

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2599

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JOINT FINANCE COMMITTEE MEETING
Wednesday, February 26, 1969
8:30 a.m.

Present:

All members of both Finance Committees were present.

Also present were members of the Board of Regents of the University of Alaska (Mr. William A. O'Neill; Mrs. Dorothy A. Wrede; Dr. Arthur J. Schaible; Mrs. Edith Bullock; Mr. Robert E. McFarland; Dr. Robertson and Mr. James Nolan) as well as other University officials (Dr. William R. Woorck, College President; Mr. Donald Theophelis, Dr. Arthur Buzwell, Dr. Don Defoe, Dean Behlke, Mr. Harold Byrd, Mr. Chuck Sargent) and Mr. Rafferty of the Schwabecker Company who was present to talk about the bond proposition. Present too were members from both the House and Senate, and members of the Press.

Chairman Vance Phillips called the meeting to order at 8:30 a.m. Mr. Croft asked where the cuts will be made in Priority B, since there are not, by the Governor's allowance, sufficient funds to cover all the items in the section. Dr. Wood said that this decision is made by the Board of Regents at the May meeting when they adopt their working budget for the next fiscal year, so that he could not say yet. Mr. Croft asked if the Instructional Colleges part of Priority B will be cut, and Dr. Wood said that they would have to employ enough staff to provide instruction for their projected enrollment and that certainly would be the \$90,000 that is proposed here. The matter of recruiting,

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he said, grows exceedingly difficult year by year, with the costs rising for the people they want to have come up, and he said he sees no end to this. In answer to a question by Mr. Croft, Dr. Wood said that he does not think they will have enough money to start the day program at the Anchorage Community College, even though the building developed for this program is now under construction. He said that this is the same sort of problem in Ketchikan and Juneau, on a smaller scale. Mr. Ray asked Dean Behlke if the Arctic Environmental Research Laboratory is part of the Research Institute, and Mr. Behlke said that it is proposed to make this an institute in June. Mr. Ray asked who staffs it. Mr. Behlke said that it is made up of fulltime engineers and professors. Mr. Ray asked if the University pays these engineers, and Mr. Behlke answered yes. Mr. Ray asked if the engineers are getting paid additional for their work for industry, and Mr. Behlke said yes, that some of the men do. The oil industries have been paying some recently. Mr. Ray asked if this additional work is interfering with the professors' teaching functions, and Mr. Behlke said that if that happens the professor must go on leave, either on a part time or a fulltime basis. In response to a question by Mr. Ray, Mr. Behlke said that the work they are doing is applied research rather than design. In response to further questioning, he said that

they are now doing a few soil borings, virtually no surveys to determine alignment or elevations, air photo interpretation (done only on a consulting basis outside of the University), geologic studies. Mr. Behlke said that the applied engineering is not being done on University time or with University funds. He said this is being done by the men at night and on weekends. He said he tries to prevent these engineers from doing work which would make the University in competition with private companies. Mr. Ray asked about the crash program on the pipeline, and asked what they will do after this program is over, and Mr. Behlke said that they are continuously writing research proposals which are appropos to engineering in Alaska to the federal government and once in a while to state agencies. Mr. Behlke said that he encourages outside consulting by his engineers because it is the only way that they remain current in their field. Mr. O'Neill said that in the matter of consultant services, it is the policy of the Board of Regents to permit such consultant services by University people in order to keep them abreast in their field as long as it does not interfere with their University work or compete with private firms. Mr. Ray noted that neither the Board nor the Legislature knows for sure that there are not personnel at the University getting two salaries, being paid consultant fees and getting paid by the state to do

the same work. Mr. O'Neill said that the consultant fees would be drawn on off duty hours. Dr. Behlke said that he has encouraged his men to go on leave from the University if the consulting work they are doing for the oil industry must take more time than they can give while at the University, this is because he feels the oil industry is so important to Alaska.

In answer to a question by Speaker Kerttula, Dr. Buzwell said that the \$11,794 for the Cooperative Extension Service is for the cost of increased rental only. Mr. Kerttula then asked what the \$15,380 for Kenai, Kodiak, Matanuska-Susitna Community College in Priority B is for. Dr. Defoe said that this would be to provide more classes at these locations. He expressed the feeling that the item above this one for the Anchorage Community College and the item Mr. Kerttula had mentioned would not be provided for if Priority B were not funded, and he stated that he feels very strongly they should be.

Senator Blodgett asked if the University has any people who are experts in permafrost, and he was answered yes. He then requested that their prepared papers be sent to him.

Senator Miller asked what the University's plans for their library are. Dr. Wood said that they have been informed by the construction company that a portion of the complex will be completed well in advance of the contract date and that

that portion would be the library and the art building. He said that they are now faced with the problem of moving the library and archives into the new building. He said that they have a difficult problem here, and he didn't know how they would get the moving itself done, but once that problem is taken care of, they will have the problem of not having adequate staff to operate the new facility. He said there will be three times the present space and they expect a great deal more usage. Senator Miller inquired about their book acquisitions, and Dr. Wood said that they have been working on increasing their library, with the support of the Legislature over the past number of years on a regular basis. He said that this priority list will cut back severely their rate of acquisition. Senator Miller asked if their greatest need then in the library is for proper staffing, and Dr. Wood said that their need is in both. Senator Lewis commented with reference to University engineers that in his profession if he were to hire engineers, he would not keep them if he found they were working on projects other than his own. In response to questioning by Senator Lewis about the relationship in terms of possible overlaps between the Anchorage Community College and Alaska Methodist University, Dr. Dafoe indicated that there is good rapport between the two and no problem there. In fact, he said they have joint staffing in some areas.

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Senator Phillips asked in view of Mr. Behlke's earlier statement that the University has the best engineers in the free world on Arctic research, if the Board of Regents has considered setting these people up and hiring them out as consultants, at consultant's fees. Mr. Behlke said that the problem there is that then the University would have to stand behind the results of that consulting, and they are not in a position to do so. After further discussion, Dean Behlke said that he can get a report on how much money, other than University salaries, these engineers are getting. Mr. Ray asked how the average state citizen benefits from the research going on at the University. Mr. Behlke said that the research is published and available to the public. Mr. O'Neill asked how much money comes from the oil companies for doing the research, and Mr. Behlke said the oil companies pay for any research done for them 100 percent. He said they may occasionally sign a contract and run a few dollars over but otherwise they are paid 100 percent. In response to questioning by Mr. Ray, Mr. Behlke said that the money the University is paid then goes to pay the salaries of the professors for their regular 5-day week. In response to Mr. Bradner's question about the possibility of increasing the ratio between state and industry and federal government funds for research, Mr. Byrd said that what the University aims for is to get grants that will take care of all of their costs including the overhead. However, in

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the case of federal grants, they are finding particularly in recent years that there is required a cost-sharing by the University of 5 percent of total and in many cases a one-third to two-third matching requirement.

Recess: Committee recessed at 9:50 a.m.

AFTER RECESS
10:15 a.m.

Senator Phillips explained to the Board of Regents that the Legislature only has so much money that they can appropriate, and that chances of the University receiving more than the Governor's allowance are poor. He said that this is the situation with the rest of the departments in the state also.

Senator Lewis asked Mr. Behlke about the Belke frost tube, and asked if he had had anything to do with it, to which he replied no. He said that this is not being used in the pipeline project. Senator Lewis requested that any studies done on this at the University be mailed to him, which Mr. Behlke agreed to do. Senator Blodgett asked, for the benefit of the subcommittee on the University's budget, where requests should be directed for people to come down to talk to the subcommittee, and Dr. Wood said to his office. Dr. Wood requested Mr. O'Neill, who is chairman of their planning committee, to be chief spokesman for the University on this project. Senator Phillips requested Mr. O'Neill to begin reading through and explaining their proposed capital

Capital
Improvements
Program

improvements. The first project is the Campus Activity Center, costing \$4,000,000. Mr. O'Neill said this is one of the requests for revenue bonding the University has made to the Legislature. The planning fund, \$260,000 is a fund the University has requested for a number of years, and feels is a very important item for the simple reason that they need to make feasibility studies, and they lose time and money because of having to delay doing preliminary work until they get authorizations for revenue bonds. Senator Phillips asked if this fund would only be used for authorized projects, and Mr. O'Neill said yes, restricting that response by saying it may be used to make preliminary feasibility studies so that before they put down a figure they will have done enough work in detail so that they would know the exact confines of the building, what space allocation would be, so that they could make more accurate estimates of the building costs. Mr. O'Neill said that their thought is that this would be a revolving fund, so that if a certain amount was spent for a feasibility study, at such time as that building is built, the fund would be reimbursed. \$6,000 is a rough estimate of state participation for the mineral science facility. Mr. O'Neill said that they expect the federal government to participate in building this facility. Dr. Wood said that the thought here is that if the University could get some sort of indication from the Legislature by authorization to develop

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planning or by resolution to indicate intent to consider it that that would give them a chance to come up with some solid program jointly with the federal government. Senator Miller asked if there would be a possibility of the oil companies contributing substantially to this, but Dr. Wood said they have no indication of this, though of course it is always a possibility. Senator Blodgett indicated that he feels it would be appropriate for the University to come up with a request to these people, and Mr. O'Neill said that this is what they were talking about. Mr. Ray asked the amount of the contracts the University has with the oil companies, and Dr. Wood said they would send this down. Mr. Byrd stated that in this connection he feels it should be recognized that in the event the federal agencies finally have to insist upon not making a construction grant but on allocating a permanent rental amount this would be available to the state for retirement of general obligation bonds that would be sold.

