contractual services are up from \$150,500 to \$402,100; \$388,200 of this amount is to provide child care services. There is also \$8,000 for medical examinations for trainees.

Interagency charges are \$103,200 as required by the 1967 Social Security Amendments. The Division pays 20% of the Total Labor Department's budget of \$516,000.

Source of Funds	68-69	69-70	Increase (Decrease)
317 Federal Receipts (See SA-15) 75%	194,300	480,500	286,200
Unrestricted General Fund	<u>90,000</u>	<u>160,200</u>	<u>70,200</u>
TOTAL	284,300	640,700	356,400

It is expected that the WIN Program will reach its peak in 1971 and then gradually diminish in the years ahead as more and more people are trained. All AFDC caseloads in areas where WIN programs are available, will have been reviewed and recipients tabbed as "appropriate" or "inappropriate" for referral as enrollees or trainees. Evaluation of AFDC families now and after 1971 will continue on the basis of monthly intake and turnover, and district welfare offices will be responsible for review of cases which might be appropriate for referral at a later date. We hope to avoid any type of pressurized quotas, which happened once, and insure development of a stable, expanding program where trainee turnover and dropouts will be reduced. Working relationship with Department of Labor and Employment Security has improved, however as we expand into new areas it will be necessary to fill some of the WIN staff positions which are presently vacant for various reasons, and provide them with adequate operating funds. The areas we hope to serve include Ketchikan, Wrangell, Petersburg, Juneau, Metlakatla, Sitka, Anchorage, Kenai, Kodiak, Bethel, Fairbanks, Barrow, Nome, Kotzebue, Savoonga, Shishmaref and Umanakleet.

Licensed and approved day care facilities will be necessary to provide adequate day care for children of the trainees, and it appears now that some of this will have to be done by personnel in local district offices. This may mean transfer of or additional funds for travel by district office workers, as their present administrative bonies are quite limited. An example of this would be Ketchikan where outlying areas of Petersburg, Wrangell and Metlakatla would need investigation, and where such contacts as fee agents may not be available, nor would be qualified to do this. The Department of Labor is adding two additional counselors to their staff to provide for expanding needs and services FY 69-70, this is listed under Code 100 on attached Brief of the Labor WIN budget.

For the size of our population, Alaska probably has proportionately more needy persons who require upgrading of their employable skills than large states. Development of AFDC families into tax paying workers will depend on the amount of funds available to accomplish this.

FY 1969 - 1970 BUDGET PLAN EMPLOYEE SECTION DEPARTMENT OF LABOR - WIN

EXPENDITURES BY OBJECT	1967-68 Actual	1968-69 Authorized	Department Request	1969-70 ESTIMATE Increase (Decrease)
10 Personal Services		121,546	173,200	51,654
20 Travel		7,679	16,400	8,721
30 Contractual Services		115,418	249,900	134,482
40 Commodities		2,027	3,000	973
50 Equipment		6,509	2,500	(4,009)
70 Grants, Claims & Shared Revenue		49,820	71,000	21,180
TOTAL		302,999	516,000	213,001
SOURCE OF FUNDS				
Federal Receipts (See SA-15)		242,399	412,800	170,401
Inter-Agency Receipts		60,600	103,200	42,600
TOTAL		302,999	516,000	213,001

Increases in Object Groups 100, 200, 300 and 400 are due to general increase in capacity of program from 200 to 300.

The areas we hope to serve include Ketchikan, Wrangell, Petersburg, Juneau, Hoonah, Sitka, Anchorage, Kenai, Kodiak, Bethel, Fairbanks, Barrow, Nome, Kotzebue, Savoonga, Shishmaref and Unalakleet.

Code 100 NEW POSITIONS PERSONAL SERVICES

CLASSIFICATION TITLE	PCN	PAY RGE.	NO. SAL.	DEPT. REQUEST			Increase (Decrease)
				No. Pos.	No. No.	Annual Amount	
Anchorage							
Counselor		14	830	1	12	9,960	9,960
Counselor		14	931	1	12	11,172	11,172
Sub Total				2	24	21,132	21,132
Employee Benefits						3,275	3,275
Permanent-Full-time Positions				2			
Man Months					24		
TOTAL ANNUAL AMOUNT						24,407	24,407

Code 200 TRAVEL CLASSIFICATION	1967-68 Actual	1968-69 Authorized	Department Request	1969-1970 Increase (Decrease)
210 Transportation Costs Within Alaska			5,200	
220 Per Diem & Other Costs Within Alaska			10,270	
230 Transportation Costs Outside Alaska			618	
240 Per Diem Costs Outside Alaska			252	
TOTAL		7,679	16,400	8,721

Code 300 CONTRACTUAL SERVICES CLASSIFICATION

	1967-68 Actual	1968-69 Authorized	Department Request	1969-1970 Increase (Decrease)
310 Communications		2,115	3,600	1,485
320 Printing & Advertising		846	1,000	154
330 Rentals & Utilities		10,824	6,700	(4,124)
350 Transportation of Things		2,204	3,000	796
360 Equipment Rental		10,217	33,600	22,783
370 Insurance & Bonding				
380 Professional Fees & Services		88,101	201,300	113,199
390 Other Contractual Services		1,111	1,300	189
TOTAL		115,418	249,900	134,482

Detailed APA Program

Nursing home patient case count is expected to increase to 240 cases. This compares to 215 budgeted for the current year. This does not include nursing home patients from API as explained in the program document.