In Community Colleges, which lists \$4,000,000 for 1969-70, 1970-71 and 1972-73, Mr. O'Neill said that the problem is that the University feels they are going to have to double their community college facilities due to increasing enrollments. He said these are rough estimates of what they anticipate in years to come. Senator Blodgett asked how these figures are developed and Dr. Wood said that each

of these community colleges has a Citizens' Advisory group, and that this group plus the University's field staff provide the basis for planning projects, but, he emphasized, these are unrefined figures beyond the first \$4,000,000. Senator Lewis asked how they relate their projection for future years to rising costs. Mr. O'Neill said this is questionable, that they haven't done definite planning. He said that they are anticipating growth. In answering a question by Senator Bradshaw, Mr. Byrd discovered an error in their prepared summary of capital improvements projects, in the area of Bond Construction funds. The funds listed under the column 1969-70 should be in the 1970-71 column. He further said, though, that the University would like the Legislature to consider their bonding propositions this year to give evidence of their intent so as to aid the University in going to the federal government. Mr. Haugen asked how much construction is going on at the University now, in dollar terms. Dr. Wood agreed to provide this information. Mr. Haugen said that his point is that this is why there is a problem now of the difference between the University request and the Governor's allowance, and with that cost added on to the bond retirement costs in existing construction what the fund balance will be at the end of the present governor's bill for appropriations is not going to be adequate to fund out the program. With reference to expected state revenues to come from oil land

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sales in the fall, Mr. Haugen stated that the Finance Committee cannot appropriate except on the basis of the existing financial condition of the state. Senator Blodgett asked if the Board of Regents has given any consideration to holding off on individual capital project proposals in view of tight money and interest rates until the federal reserve board gets the economy calmed down. Mr. O'Neill said that the only thing they evaluate properly are the needs of the University. Senator Blodgett expressed accord with Mr. Haugen's statement. It was noted that nothing on the capital improvement projects is on sale in bonds until 1971.

Senator Phillips asked what type of evaluation has been given of the effects on student enrollment at the University by the Anchorage Community College. Mr. O'Neill said that they are developing students at the Anchorage Community College who go on to the main campus. As far as the main campus losing students to the Anchorage Community College, this is not a problem. Dr. Wood said that under 10 percent would be going to Anchorage from Fairbanks. Dr. Wood further noted that about 50 percent of the college students in Alaska leave the state to go to school, but that it used to be 60 percent.

Senator Phillips requested the University to come up with any ideas on what the finance committees of the Legislature can do to hold upper division students at the University.

Senator Miller asked if any one wanted to make a comment on the Campus Activities Center. Mr. O'Neill said that that is a very important project to the University, and that is why they have suggested it be a revenue bond issue rather than general obligation bonds. He urged if at all possible that revenue bonding for this building be authorized. Senator Phillips excused those members of the Board of Regents who had to catch the plane, and the committee recessed at 11:00 a.m. for five minutes.

Recess:

AFTER RECESS

11:05 a.m.

Mr. Ray stated that Senator Phillips had requested him to take the Chair at this point as the Senate was meeting and the senators would not be immediately returning. Mr. Ray requested Dr. Wood to continue with capital projects. The fifth project is rehabilitation of existing buildings. He said that they are asking for a direct appropriation for this year, and explained that the situation is that they are moving their library out of the Bunnell Building and want to make use of the vacated space as soon as possible. Therefore, they want to convert this space by making the bottom floor the headquarters for the Public Services Program, which is now scattered in different places by making the second floor into seminar rooms, small classrooms, and offices for faculty and administration, and by extending the balcony to make use of that area. If they do not make this change, they will have to make very inadequate use of this space.

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The next project is the expansion into the second phase of the building for the Arctic Biological Sciences field but also to take care of classrooms and office space, work space, and research laboratories, in the whole field of renewable resources, which includes agriculture, forestry, wildlife management, etcetera. Dr. Wood explained that the reason they have the \$4,000,000 in the column for this year is merely so that they have some declaration of intent for purposes of helping develop federal matching money.

The next project is Safety and Street Development. One of the big items, Dr. Wood said, is the augmentation of their fire fighting facility to take care of high rise buildings under construction and in planning stages, and to further improve their fire safety program by installing an automatic alarm system. Additional funds are to complete the paving of streets around the main campus and to conduct any improvements of utilities that are necessary.

The museum is the next project. This, Dr. Wood said, is a long standing project. He said that he is trying to raise funds from private areas, and has had some success along those lines, having gotten a gift of \$50,000. However, he said, people are not about to pledge funds if there is no assurance of state authorization. Senator Miller asked what kind of authorization they need. Dr. Wood said that all they need is a resolution authorizing the Board of Regents to proceed with this project.

Dr. Wood said that the Student Health Center has to be moved, if the Campus Activities Center goes through. He said that they have long needed an adequate student health center. This is not a hospital or clinic, and does not compete with the medical profession. This is merely an infirmary, staffed by a nurse and to be used for examination, overnight observation and emergency purposes.

At this point the senators returned and Mr. Ray turned the meeting back over to Senator Phillips.

The next project is the Agricultural Experiment Station. Dr. Wood stated that this is for a variety of programs, but that he does not have any details on this other than that it is for upgrading of the facilities they now have.

The request for the Patty Building remodeling is for exit doors to meet fire regulations and also to make additional storage space.

The request for Dorm and Dining Facilities, Dr. Wood said, does not need to be in the column for 1969-70 and would be revenue bonds anyway. In response to questioning by Senator Phillips, Dr. Wood said that when the building is up that is authorized that they will have adequate classroom space for a few years, but as far as laboratories and specialized space, they are still inadequate. Mr. Ray asked about the University's enrollment projections, pointing out that the 1968 enrollment at the University was lower than projected. Dr. Wood said that it was lower than the optimistic projection but higher than the minimum projection. Mr. Ray

indicated that he had been led to believe that the "optimistic" projection was the anticipated projection and that he had made decisions based on that understanding. Mr. Ray requested that the subject of salary increases be taken up at this time.

Salary
Increases:

In response to questioning by Mr. Ray, Dr. Wood said that the format they used to indicate their step increases this year is the same as last year. In response to further questioning by Mr. Ray, Mr. Byrd said that when they receive their appropriation they do make these salary increases every year but they just show no individual increases in presenting their budget. Again answering Mr. Ray, Mr. Byrd said that last year \$508,000 was presented in the budget in just the way as this year, and they presented every salary at exactly what it had been the previous year. This year they are paying their people increased salaries within the limits of \$508,000. Naturally, he said, within other departments of the state there is a different way of accommodating the step increases in a regular step scale. They get those right along, too, but the University's are not guaranteed. They are granted only on a merit basis and individual consideration is given to each one, but still they come out of this one figure that has been presented each year in the budget. Mr. Ray said that what bothers him is when the legislature and finance committees have expressed the intent that salaries should not be raised and yet they

are and the University also comes in with a supplemental request. Mr. Byrd said that he was not aware of any declared intention that University salaries not be raised. Mr. Ray said he apparently had not been listening then. Senator Miller, referring to Mr. Byrd's statement that the University is not requesting individual increases but a lump sum, that he has examined the budget and finds individual increases.

Mr. Byrd said that there may be some isolated cases where they have changed the nature of a position, and with this reorganization there may be several others like that, but except in the event a position was changed they show identical salaries in this year's budget. Senator Miller expressed the feeling that the budget should be made more uniform to the other budgets next year. Mr. Ray noted that no vacancy and turnover is shown in the personal services, and strongly emphasized that he feels this money should not be used as a contingency fund, which Senator Blodgett heartily agreed with. Senator Blodgett further said that in the area of personal services he wants this budget prepared like any other in the state. Mr. Freer, of Budget and Management, explained that this is the first year the University has made an effort to conform to the standard budget format and that the transfer to this format will be more complete next year. Dr. Wood indicated that another problem the University has is that they also must make a national budgetary report and so it is difficult to have different accounting systems.

Adjournment: Senator Phillips adjourned the meeting at 12:00 noon.

SENATE FINANCE COMMITTEE
Thursday, February 27, 1969
9:00 a.m.

Present:

All members but Senator Haggland. Also present were Mr. Byrd, Mr. Theophelis, Dean Buzwell, Dr. Sargent, of the University of Alaska, and Mr. Martini of Budget and Management

UNIVERSITY
OF ALASKA

Senator Phillips called the meeting to order at 9:00. He stated that he had a number of questions to ask the University representatives and would give the other members an opportunity to ask questions, also. He asked what part the alumni play in setting policies of the University. Mr. Byrd said that they have a secretary of the State Alumni Association who is appointed by the joint action of the President and the Alumni Association and whose salary and expenses are paid by the University. The Association operates a placement service for graduates of the University and appropriates money to the University for scholarships, books, and special projects. Mr. Theophelis added that the Universities which have developed alumni programs are recipients of a great deal of money. Senator Miller explained that the secretary's work is mostly in placement, not with the alumni. Mr. Byrd noted that in order for the University to build a good contribution program it is necessary that additional staffing for this office be provided. He said whether or not the alumni want to pay for this is a question, but at present he said they are not able to. Senator Lewis asked what regular contributions the alumni have made. Mr. Byrd said that they contribute about \$1200 yearly in scholarships. They have \$10,000 to \$12,000

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in their fund, and they appropriate portions of that from time to time for special projects.

Senator Phillips asked about the requested increase for entertainment expenses in the General Institutional Program. Mr. Byrd said that this is used by the President exclusively for entertaining such people as visitors to the University. Senator Phillips referred to the increases in the College of Arts and Letters for outfitting the Fine Arts Building and asked if this couldn't be a capital improvements program. Mr. Byrd said that this is for laboratory type equipment beyond what is normally taken care of in the structure or primary equipping, though they did try originally to have this covered in their capital improvements budget. Senator Phillips expressed the feeling that a capital improvement should be a capital improvement. Going back to the entertainment fund, Senator Bradshaw expressed the opinion that this is very little money for a full year. Senator Blodgett objected to the fact that there is no breakdown on this and demanded that one be furnished.

In answer to a question by Senator Phillips, Mr. Byrd explained that the art pottery professor would have a class of about 15 to 25 students and perhaps on on the weekends, but that the chief value of this position would be the associate professor of art education. Senator Phillips asked how important the art education is, and Mr. Byrd said it is very important for those going into teaching, especially art. Dean Buzwell said that it is generally agreed that the other art professors are not as competent as they should be in this field to be teaching courses in

it. On travel in the College of Arts and Letters, Senator Phillips asked if the outside travel is necessary. Mr. Theophelis said that it is necessary to keep faculty current in their fields. It was explained that the travel in College of Arts and Letters is not merely for the Art Department.

In the Electronic Technology Program, Senator Phillips asked what the state expenditures are anticipated to be. He was answered \$1,000 for 1969-70, \$10,000 for 1970-71, and \$15,000 for 1971-72. In answer to questioning by the committee who felt this was just a mechanics training program, Mr. Sargent said that this is sophisticated and involved than that.

Senator Phillips then asked about the addition of a professor (of Finance, Transportation or other) with computer science capability. Dean Buzwell explained that this person would teach and would also counsel other professors on presenting courses requiring use of the computer or which would be improved with computer use. Senator Lewis requested information on this to be sent. Senator Phillips then asked about the Arboretum and its purpose. Mr. Byrd said that this would be used in Forestry, Agriculture, and Botany primarily. It would contain trees and shrubs of Alaska and that would grow in Alaska even if not found here naturally.

In response to questioning by Senator Phillips relative to the Land Resources Research Lab, Mr. Byrd said that this item was in Priority J and would be for study of such things as those relating to forestry, control of water runoff, pollution, etcetera. On the Sea Grant Program, Mr. Byrd

explained that this program had been split between Priorities C and E, and said that what was requested was to provide matching funds and employ the necessary expert scientists in this area to attract federal funds. He said they already have scientists working in many relating areas at the University. Senator Phillips asked if the land study wouldn't fit into the Arctic Environmental Engineering Laboratory, and Mr. Byrd said that the two would work together where one could help the other.

With reference to the Institute of Social, Economic and Government Research, Senator Phillips asked about the Japan Price Study and who directed that this be studied. Mr. Byrd explained that what is studies has to relate to a primary interest of one of the research scientists and that in this case the chief of the Department of Interior Field Committee felt this an area that needed to be studied and went to certain professors and requested that this study be made.

Recess:

The meeting recessed at 10:00.

After Recess
10:15 a.m.

Senator Phillips asked Dean Buzwell about travel to other community colleges, and Dean Buzwell said that sometimes it is less expensive to have a professor travel than to hire another professor for one of the community colleges, and stated that also, it is not always possible to get the necessary personnel for the different community colleges. With reference to the Fisheries Technology expenses, Mr. Byrd explained that in order to put this program on at one

of the community colleges, and they have been considering Ketchikan as the site, additional facilities and equipment are necessary, and this is what the money requested is for. Senator Miller asked why the petroleum technology program is at such a low priority and Mr. Byrd explained that it is at top priority among the programs, but that their top priority items are such things as critical costs and compensating for additional students. He explained that the decision to go into this field as an associate degree rather than a professional degree was worked out with the oil companies.

Senator Phillips stated that last year the Joint Finance Committees discussed the legal services program and instructed the University that they did not want them to go into this, but he noted that the University has in spite of this. There was considerable discussion on the University providing services for the Bar Association and the bulk of the committee expressed considerable displeasure that the University had gone into this. The feeling was expressed that if the lawyers needed to be brought up to date they could finance this themselves.

Mr. Theophelis thanked the committee for their time and fair hearing, and told them that the University is one which they can be proud of.

Adjournment: The meeting was adjourned at 11:00.

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Adjournment: The meeting was adjourned at 11:00.

SENATE FINANCE COMMITTEE MEETING
Friday, February 28, 1969
8:00 a.m.

Present:

Senators Haggland, Phillips, and Bradshaw. Mario Martini, Budget & Management. From the Department of Public Works: Mr. Strandberg, Commissioner; Mr. Tracy Kaldor, Administrative Director, Mr. Harry Wakefield, Jr., Director, Division of Aviation and Mr. Ed Granger, Planning and Design.

Dept. of
Public Works

Division of
Aviation

Senator Phillips called the meeting to order.

Mr. Wakefield made a presentation using charts that he had prepared for outlining the budget.

Mr. Wakefield, pointing to the charts, said this was an over view showing the big picture of what they needed. He indicated the first page, showing how they were organized. Mr. Wakefield said after administration comes up with a capital improvement plan it goes to the design section and then goes to the letting of a contract and their construction people monitor it. He said the operation of the state airports was a separate entity and that (referring to the chart) this does not include Anchorage and Fairbanks. He said in their general administration that they are requesting three additional positions and they were necessary because of the tremendous increase in leasing. He said this was a big business and can't be handled any longer as an additional duty. He said just in the last few months they had another \$140,000 in income from this and they have over a thousand leases.

Mr. Wakefield said their Design Section varied because of the number of projects they are working on but they usually have about 20 or 30 people in this section. He said this is where most of their technical people are, and that this section shows a substantial increase, the main reason being it is a new section and no one really knew how much it would cost to do the job. He also said they had to do more planning and engineering work before a project comes into being. They have to come up with engineering estimates before it becomes a project. If their guess is too far off, they don't get enough funds.

Mr. Wakefield said in their construction section they had very few permanent employees. He said last year they handled about 20 projects through this section but he said the people that go out on the projects, such as resident engineers are paid for out of the project funds.

Mr. Wakefield explained that the Maintenance and Operation section handled all the airports except Anchorage and Fairbanks. He said their budget request for this section is \$2,500,000. He said they had about 500 airports owned and operated by the state and they actively maintain about 218 airports.

He said of this \$2,575,800 budget \$2,201,034 is estimated to return from the following sources: (1) estimated revenue receipts from the jet fuel and aviation gas tax is \$1,444,000;

and (2) \$757,000 in receipts from other sources such as landing fees, fuel flowage, and rentals. He said when they take this \$2,201,034 from the requested budget it leaves a balance of \$374,766 that must come from other sources and/or from the general fund. He said the authorized FY68-69 budget was \$2,057,600 compared to FY69-70 budget request for \$2,575,800 and in summation Mr. Wakefield told the committee the FY69-70 budget has increased \$518,200 and the estimated revenue for the same period will increase by \$462,700. However, since the revenues have gone up all they are really asking for in this area is \$55,000. One of the things they are going to do with this extra money will be maintenance on the eight additional airports and they have much more maintenance required now. Mr. Wakefield said the passenger growth at Anchorage International is a million passengers for 1968 and up to 1.6 next year, and right around 1975 or 1976 they expect to hit the 5,000,000 mark. He said parking areas have just about doubled and terminal area has more than doubled. He said their cargo will probably go up to 5,000,000 pounds in the next few years. He said regarding their expenses at Anchorage, their budget request is \$2.5 million and the estimated revenues are over \$4.5 million. He said they believed they charged reasonable prices at the International Airport but their expenses are high. He said it was almost encumbent on them to put a preponderance of this amount back into maintaining the facility.

Senator Koslosky entered the meeting.

Mr. Wakefield said in regard to the Fairbanks Airport they didn't know what would happen to the cargo growth. Expenses in Fairbanks are in reverse compared to Anchorage, but they are now in the black at Fairbanks, and expect to stay there in the future.

Senator Miller entered the meeting.

As there were no questions on this presentation, Senator Phillips stated they would start the budget review under general administration.

No questions.

Personal
Services:

Travel:

Mr. Wakefield explained that all the increase in travel is because they now have divided the state into areas, and they have a man in charge of a certain area and he goes around and inspects the airports, advises the village council where they have contracts, he said he also shifts equipment. He explained this new system is working out well. They opened Umiat which required a couple of positions and he said they had to put in an extra seasonal position at Chandalar Lake, and also an extra full time position at Bettles due to the activity on the North Slope. He said they had an extra position at Galena and one at King Salmon due to the contracts with the Air Force. Because of activity at these places they have a permanent part time secretary at Galena and King Salmon. This, plus bringing up these individual airports, accounts for the increase in this area.

He said the position at Talkeetna was one that they were paying \$10,000 a year for under Contractual Services and weren't getting the job done so they did away with the contract and hired a full time employee. In answer to a query from Senator Haggland, Mr. Wakefield said that 99 percent of the contracts for maintaining the airports were with the village councils.

Mr. Wakefield said the equipment is old and difficult to maintain and that they have requested some new equipment this year. He said they would like to try a couple of the small horse power "rangers", and noted that Wien had run some very successful tests with this type of tractor and recommend it very highly. He said this might be a partial solution to the overall equipment problem. Senator Miller asked if the special maintenance fund for some of the airports is still included and Mr. Wakefield said it was not. He said this idea had been abandoned because it was not working out; however, the \$100,000 is now scattered throughout the budget. Mr. Wakefield said they hoped they could get all the equipment they had requested because it had been pared down many thousands and was listed in priority. Senator Phillips asked about the per diem and Mr. Wakefield said the biggest increase is to get the airport superintendents around the areas and the only way they can travel is by charter. If they are going to properly maintain these airports they have to get around to the different airports in their area.

**Contractual
Services:**

Mr. Wakefield said they have 124 contracts with village councils to maintain the airports. He said they opened up Umiat which was completely closed, there are several new airports which they didn't have last year. In addition, Wien was going in these small airports on ski-equipped planes, but they are no longer using this type of aircraft, so these fields must be cleared of snow. In answer to Senator Phillips' comments, Mr. Wakefield explained that the Wrangell and Petersburg airports have been pulled out of this section and put in Code 900. He said these airports are on contract with the Department of Highways for maintenance. In answer to Senator Bradshaw's question, Mr. Wakefield said that Petersburg is negotiating for a large area so they can build a terminal but not for an entire field. Mr. Wakefield said that Sitka is very anxious to take their airport over and it was just a question of getting the proper land documents in order but Wrangell and Petersburg are a little afraid of the maintenance. Mr. Strandberg said that this is one of the main areas they had pushed to get the one cent tax to "beef up" this particular operation.

**Land, Buildings,
Non-structural
Improvement:**

Mr. Wakefield said they have to get in and do minor maintenance on these airports. He said the airports listed are the ones they had to repair this year and that this is one of the things they hoped they could accomplish with this fuel tax.