The unprecedented case load increase during the last 12 months, coupled with an anticipated continuing rise is causing difficulties with financial projections. When the original case load estimates were obtained in August, it was anticipated that the average case load for fiscal year '70 would be 2300 cases. By January 1969 it was apparent that the average case load by fiscal year '70 would far exceed that figure and that the average case load with all factors taken into consideration would be 2425 cases.

During this same 12 month period the costs per case have also risen remarkably. The average cost per case for fiscal year '70 is anticipated to be \$110.00 per person per month. During September the cost per case projection was \$91.00. The fiscal experience since September has shown a steady rise with average costs anticipated to be \$110.00 per month. For example:

July 1968	average payment was	\$85.31
August 1968	" " "	85.22
September 1968	" " "	87.23
October 1968	" " "	88.56
November 1968	" " "	90.80
December 1968	" " "	94.37

The increase cost per case for a six month's period is \$9.06 from

July of 1968 through December of 1968. We believe that the rise is due to better housing that APA recipients are now occupying since the legal maximums were increased. We also believe that all the housing readjustments are not yet completed for the entire case load, therefore, the anticipated higher cost. There has been no change in budget standards over the last two years, consequently the only increased cost comes from better housing.

The increased case load is due to a variety of factors that were not significant in past years. In response to an inquiry, our district offices report that various Federal agencies such as OEO, BIA, USPHS and VISITA are encouraging eligible people to apply for assistance that never received assistance before. The largest increase is in the Disabled Program, although there has been a slight rise to OAA reversing a trend of decreasing OAA cases since 1958.

As stated in the summary we are now expecting costs as follows:

2425 cases x \$110 per mo. x 12 mos. = \$3,201,000

Less Federal Participation

2425 x \$57.50 per mo. x 12 mos. = 1,673,244

Total State Participation \$1,527,756

BRIEF FOR AFDC BUDGET

In 1968-69 the AFDC case load was projected at 5,300 recipients. In projecting the 1969-70 budget the Division of Welfare requested a budget to serve a case load of 5,491 recipients which was commensurate with growth in the case load over the past years.

In January 1969, however, there were a total of 6199 recipients reflecting a phenomenal growth in new applications.

Since July 1, 1968 case loads have been increasing at an alarming rate so that at present the projection is 2084 cases with 7764 recipients at \$45.50 average grant per recipient for the fiscal year 1969-70 or \$4,239,144. (See summary for breakdown of State and Federal dollars).

The upsurge in numbers of families and recipients in the past few months seems to take into account a number of factors. Activities of other agencies such as Community Action Program and Legal Aid has encouraged mothers to apply for AFDC and the WET and WIN programs have encouraged referrals of those living at a poverty level and in order to receive training.

The following article appearing in the Seattle Post Intelligencer of December 4, 1968 has been provided to inform you that the State of Alaska is not alone in the problem just discussed. It should be noted that most states are experiencing these same problems.

Smith's Postintelligencer
Wed., Dec. 4, 1958 5P 12

Welfare Program Cost Up

Shirley Smith, director of the State Department of Public Assistance, announced yesterday that federally mandated new social programs will cost the state \$20 million more next year.

Speaking to the Council of Planning Associates meeting for a forum on social legislation in the Nature Center, Smith urged that citizens make a final check of their relationship to Congress and the Department of Health, Education and Welfare.

Smith said the additional \$20 million represents an already critical problem of diminishing resources and to depend on either cuts in benefits which the state will require or a continuation of the cutting of state funds to balance the books for the next fiscal year.

He said the state will be in a difficult position to meet the federal requirements in the case of a cut in state funds.

The state's financial condition is critical, Smith said, and the state must take steps to reduce the deficit.

He said that the Legislative Budget Committee is aware of the staggering financial needs and is sympathetic but they don't know where the tax dollars are to come from.

In a keynote address to the CPAA conference, retiring dean of the University of Washington Law School, Leveon Weeks had challenged the social justice efforts to be carried out through the state.

"The state is in a financial crunch," he said, "and we have to get down to work. We have to make a choice with our people and our systems." Weeks said that the state must make a choice between the social justice program and the state's financial health.

He said that the state must make a choice between the social justice program and the state's financial health.

Mr. Weeks called for a re-examination of the state's financial condition and the state's financial health.

He said the state will require a continuation of the cutting of state funds to balance the books for the next fiscal year.

The AFDC-FC program outlined in the budget is minimal. We are presently caring for approximately this number of children at near the quoted rate of \$138 per month per child. Perhaps we can convert more children from the Juvenile code rolls to the FC rolls, which is now possible since our agency does not have to prove it is providing services to eventually return the respective children to their own homes. Unless we can convert others and receive \$56 per month per child from the Federal government, we may require a supplemental appropriation.