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Senator Phillips asked how many miles of airports they maintain and it was stated that although this statistic was not available it would be interesting to find out.

**Inter-agency
Charges:**

Senator Phillips asked what the \$23,000 charge is for and Mr. Wakefield said this was for Gustavus and was not included in object code 900 in FY68-69 budget.

**Anchorage
International
Airport**

In response to Senator Phillips request for a summary on the Anchorage International Airport, Mr. Wakefield said that next Monday they are going to accept a new concourse and they would probably start using it in 30-45 days. He said this summer that most of the new runway would be completed and next summer they are scheduled to take over and start operating the new terminal building. He said right now they have about 40 miles of roads and are very short on security guards.

Mr. Wakefield said they have an obligation to provide the best fire service that they can, and noted the request for 15 new positions in this area.

Senator Bradshaw left the meeting.

In regard to fire fighter guards, Mr. Wakefield said they need 5.1 people to maintain a 7-day week, three 8-hour shifts per day. Mr. Wakefield said at the present time they don't have a security guard who can be used in front of the building. FAA has made a formal inspection and told them they need more fire fighters and also the carriers have

have the amount taken out of the International Revenue Fund because they feel that it should not be taken out of the \$7,000,000. Senator Haggland mentioned the parking area was being utilized by people who were seeing passengers off and Mr. Wakefield said the statistics showed that 3 people come to see one passenger off and that although this wasn't a problem in Alaska, parking was one of the most serious nation wide problems facing airports.

Fairbanks
International
Airport:

Senator Miller asked about the bid on the new terminal building at Fairbanks. Mr. Wakefield said they had a basic completion date of January 1, 1970 and an actual completion date in July, 1970.

Senator Bradshaw returned.

Senator Miller asked about the space need in regard to the industrial aspect of the North Slope and Mr. Wakefield said that so far they had been able to keep up with it but they were just about out of space. He added that they had some more apron work scheduled this fall and he discussed the plans for the new terminal building.

Senator Miller asked about the ice fog and if there was anything that could be done. Mr. Wakefield said the two things that generate the ice fog were the restaurant and the airport. He said they do have electric heat programs for the new terminal and they are going to require the restaurant to use electric appliances. He said there was nothing, at a reasonable cost, that could control the

been complaining about this, they are not attempting to bring it up to the FAA standards, but he feels this is a reasonable number. As for the maintenance people, they have twice the area to take care of and simply need the people to do it. He said they are requesting a Ramp Captain (for maintaining vehicle control on the ramp) and that the carriers have almost insisted that they have one on duty 24 hours a day. This is one more item that is in the interest of safety and order. He said they also had a request for what they called an airport operations officer and that he is, in essence, an assistant manager. Mr. Wakefield thought the committee would be amazed at the staff other airports have that are the size of Anchorage International as compared to Anchorage. He said, however, they didn't need an engineering staff because his office provided these services, but he felt they needed an assistant who is also knowledgeable in the movement of airplanes on the ground to oversee the operations. Senator Phillips asked if they were concerned with any particular piece of legislation and Mr. Wakefield answered in the negative; however, Mr. Strandberg mentioned the supplementals in the Capital Improvement Program.

In the revenue bond fund, Mr. Wakefield said that \$7,000,000 is going to build buildings and approximately \$600,000 was taken out to meet the security for the loan and they have a special request to have this restored to the bond fund and

emission, and after all the worst offender was the jet engine. In answer to Senator Haggland's comments, Mr. Wakefield said they were working with the University in regards to research on ice fog, but it was still a big problem that as yet they have not found the answer.

Personal Services:

Senator Phillips asked about the \$63,500 increase and Mr. Wakefield said \$42,000 is to provide for additional snow removal and maintenance of facilities due to the increased activity. \$21,500 is for two permanent and two temporary positions to provide service but Mr. Wakefield said most of this is reimbursable from FAA.

Contractual Services:

Mr. Wakefield said \$31,700 is for additional equipment from the Department of Highways and \$18,000 is for increased cost of classification plus additional janitorial service. Senator Miller asked if they anticipated needing a supplemental and Mr. Wakefield answered in the negative. Mr. Wakefield said they were having problems with the janitorial contract in Fairbanks but said their manager had written to the company that was providing service warning them that this must be improved. He added that if things didn't improve, they'd get a new contract.

Mr. Wakefield said they were initially planning to request sno blow machines like they had in Anchorage but they would have to wait until next year and that they could get by one more year with old equipment. These sno blow machines run around \$80,000 each.

Senator Phillips asked about the \$7,000 reduction from last year and Mr. Wakefield said when they build a new terminal they can take care of those things that were normally covered here and the reduction is attributed to the new building. Senator Miller asked how the rugs at Anchorage International Airport were working out and Mr. Wakefield said they were very successful and that they hope to use one like it at Fairbanks. In answer to Senator Lewis, Mr. Wakefield said this contract for the rug in Anchorage had been put out to bid and although everyone concerned had been contacted and Department of Administration had received only two bids and the contract was awarded to Don Kimbel and Company. Mr. Wakefield said the rug was guaranteed to be 90 percent as good at the end of five years and he said they had a maintenance contract and would own the rug at the end of five years.

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

JOINT FINANCE COMMITTEE MEETING
Friday, February 28, 1969
1:30 p.m.

Present:

Alaska
Bar Assn.

Board of
Governors

Mr. Ray called the meeting to order and announced that the joint committee would hear the Board of Governors from the Alaska Bar Association. Mr. Ray turned the joint meeting over to Mr. Croft since he had another meeting and would have to be excused. The following members of the Board of Governors were present: Mr. Les Miller, President, Mr. Stanley Howitt, Executive Secretary, members: Tom Fenton, Fairbanks; Russ Arnett, Anchorage; Ralph J. Rivers, Fairbanks; C. L. Cloudy, Ketchikan; Avrum Gross, Juneau; and Ronald E. Benkert, Anchorage.

Mr. Miller told the committees that he had asked for this meeting so that the Board of Governors could discuss with the committees the problems that are of greatest concern to the Alaska Bar at this time. He said the two bills of concern to the Alaska Bar at this time are the bills establishing an Alaska Law Revision Commission and the public defender bill.

He led off by telling the committees about the bill to establish the Alaska Law Revision Commission and noted that it would be introduced within the next day or two under the sponsorship of the House Judiciary Committee. If this bill passes the Commission will be under the control and supervision of the Alaska Legislative Council, and be comprised of five members of the Alaska Bar; chairmen of the

judiciary committees of the Senate and House; chairman of the Legislative Council, and a member of the council from the opposite party appointed by the chairman; the attorney general; one justice of the Alaska Supreme Court; and one judge of the Superior Court. He said the main purpose of this commission will be to revise outdated codes and cited the probate code as a classic example that this is in dire need of revision. He felt many of the time-consuming procedures in probate could be cut down and as far as he was concerned the present code served its purpose back in the 1700's but was creating costly and time consuming problems today. The money saved on the revision of the probate code alone would more than pay for the expenses of one year's operation for this commission.

Mr. Miller discussed the liaison that has already been worked out with UCLA and they will make use of their expertise along with the attorneys in the Alaska Bar who are willing to assist in this. He said that many attorneys, at their own expense, have already spent many hours helping on this legislation and it was the consensus that this would be most worthwhile legislation to the state.

In response to Mr. Bradner, Mr. Miller said the commission would only work under direction from the Legislature -- they would not take it upon themselves, in other words, to revise a code -- they will receive direction through a concurrent resolution of the Legislature.

The commission will file with each session of the legislature a list of the topics selected by it for study, the studies in progress and the topics intended for future consideration. Mr. Miller felt it would take two or three meetings a year for the commission to conduct its business.

In reply to Mr. Croft, Mr. Miller said they would use the UCLA facilities, but it is essentially the Alaska Bar members who will be doing the work towards this; however, UCLA will assist on any problem that they deem necessary. After a brief mention that the Alaska Bar had already spent several thousand dollars towards drafting and assisting in this particular piece of legislation, Mr. Miller then asked Mr. Avrum Gross to speak on the Public Defender bill. Mr. Gross started off by telling the committee the philosophy behind the public defender which has essentially been discussed in both House and Senate Finance Committees at many other meetings. He told of how in recent years the Supreme Court of the United States has ruled that any indigent charged with a felony will be provided with counsel, and now the feeling seems to be that the Supreme Court will soon rule that this will also hold true for misdemeanors. Mr. Gross felt that many times when attorneys were appointed by the court to defend a man that particular attorney will have little experience in criminal law and the end result is that the defendant receives an inadequate defense even though it is not the attorney's fault.

In making his plea for the public defender bill, Mr. Gross cited such examples as the problems in civil rights; the inevitable increase in cases if and when the Supreme Court rules that a person charged with a misdemeanor shall have counsel; and the point that these indigents deserve a proper defense.

There is about \$200,000 available in the Court System budget, that will assist in funding this public defender bill and it would take an additional \$210,000 according to estimates by the Court System Administrative Director, Mr. Robert Reynolds. Senator Vance Phillips expressed his personal doubts at this figure and estimated that it would probably be closer to \$1-1/2 million by the time the office is set up. He felt it would take considerably more than the proposed six attorneys to handle the caseload that had been discussed here.

Messrs. Miller and Fenton pointed out various areas where it would be a savings to the state, i.e., pooling the knowledge and resources in one place so that the expertise would be centralized. Senator Phillips and Mr. Fenton, former District Attorney for Fairbanks and Ketchikan, discussed some of the law enforcement problems in Fairbanks and Mr. Fenton told of two attorneys who have been, in essence, doing public defender work on their own, and he feels they have been most successful. After a discussion on the problem of "repeaters", Mr. Croft interjected that

statistics show that, after all, most crimes are committed by "repeaters".

Senator Phillips complained about the sentencing being done by judges and pointed out that in his opinion there is room for a great deal of improvement. This point was discussed and Mr. Miller told of the committee that was formed this past winter on sentencing and of a seminar held on this in Sitka. He is hopeful that out of this meeting and subsequent meetings, that reforms will soon be made.

Returning to the amount of money needed to fund the public defender system, Mr. Gross thought that the figure of \$409,000 would definitely increase; however, as the system acquires more experience they will become more efficient and in time it should level off.

It was felt by the Board of the Governors that with these U. S. Supreme Court rulings, there was no question that they have to move in the direction of the public defender, there is no alternative, as there just aren't enough attorneys in the state to defend these indigents once they are entitled to this service because of misdemeanors. At this point, Mr. Miller interjected an aspect that was of interest -- if it was determined at a later date (within a three-year period) that an indigent did in fact have funds, and was able to pay attorney fees, then they can proceed against him to collect.

Mr. Miller told the committee he wanted to speak on one more subject and that was an increase in judicial salaries. He emphasized the need in today's society for making the spectrum of government more attractive to people via salaries and the Alaska Bar Association hopes the legislature will see fit to raise salaries accordingly in all three branches of government. Again the subject of judges -- their competence and incompetence -- was discussed and Mr. Miller stressed that the present salaries simply do not attract enough competent people.

Senator Phillips raised the question on getting rid of incompetent judges and Mr. Miller felt that with the enactment of Chapter 213, SLA 1968 (providing for the disqualification, suspension, removal from office, retirement and censure of justices and judges, and providing for a Commission on Judicial Qualifications) that some of these problems will be solved. The Commission on Judicial Qualifications was just recently appointed and Mr. Miller was explicit in telling the committees that the Bar Association could stand up and be counted on this issue and he pledged personally that they would. Mr. Croft brought up the fact that some district judgeships were not filled because the Governor decided after reviewing the applicants that they were not qualified and rather than make a poor appointment, he had left them vacant, i.e., Kodiak and Wrangell. He also noted that there was a noticeable lack

of applicants which he attributed to the low salary.

Mr. Gross said that the reviewing of applications was done by the Judicial Council and even though a poll is taken amongst the members of the Alaska Bar, they have no legal authority to assist in the choice, they can only give their opinion.

Senator Phillips took the responsibility for not allowing the pay increase for district judges out of committee last year, even though he said the Governor put great pressure on him to release it. His feelings are that they should get good judges, then raise their pay, but he could not condone raising salaries of what he considered were poor judges. Mr. Croft brought out the factor on judges facing election -- supreme court judges every ten years, and superior court judges every six years -- and he felt this could serve as a proper place to weed out the bad ones. Senator Phillips reminded the Board of Governors of the fiasco brought on by the Alaska Bar some years ago when they campaigned so viciously to remove Justice Arend and he felt this was a case of where an "innocent man was found guilty". Senator Lewis questioned the effectiveness of the newly appointed Commission on Judicial Qualifications and Mr. Miller reiterated the total support of the Alaska Bar and pledged that they will take action on issues brought before it.

Adjournment:

There being no further comments, Mr. Croft adjourned the meeting at 3:30 p.m.

SENATE FINANCE COMMITTEE
Saturday, March 1, 1969
9:00 a.m.

Present: All members of the Senate Finance Committee except Senators Bradshaw, Miller and Blodgett. Also present were Miss Susan Harris and Mr. Mario Martini, Budget and Management staff.

Office of the Governor

Senator Phillips announced that the committee would review the budget for the Office of the Governor; however, since Mr. Walt Baldwin was ill, they would proceed with the assistance of Miss Harris from Budget and Management.

Executive Office:

Miss Harris noted that the increase in the Executive Office for Personal Services was due to two new positions, created by Executive Order and also the fact that one position had inadvertently been omitted from the current year's budget. She said the additional \$12,000 put in the current budget for FY68-69 by the Legislature had helped fund the position that had accidentally been omitted and the balance covered the reclassification of two of the special assistants to the Governor.

Personal Services:

**Travel:
Contractual
Services:**

Under Travel and Contractual Services, the increases were due, primarily, to an attempt to budget realistically in the area where the money was being spent. In the past, when they have run short in travel and contractual services, it has come out of the contingency fund; they feel with this approach, the contingency fund can then be spent for its original purpose, that of an emergency unforeseen purpose.

She said it also makes a budget easier to analyze when the spending is put in its proper slot. The new Accounting Clerk II is an attempt at putting the accounting work under one roof instead of having these accounts in various agencies such as Local Affairs.

Governor's
Mansion:

Two of the part time jobs have been deleted under Personal Services and the money was to be put in Contractual Services; however, through some oversight this was not done, and Senator Vance Phillips requested Senator Koslosky to check this out and see how much should be added to contractual services.

Secretary of
State:

There is very little change except for slight increase for employee benefits.

Elections:

Miss Harris explained that the big change under Elections was due to the fact that they now needed year-around staffing. Until the pre-registration passed, employees only worked six months every two years but now these have become full time positions. The other change is in connection with the village and city incorporation elections which became the state's responsibility under Chapter 170, SLA 1968. There is just no way to predict how many elections there will be, so according to Miss Harris, this is somewhat difficult to fund in the proper amount. She noted the decrease in Contractual Services reflects the off-election year. Senator Phillips suggested legislation that would limit a

village or town to one election every six months or possibly once a year and requested that Mr. Dean research this for him.

Returning to the subject of full time staffing for elections, Miss Harris said there were three positions in Juneau, three in Anchorage, two in Fairbanks and one in Nome.

Equipment:

The equipment requested is due to the pre-registration.

Inter-agency Charges:

This is a routine item, that Department of Administration assigns to each department. Under the Data Processing charge, Miss Harris explained that the increase in this was due to the publishing of the voting lists under Data Processing.

Planning & Research:

Senator Phillips decided that since this was a new program they should have the Director, Mr. Chris Lethin appear before the committee to give an explanation of the program. The funding for OEO was touched upon briefly and noted that federal funding was \$65,900 and general fund share was \$28,700. Miss Harris, in response to Senator Haggland's query, said the \$28,700 was Planning's share. That is primarily because they have budgeted a number of positions that have been funded by HUD and this budget just eliminated the HUD portion and takes all of these positions into the state program.

The committee recessed at 10:00 a.m.

AFTER RECESS
10:15 a.m.

Rural Development:

Increase in this area is due primarily to reclassification and also for funding of NYC positions where salaries run over

\$15,000. It is a federal requirement that they will pay only a maximum of \$15,000 and since this is not realistic in Alaska, the balance is picked up in this budget. Upon a request by Senator Lewis for a description of this program, Senator Phillips listed the various types of projects that are accomplished by this agency and noted that past political practices under the former administration left a bit to be desired. However, according to Senator Phillips, this is no longer a problem.

Travel:

Miss Harris pointed out that, inadvertently, air charter service had been put under both Travel and Contractual Services and it should be deleted.

Rural Development Grants:

Under this classification, they can grant the money in order to buy the material or they can buy the material and give it to the community. According to Miss Harris, it more or less depends on what the project is and how they want to go about it.

Tokyo Office:

The \$15,000 which was added to the original request in FY68-69 is not requested this year so the program has returned to the level of \$65,000.

State Museum:

Miss Harris said that now that the displays are set up in the new museum, the temporary positions were deleted, but with the addition last year of more permanent staff for the new museum, these were at a higher step this year. No new positions have been added for FY69-70.

Travel:

Travel is up which is partly attributable to staff traveling to assist local museums.

Contractual Services:

This decrease reflects the fact that the museum is now in operation and most of the major construction type work is done.

Commodities:

This holds true under commodities, also, where such items as new shelving are no longer required.

Equipment:

Increase under this, according to Miss Harris, is due to acquiring additional artifacts and some audio-visual equipment to be used by various lecturers.

Human Rights:

Miss Harris pointed out that because this is such a small budget, and the present employees have been there for several years, they had to budget them at Step D instead of Step C. There is no vacancy and turnover to make up for this. Again, the transfer of air charter costs have gone from Contractual Services to travel, and the increase in Contractual Services and Commodities is due to increased caseload.

Senator Lewis told the committee most emphatically that he was opposed to any increase in this budget. He feels these are people who are just causing trouble, and if anyone doubts this statement, he advised them to talk to various contractors who have to deal with these people.

Councils & Commissions:

It was decided to put the various commissions and councils under one category since they all have small budgets, and as Miss Harris pointed out, most of them have had no basic change from the current year.

The Council of State Governments has raised its dues which accounts for increase under that category.

The decrease under Council on Status of Women was due simply to the fact they didn't need as much money as in the past.

Council on
Criminal Justice:

The increase on the Council on Criminal Justice was attributed to the possibility of receiving federal funding. Miss Harris said that Mr. Personatt, Commissioner of Public Safety would, in fact, be in charge of the program if the money is received; whereupon, Senator Phillips announced they would have Mr. Lauber from the Governor's Office before the committee to explain in more detail.

WICHE:

Senator Phillips voiced interest in how many students have received their education under this program have returned to Alaska to live and thought that some research should be done on this.

Council on the
Arts:

The heavy travel budget is due to the 11-member Board which makes it expensive to hold a meeting. The funding on this is a 50-50 federal; however, the state matches three-fifths of the state share while the local groups participate in the other two-fifths. There was some discussion on the fact that the overall support for culture should come from local effort; however, this was disputed on the basis that smaller areas, i.e., in the bush, would not be able to raise enough money to finance any kind of cultural project. Senator Lewis summed up his feelings on the subject by stating

Rural Affairs
Commission:

he thought it was a terrible waste of state money.

The authorization for this commission states that, "The governor shall appoint not less than 25 nor more than 60 persons to serve on the commission." Miss Harris expressed doubt that there were anywhere near 60 people on this; nonetheless it did take the bulk of this budget for travel in the amount of \$32,700 out of a \$36,200 requested appropriation.

The committee appeared satisfied with the balance of the budget and the concluding remarks were directed to the transportation museum which had been funded in the Office of the Governor but the authorization bill had failed to pass the Legislature in the 1968 Session, thereby causing the Attorney General to state that without the authority, they could not spend the funds.

Adjournment:

There being no further discussion, the meeting adjourned at 11:00 a.m.