DIVISION OF PUBLIC WELFARE
FOOD STAMP PROGRAM

I PURPOSE

The Food Stamp Program is designed primarily to provide more and better food for low income families. However, it is a multi-benefit program in that it is economically beneficial for retail food merchants and agricultural producers, as well as low income families. In fact, the whole State economy benefits from the large sums of Federal dollars that are brought into the State as a result of this program.

II OPERATION

Under the program, eligible households exchange the amount of money they have normally been spending for food, for an allotment of food stamps of a higher monetary value. The difference between the amount the household pays for the stamps, and the value of the coupon allotment - the free (bonus) coupons - represents the Federal contribution to the household's increased food purchasing power. The household then uses the stamps to purchase any food (except for certain imported items, alcoholic beverages and tobacco) in regular retail stores at the retail price prevailing in such stores. Retailers redeem the stamps at face value through the commercial banking system. During this fiscal year participating households have received \$2.79 in Food Stamps for every \$1.00 invested in the program.

III ADMINISTRATION

This is a federally sponsored - State administered program. That is, the U. S. Department of Agriculture prepares the overall guidelines for the program and provides the bonus Food Stamps, and the State certifies eligible households and issues the Food Stamps in accordance with the Federal guidelines. In addition the Federal Government between two agencies, the Department of Health, Education, and Welfare, and the U. S. Department of Agriculture, reimburses the State for approximately one-third of the costs of administering the program.

IV BACKGROUND

The Food Stamp Program was started on a pilot project basis in the communities of Nome, Teller, and Brevig Mission in December, 1965. The authorities to operate this program are found in sections 47.25.975 through 47.25.900 of the Alaska statutes. The program is financed from Welfare funds appropriated by the State Legislature. It was the success of the pilot project by December 1967, that prompted the Department of Health and Welfare officials to seek additional funds to expand the program. Subsequently, the second session of the fifth State legislature provided enough funds to begin the expansion of the program in all areas of the State on July 1, 1968. Unfortunately, the program opening was delayed due to a lack of Federal funds. This delay came after many assurances from the USDA that they had the necessary funds to support a Statewide program in Alaska beginning July 1968. After a great deal of pressure was applied to the Federal government by Alaska officials the necessary funds were made available to open the Bethel and Kotzebue Welfare Districts on July 15, 1968, the entire Nome Welfare District on August 19, 1968, and finally in October 1968 the funds were made available to open the entire State once our Department had time to rehire and train personnel and certify a sufficient number of households as eligible.

V BUDGET ANALYSIS - FISCAL 1969

The legislative appropriation for the Food Stamp Program for the current fiscal year was:

Personnel Services	\$142,100
Travel	35,000
Contractual Services	55,000
Commodities	3,000
Equipment	<u>10,000</u>
TOTAL	\$246,300

This budget allowed enough money to begin the expansion in all areas of the State but not enough to make the program available to all eligible persons.

In order to make food stamps available to most eligible persons within the State, it is anticipated a budget of the following magnitude will be required:

Personnel Services	\$279,300
Travel	43,400
Contractual Services	40,500
Commodities	8,700
Equipment	<u>2,900</u>
TOTAL	\$374,800

DETAILED BRIEF - OFFICE OF AGING

The Office of Aging has the following as its basic functions:

1. To encourage and assist in the development of programs for the aging in the municipalities and localities of Alaska.
2. To cooperate with public and private agencies and with departments and units of local, Federal and State governments in promoting coordination and programs for the aging and to make recommendations for needed improvements.
3. To serve as an advisory and consultative body and administer grants in support of local aging programs.
4. To collect facts and statistics and other special studies of conditions affecting the health and welfare of the aging population of Alaska.
5. To keep abreast of the latest developments in this field of activity throughout the nation and to provide for a mutual exchange of ideas and information on national, State and local levels.

This is a State administered Federally funded program. The only State funds involved amount to 50% of the State administrative cost of the Office of Aging. Project Grants are funded completely through Federal and local support. There is no State finding involved in the grants. The State's financial involvement for fiscal 1970 will amount to \$24,900.

GENERAL RELIEF ASSISTANCE

The request this year is for \$256,800 of which \$41,000 is Federal money.

This year Federal funds became available for the first time in this program and it was anticipated that the State will earn forty-one thousand Federal dollars if the State provides for individual family disasters (such as fire). In the past, State funds within this program have been exhausted around the 18th of each month. Prior to the initiation of the Food Stamp Program, needy families had to request assistance from the Salvation Army, grocery stores and private individuals during the periods of time the State could not meet their requirements.

In administering the Food Stamp Program, we are finding that just as many families who fail to qualify for assistance grants of one nature or another do qualify for Food Stamps. Roughly, we have 7,500 ($3,750 \times 2$) individuals, head of households or families that qualify for assistance. Using the experience factor gained in the Food Stamp Program, we can expect to give some type of assistance to 9,000 ($4,500 \times 2$) individuals or head of households, thus a 33% increase. Based on previous expenditures this would approximate \$250,000 and we still would not extend beyond the current level of expenditures.