JOINT FINANCE COMMITTEE
Wednesday, March 5, 1969
9:00 a.m.

Present:

All members of the Senate Finance Committee were present. House members were unable to be present as they were required to be on the Floor. Representing the Department of Education were Commissioner Hartman, Nat Cole, Administrative Assistant, Merle Armstrong, Director of State-Operated Schools, and Mr. Conn, Comptroller. Also present were Mr. Martini and Miss Harris of Budget and Management, Senators Begich and Merdes, and Mr. David Harrington and Mrs. Betty Wanker, representing the District 1 Education Association.

DEPARTMENT OF
EDUCATION

Senator Vance Phillips called the meeting to order and explained the absence of the House Finance Committee. Dr. Hartman introduced the people on his staff who were present and requested that the committee first go into the subject of State Operated Schools.

State Operated
Schools

Dr. Hartman said that there is considerable change in the Director's Office this year due to two major reasons. The first is that they are anticipating a move of the purchasing division for the State Operated Schools to the Director's Office in Anchorage. For the past several years the purchasing section has been within the Department with its primary purpose to serve the State Operated Schools, District 1. He continued, stating that there is very little purchasing within the Department itself and what little they have can be handled through the Department of Administration, Division of Supply. All of the materials that are ordered by the

state for District 1 schools come in by request and purchase order directly from Mr. Armstrong and so rather than have the orders shipped from Juneau to Anchorage and paying for telephone communications between Juneau and Anchorage, they feel it would be much more efficient and effective and would ultimately cost less to have this section in Mr. Armstrong's office. The other increase factor was moving outside travel for District 1 schools to the Director's Office from the various sections, so that he has control over this and knows where the Division stands as far as travel is concerned. Senator Blodgett asked if the move will cause any change in rental space or cost. Mr. Armstrong said that they have a pretty good lease in Anchorage. He said he doesn't know what the state was charging in Juneau in terms of rent, that State Operated Schools were not specifically charged for rent, but said he thinks that their per footage rental cost in Anchorage is as good or better.

Personal
Services

Senator Blodgett noted that the four requested new positions were deleted. One of the deleted positions was an Education Specialist to supervise and administer the lunch programs, both Type A and Type B for the Division. Senator Blodgett indicated marked distress over this deletion by the Governor's Budget Review Committee. He said that 35 children died of malnutrition in Alaska last year, and said "Let's make productive people out of these taxpayers - Keep them alive." The Administrative Assistant III which had been requested was also deleted. This position was to

to "assist the personnel supervisor in clerical and technical operations requiring planned and systemized administrative procedures concerned with the employment and contracting of approximately 900 teachers to staff the State-Operated Schools." Senator Phillips asked what the advantages of this position would be, . . .

and Mr. Armstrong said that this position would be fulfilling the duties as indicated in the narrative justification in the budget book. The person doing that now is secretary to the Deputy Director and he is not getting assistance in that area because her time is spent doing this other work. This position would provide indirectly the secretarial assistance to the Deputy Director that he does not now have. She cannot do both jobs adequately. Senator Blodgett said that this increased load here is due to the takeover of BIA schools in Anchorage. Mr. Armstrong said that they have not requested additional positions. They have requested positions from other areas to be put into the Director's budget and that is why there is a high increase shown. These positions have been reduced from other budgets. In answer to Senator Phillips Mr. Armstrong said that with the positions they have requested they feel that they can do an adequate, competent job. The reduction of positions will mean some things will just not be done, or not be done properly. Senator Phillips asked if the lunch program is being administered adequately. Mr. Armstrong said that the only reason they have been able to do this job is that the federal

government has provided the administrator of the State lunch program with a position of nutritionist which they were not ready to fill at this point, and they have loaned this position, so there is a person administering this program now. However, this is a borrowed position and if this has to be withdrawn, due to press of total state requirements, Mr. Armstrong said they are going to be in trouble in this program. They have needed this program desperately, because this is another position that has been spread around with no one specifically responsible. He said that he feels Senator Blodgett's complaints in this matter are justified. Senator Lewis requested a more comprehensive outline of what the lunch program amounts to. Mr. Armstrong said that the schools that have a complete kitchen enough to operate a Type A (hot) lunch program do so, and those lacking the kitchen facilities (about 65 schools) use teachers' quarters and equipment is sent out to them to prepare a Type B (snack) program. This includes hot soup and some of the commodities from the federal government like peanut butter and raisins. The state buys pilot bread and soup. To put Type A programs into the schools with the Type B programs would required some kind of construction, providing some kind of kitchen facility and space and storage. In some of the schools now there is not adequate storage for food. Senator Blodgett stated that some of the schools don't even have the soup program. Mr. Armstrong said that they sent letters to all the advisory boards and teachers asking if they

wanted to participate and almost everyone wanted to. The only ones who don't have the lunch program now are those that didn't want it. Senator Blodgett said that some of those that don't are due to the influence of teachers who didn't want it. He said that McGrath doesn't have a lunch program. Senator Phillips asked if the advisory board in McGrath had turned down the offer and Mr. Armstrong said yes. Senator Blodgett requested a letter to that effect. Mr. Armstrong said that any school requesting the snack program has the snack program. They got started late this year, he said, due to the transportation problem caused by low water, and in fact they still have a lot of food on barges on sandbars on the Kobuk. In answer to a question by Senator Lewis, Mr. Armstrong said the food comes from the Department of Agriculture. He said there have been some shipments made to the schools but that has not worked out so they are starting to bring large shipments into Anchorage and redistributing from there. In that way the Director's Office is sure that the supplies have been received. Senator Miller asked if the Department has proposed an integrated stage program of implementing a real hot lunch program in the schools beyond the snack program. Dr. Hartman said they prepared figures for the cost of construction that would be necessary in order to do this last year. He said that last year during the legislative session a request came over to the Department by various legislators asking what the cost of implementing a hot lunch program of Type A standard in rural schools would be. These

figures were sent over to the committee but the Legislature did not make provision for this so there has been an effort on the part of the Department to upgrade. Senator Miller asked again if the Department has ever proposed an integrated stage program for implementation of this. Dr. Hartman said that they would recommend upgrading where there are a sufficient number of students to justify doing so. Senator Miller said he would like to have/benefit of the Department of Education's thinking on what steps they would like to see taken and requested that a memorandum be sent to the committee on this. Senator Blodgett said that it would take \$2,000,000 to launch the program in every rural school and \$5,000 a year thereafter for operation. Under federal law as equipment deteriorated it would be 100% replaced by the federal government. Somewhere along the line the Department picked up \$10,000 Senator Blodgett said, because they put it into kitchen equipment for the Teller school. He asked if there is a chance of that happening again. Dr. Hartman said there is this possibility from year to year, but they are limited in the funds from the federal government to only about \$10,000 to \$12,000 for equipment statewide. Senator Lewis asked with reference to the hot breakfast program where this is being served and why when some places cannot serve the lunches. Dr. Hartman said that there are considerable funds available for breakfast programs, but that it is not likely this year that the state will use all the funds in this program that are available to it. In district schools it is up to the local administration to

establish a hot lunch or breakfast program or not. Many of these schools have not felt a need for this breakfast program, and that is their decision. There are three or four hot breakfast programs going in the state district schools. Senator Lewis asked if this money goes direct from the federal government to the school and Dr. Hartman said that it is a "pass through". The state has to supervise. One disadvantage to this program is that there is so much red tape - everything must be kept completely separate from the hot lunch program. Senator Koslosky asked about the rural schools in the Wasilla area, and Mr. Armstrong said there are hot breakfast programs in Twin Hills and Delta Junction. Senator Haggland asked what is required to be eligible for a breakfast program, and Dr. Hartman said it is for children from families with an income of less than \$3,000. This is the criteria for eligibility. Senator Koslosky expressed concern that these same people sending their children to school for breakfast are being paid by Welfare to feed their children. Dr. Hartman said this is probably so and said that this would be a desirable program but for the red tape. It was noted by Dr. Haggland that in many cases the children are not being fed now even though their parents are being given the money to feed them. Senator Phillips asked if administrative costs are covered in this breakfast program, and Dr. Hartman said

no, that that would have to be provided by the district. Senator Phillips asked how much money the state is eligible for, and Dr. Hartman said for \$60,000 or \$70,000. Senator Miller asked if they get food on the same basis for the breakfast as the lunch program, and was answered yes. He asked how they could justify serving breakfast in one area as well as lunch, and neither in another. Dr. Hartman said that those schools wanting a lunch program have it. He said that the nutritional and caloric value is almost as high in the Type B lunches as the Type A. One of the big differences between the two lunch programs is the refrigeration of milk for example. Type A requires serving milk. In response to Senator Miller questioning on this further, Mr. Hartman reiterated that there is very little difference in the nutritional value between the two. Senator Blodgett said he thinks there is a conflict there. In answer to Senator Haggland, Dr. Hartman said the approximate cost of the Type A lunch is \$125 per student and the Type B is \$48.03 per student. Type A involves more personal services and refrigeration. In response to the question of why couldn't powdered milk be used, Dr. Hartman said they must comply with regulations and in order to have Type A they must have refrigeration. He said the state takes responsibility to comply with the regulations. Dr. Haggland said that that was impractical. Dr. Hartman said that the state has liability. Senator Begich asked if any of the stoves that were purchased recently

would be used for the hot lunch program and was answered no, that they were vocational education funds to be used for homemaking in Fort Yukon which already has kitchen facilities.

Travel:

Mr. Armstrong said that they have been approved \$43,000 for travel. One of the things that they feel most important in rural schools is getting assistance out to the teachers. The only way they can provide this is to have their people travel in the field. He said this is one of the most important things they do.

Bush travel is expensive. They feel it is also important to the staff to know what is going on out in the bush. They also feel there are times when teachers need to get to professional meetings. Although this travel may look like a considerable amount, as far as the staff is concerned it is not more than about one trip for a staff member per year. Due to Alaska's isolation it is especially important to keep current. Senator Phillips, asking about the increase, was told this is because travel for these people was pulled out of other sections. The tremendous increase in the total travel is really a reshuffling. Senator Phillips asked what the real percentage increase was, and Mr. Armstrong said that he was unable to provide that information, but agreed to send it to the committee. Senator Blodgett noted that there are now more schools. Senator Miller noted that there is still travel in the other sections and in fact it is increased

in regional schools. Dr. Hartman said that a percentage of this is that chartered travel has been moved from contractual services to travel.

Contractual:

Contractual Services was increased from \$34,500 last year to \$82,500 authorized by Budget Review this year. Mr. Armstrong said that the biggest increase is in Communications where they have put in a communications system. Senator Blodgett asked in rents and utilities why they don't get space in the McKay Building for these offices. Mr. Armstrong said that there is none. Senator Blodgett asked if the state fills the entire building, and Senator Phillips said no, that the top two or three floors are private offices and apartments. Senator Blodgett said that the idea of the McKay Building was to consolidate all the state offices in Anchorage. The film library, PERCY, was one of the things they needed space for, and Senator Blodgett said that it could be in the basement of the McKay Building. Mr. Armstrong said that they are working with Public Works trying to consolidate Division of Buildings warehouse and their warehouse together in a common facility in the interest of efficiency. Senator Blodgett indicated that perhaps it would be wise to construct a state office building in Anchorage, and Senator Phillips said it well could be, and that a hard look should be taken at this by the subcommittee.

Equipment:

Mr. Armstrong said that most of this is because the 1960 Chevrolet that the office is now using for official business

needs replacing. Senator Blodgett asked if that doesn't come out of the working capital fund, and Mr. Armstrong said that they have to buy one before they will maintain it. Senator Haggland asked if the state doesn't have a car pool, and Mr. Armstrong said that they do but that the cars are only available for short periods of time.

Recess:

The meeting recessed at 10:00 a.m. for 10 minutes.

AFTER RECESS

10:15 a.m.

At this point Senator Phillips stated that David Harrington and Betty Wanker, two teachers in the state-operated school system, were present to testify before the committee and invited them to speak. Mr. Harrington said that they are interested in dealing with problems in State Operated Schools under their jurisdiction and those that will affect their districts. They are concerned for small districts who are having financial troubles which may have to be turned back to the state if they cannot succeed independently and so would enlarge the state operated school system. They are concerned with a cut in equipment or commodities and said that a number of senators have indicated to them that they have received communications from teachers on this point. Last year the budget for rural schools in Equipment and Commodities was cut considerably. Senator Phillip's asked what the schools were short on last year. Mr. Harrington said that, for example, upgrading projects in curriculum could not be done without money for texts and materials, and

a ditto machine would prevent hours of typing with carbons, allowing more time to be spent with students and their problems. Senator Phillips asked Mr. Armstrong if he has a list of schools that might be short of equipment and asked how equipment needs were determined. Mr. Armstrong said at on-base schools, Elmendorf for instance, principals in the schools get together with teachers to determine equipment needed.

Senator Bradshaw noted that in Commodities they were given everything they asked for. Mr. Harrington said that they were referring to last year's problem. Senator Miller asked what the cut last year in equipment to State Operated Schools was, and was answered a 50 percent reduction. Mr. Miller said that the figure he had been quoted by several rural and on-base school teachers was 85 percent. He said he heard bitter comment from teachers on this. Mr. Armstrong said that in rural schools in 1967-68 their actual expenditure was \$108,000 and last year they were authorized \$25,000. This year they requested and have been granted by Budget Review \$41,500.

They want to get some far reaching programs going during the year on crucial education problems throughout the state. Senator Phillips asked how they evaluate what they need. Mr. Harrington said that at the local level committees are designed in curriculum to design programs needed in that particular school as those needs depend on the school.

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Senator Phillips asked if dialogue doesn't come through The Board of Education. Mr. Harrington said that they seem to lose contact in the process going on up the line. Senator Begich said that these people have had many cuts to their budgets already in the process their requests go through before they reach the legislature. He said that they don't have a voice before the School Board. Senator Miller asked if the association would be interested in a school board for State Operated Schools. Mr. Harrington said that this is a definite concern of the teachers. He said that it is a unique situation in Alaska where the State Board of Education is expected to run the school system in addition to its regular function as a State Board. Even the Board members have expressed concern, he said. They are just unable to allow sufficient time to act as a School Board.

Senator Miller asked if they would favor a State Operated School Board. Mrs. Wanker said that they are in an awkward position. She said that this Board would be favored by the District I Education Association. She said they have tried working with the State Board, and have unified so as to present a unified front rather than as scattered individuals. She said they feel a separate board might eliminate some of the problems, facilitate finances considerably, and make things run a lot smoother. She said they wanted to go on record for supporting change in the School Foundation formula

which would upgrade independent small schools. She said that while their problems are considerable they realize there are others with more serious problems. Senator Miller said that the last legislature recognized the problem of the smaller schools and put in a formula to help them. Senator Blodgett said in the area of these District 1 schools that the on-base schools are in good shape by comparison with the rural schools. Rural schools have been "swept under the rug". They have advisory school boards which are very nebulous and at least the on-base schools have PTA's and interested people. Mr. Harrington said that they do recognize the problems of the rural schools and are making an effort to make their board representative and have representatives from Nome, Nikolai, and Glennallen in this association. There was to have been a representative of the rural schools down but he was held up by bad weather. Senator Phillips asked what happened in schools due to the cut in equipment. Mr. Harrington referred to the Elmendorf budget. He said in Code 590, where there had been a \$2,485 request, or about \$1 per student per year, there was \$500 authorized, or about 15 or 17 cents per student. This money was to have been for projectors, screens, record players and such. Senator Phillips asked how they evaluate their needs, and asked if they conduct some kind of inventory. Mr. Armstrong said that they do not, from his office, make any evaluation. They employ superintendents to work with

teachers and principals in determining what they need to do the job they intend to do. He gave an example of overhead projectors, which for three years were not being utilized but now, with new ways of teaching, are being found to be more and more effective. He said if their teachers have to go down to the office to get these projectors, chances are they are less likely to make use of them than if they were more available. Senator Phillips noted that this year the Budget Review Committee granted the entire request for Equipment. Mr. Armstrong explained that the extreme cut last year led to a reduction in the request for this year, because they did not expect to get more. Senator Phillips asked what the program on TV education is at on-base schools, and Senator Begich said there is none. They just have hard core programs. Pointing up another example of the effect of insufficient equipment costs, Senator Begich said that at on-base schools they are trying to establish a rotating system of typewriter replacement every two years but were unable to do so with only a very limited amount in the budget. Senator Bradshaw asked if Mr. Harrington and Mrs. Wanker disagree with the Department request, to which they indicated yes, and so Senator Bradshaw asked if they had anything made up for the committee indicating how much more they feel is needed to make the programs adequate. Mr. Armstrong interjected that the request for State Operated Schools for equipment was \$95,000 and had been cut by the

department to \$73,100. Senator Bradshaw asked if a \$95,000 increase would have been adequate, and Mr. Harrington said that if they're going to move ahead and instigate new programs he would not be convinced that that would be adequate, but that he could not come up with a figure. Senator Bradshaw indicated that the Finance Committee has to act on something more than that. Senator Lewis asked what some of these new programs are. Mr. Harrington said one would be improved reading programs, at an early level. Senator Begich said examples would be renovating the reading program, bringing in modern math, replacing texts, and developing better science programs. Mr. Harrington said another is developing an improved special education program. Senator Lewis requested that a list of these programs be sent to him. Senator Begich suggested to the subcommittee that if they want justification for what was asked for before the cuts were made, they are filed, and he said that there were substantial cuts made by the Department of Education. Senator Bradshaw asked Dr. Hartman if, when he goes to Budget Review if he goes with the department figures only or also with the figures from the lower level and he said with his own only. Dr. Hartman explained that figures come in from Mr. Armstrong's office. Mr. Armstrong has reviewed them before they come to the department and the superintendents have reviewed the principals' and teachers' requests before they come to Mr. Armstrong. Dr. Hartman said an example of an item he cut was

a \$7,500 request in Equipment to replace some faculty room furniture that he felt was not necessary to replace at this time. He said that he doesn't know about changes in Commodities, that he has heard about no real shortage in teaching material or equipment. In fact, he said, he saw a memorandum recently from the equipment officer out of Anchorage saying that he found some equipment and material at Big Delta and Tok that they are anxious to transfer elsewhere. He said that when Mr. Armstrong's office is more efficient in terms of inventory he thinks more situations will be found. He noted that Mr. Armstrong has only had one year in that office. Senator Begich said that there are real shortages and that rural schools definitely are not adequately supplied. Dr. Hartman said they have a tremendous amount in programs in Title L, a great deal of which is for equipment and supplies to PERCY which provides films and equipment on a rental basis for rural schools. This is over and above what is shown in the budget. He said that in Title I ESEA Funds, District 1 receives approximately \$1,000,000 from the federal government to enhance district programs for rural schools. (On-base schools are not included in this due to higher economic status). The instructional program is somewhat supplemented by this, Dr. Hartman said. Mr. Harrington said he does feel there are critical problems in education that will face and are facing the state. He said that the District 1 Education Association hopes to continue to have opportunities like

the situation with he and Mrs. Wanker coming to the Finance Committees, and indicated that he feels there should be an opportunity for rural teachers in the bush to tell the Legislature what they think of their program - if they feel they are adequately supplied. Senator Bradshaw asked if the big deficiency is in professional and scientific supplies, and was answered yes. Mr. Armstrong said there was only about \$6,000 cut from the original request to the department and Dr. Hartman indicated if the cut from \$33,400 to \$32,800 would make the difference he is in favor of putting it back. Mr. Armstrong said that the equipment request that came in from the superintendents to him was \$427,700 and he doesn't know exactly where the cut was made - it wasn't necessarily all from professional and scientific supplies, and he was answered yes. Senator Lewis again requested a letter stating what new program they intend to initiate. Senator Begich said that he hopes the subcommittee takes a good look at the cuts that were made at lower levels. He said there is a big problem.

Recess:

Committee recessed for five minutes.

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AFTER RECESS
11:15 a.m.

Regional
Schools
Personal
Services:

Dr. Hartman said there is a reduction of one certificated teacher at Beltz school. Senator Blodgett asked why, and Mr. Armstrong said that the reduction has come through the consolidation of positions where they have had two counselors and a dorm manager. The dorm manager position has been eliminated because the person who was in the position, the Division felt was not very effective and they want to go a different way with counselors accepting more responsibility in the dormitory. Senator Blodgett asked if that means there is one counselor for 160 students, and Mr. Armstrong said that they have two. Dr. Hartman said that they have 17 teachers on the Beltz staff which makes the Teacher Pupil Ratio about 10 to 1. He said that the school is in a favorable position as far as TPR. Senator Blodgett said when they consolidate, TPR will increase. Dr. Hartman said yes, but they will increase staff too and they should have more efficiency with 300 students than 168. Senator Bradhsaw asked what the new position of custodian was for and Senator Blodgett said that that was on the basis of the new gym but the gym will not be reading in 1970. Mr. Armstrong said that students have been doing quite a bit of the custodial work. He said they are doing all of it in the dorm and a lot in the cafeteria. They have been using a custodian as a bus driver. He said they have been trying to get a custodial position that could be used as a bus driver and

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custodian. He said there is no custodial service in the teachers' apartments, they do it all themselves. This person would also fill in there. Senator Blodgett said he thinks it is reasonable to delete that position for now. Dr. Hartman said that the person would bring students back and forth into Nome.

Travel:

Senator Bradshaw said that transportation in Alaska increased \$8,000 and asked why and Dr. Hartman requested that Susie Harris explain the accounting change here. Miss Harris said that charter aircraft which used to be designated as contractual is now being put in travel where it belongs. Dr. Hartman said that contractual services was decreased by \$3,200 which makes up part of the additional travel. Mr. Armstrong said that the decrease last year was actually more than they could stand. Senator Bradshaw and Senator Blodgett noted the \$5,500 for a 27 man advisory board. Mr. Armstrong said this is the advisory board they brought in with members representing the areas with students coming to Beltz school. He said they hope they will come in and meet with the teachers and administration once each year. They are electing a 3-member executive board who will act as a school board meeting 3 times a year. They have never had a school board for boarding schools before. Senator Blodgett recommended cutting the board in half and rotating between the villages every other year, and then taking half of the \$5,500 and using it for the 3-man executive committee. Senator Bradshaw asked if there are minutes of the advisory committee meetings. Mr. Armstrong said yes, and agreed to furnish them for the committee. Senator Phillips asked what

the law is on the number of times the committee will meet and Dr. Hartman said there is no law but they feel responsible to develop some adult leadership in the villages. Senator Bradshaw asked if this is the idea, to have advisory boards for regional schools then will each of the regional high schools have one when there is a regional high school system, and Mr. Armstrong said this is what they would hope. Senator Blodgett said when Nome is consolidated and two new dorms are constructed, the enrollment will change considerably, due to students currently going outside to school, but the advisory board should not change appreciably. Dr. Hartman said that somewhere in the next few years it is going to be necessary to find a way of organizing the unorganized borough and having some kind of board representing the students and families of the various communities. He said he doesn't know how this is going to go. Senator Blodgett said they are proceeding to organize a 3rd class borough now up there. Senator Lewis asked what the concept behind the advisory board is, what it is supposed to advise on and to whom. Mr. Armstrong said the members are to come to the school and meet with the superintendent, administration and teachers. If they can sit down together and talk about feelings and reactions and what kind of education the parents feel their children should be getting. He said no one really is sure what kind of education these students should be receiving. Senator Lewis asked if they have had any meetings, and the answer was yes. He requested an example of a suggestion,

and Mr. Armstrong said one man said the students need more Eskimo food. The school cook proceeded to get some Eskimo food for them and every so often they have an Eskimo meal. He said it does make a difference, because the students feel consideration of their likes is being made. Another improvement due to the board Mr. Armstrong mentioned is the fact that the first year of operation when the students were homesick or discouraged they would write home and their parents would tell them to go ahead and come home, but with improved teacher-parent contact, the parents are more aware of what is happening and so they now tell their children to stay.

Equipment: Senator Bradshaw asked if most of the equipment increase is for the Beltz school and was answered yes. Mr. Armstrong said that they have some electric typewriters, two new machines and extra in contractual for repairs on the old ones. Mr. Armstrong said that they hope to get equipment money from vocational education to do more than they have been able to do. Senator Blodgett said he is not satisfied with the breakdown in equipment and requested a breakdown giving quantities.

Inter-Agency Charges:

There is \$75,100 in this area to Division of Buildings for maintenance of buildings, to take care of room repair, boiler pump repair, and such other items as the Department cannot take care of itself. Senator Blodgett asked if there was any involvement with the working capital fund here, and was answered no. There is, Senator Blodgett said, a gray

area between capital, Division of Buildings and Education. Miss Harris explained that this line item, Inter-Agency Charges, is to show the amount of money applicable to the education program with regard to maintaining education buildings. The Division of Buildings will do the work. Education has to pay Buildings for the work. In response to questioning by Senator Blodgett, Miss Harris explained that funding for Buildings comes out of Inter-Agency receipts and not the general fund. Senator Blodgett said this matter warrants careful examination.

Senator Phillips announced that the balance of this budget will be covered in subcommittee.

Adjournment: The meeting adjourned at 12:00 p.m.

SENATE FINANCE COMMITTEE MEETING
Thursday, March 6, 1969
8:00 a.m.

University
of Alaska
Students

Senator Phillips opened the meeting by announcing that a number of students from the University of Alaska were present to discuss with the committee the proposed legislation for a Student Union Building on the University campus. Members of the committee were present, along with the following students from the University of Alaska student body: Phil Holland, Glenn Bacon, Sue Fison, Mike Sciber, Dennis Freeman and Bill Bradshaw, son of Senator Bradshaw. Mr. Bacon, as spokesman for the group of students, told the committee that they were here to discuss and answer questions concerning the proposed student union building for their campus. His first point was that the present building was built in 1956 for an enrollment of 800 students. Since that time, enrollment has tripled and needless to say, it is hopelessly overcrowded. He said at times there are as many as 30 students in line waiting to be served. He cited other conditions within the building, i.e., a 9' x 12' room with three desks.

Mr. Bacon noted the educational aspect; the social aspect; and finally, the recreational aspect of this building and explained how each related to the other in solving some of the student problems. He concluded his presentation with the remark that the students envision this building as the focal point not only for the University community but for the Fairbanks community as well.

Senator Phillips wondered if they had given any thought to the amortization aspect since the fees they had proposed last year in the request for this building were not adequate to cover this.

Mr. Freeman, a senior at the University and a business major, told the committee that the students had worked out an amortization schedule ranging from 5-1/2% to 6-3/4%, and he felt this schedule would indicate they had the ability to pay for the bonds over this period. He told of the projected enrollment which had been done on a conservative basis and by the year 2000, they expect to have 19,000 students.

At this point, Senator Miller interjected the fact that he had talked to Mr. Rafferty, bond counsel for the University, and that even though these figures had been compiled by the students, it was under Mr. Rafferty's direct supervision and he himself will certify that this building can be paid off by student fees. Senator Phillips said they would discuss this with Mr. Rafferty when the bill was before the committee. Senator Phillips asked the students about possible complaints against the University and they seemed to be in total agreement that whenever they had complaints they were able to deal directly with the President or the Dean and they felt because of this direct line of communication the campus was totally lacking in the problems plaguing such schools as Columbia University and University of San Francisco. Clubs formed for the purpose of dissent usually fell apart within a month or two for lack of interest. They agreed that the

small campus contributed to the fact that the students and administration had such a warm relationship, but still wanted to emphasize the point that the most important thing in their minds was the availability of the administration to the students.

Miss Fison told the committee that she personally felt one of the reasons that upper classmen and graduate students were few in number on the campus was due to the deplorable housing situation. Many of the older students are married and she also felt it affected the faculty because they could not find proper housing for their families. She cited one instance last year of a professor who left due to the lack of a place to house his family.

Senator Lewis asked about the "pot" problem and the students assured him that though the problem existed at the University of Alaska like on every other campus in the United States, they felt it was a minor problem and was not done flagrantly. They felt a small minority was involved and could not foresee it ever reaching proportions that it has elsewhere.

Senator Miller asked each student if he/she planned to stay in Alaska upon graduation, and they all stated that Alaska was their home and this is where they planned on living.

The meeting concluded with Senator Bradshaw's remark that he had the definite feeling that the students were proud of their school and they heartily concurred.

Recess: The meeting recessed at 8:55 a.m.

JOINT FINANCE COMMITTEE
Thursday, March 6, 1969
9:30 a.m.

Present:

All members of the Senate Finance Committee were present with the exception of Senator Miller. Also present was John Sackett representing the House Finance Committee. Presenting the Military Affairs Budget were Major General C. F. Necrason, Adjutant General, Brigadier General C. E. Reid, Assistant Adjutant General (Army), Brigadier General Kenneth M. Taylor, Assistant Adjutant General (Air), Lt. Colonel Glenn Byington, Director of Facilities and Fiscal Division, and Mr. James Isbell, Director of the Alaska Disaster Office. Also present was Mario Martini of Budget and Management.

Department
of
Military Affairs:

The Committee began their review of the Military Affairs Budget with a look at the goals and objectives the Department has set out for itself in the early pages of the Budget Workbook. Their first point in long range goals is the construction of 11 new village armories for the Scout Battalions at Gambell, Savoonga, Arctic Village, Nightmute, Ambler, Venetie, Kaltag, Nunapitchuk, Kotlik, St. Mary's Mission and Goodnews Bay. The next was the expansion of the Anchorage Armory to accomodate revised stationing of Army National Guard Units. Senator Blodgett requested a breakdown on the cost of this expansion. General Reid said this would be 75 percent federally funded. Senator Blodgett asked

Long Range
Goals: