

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2497

Mr. Ray felt the amendment should specify graduates of Alaska high schools or residents of the state attending schools outside the state.

Mr. Schwamm said this amendment also eliminates the requirement to maintain any kind of a grade point.

Mr. Sackett felt this is good because although some of the native students end up with "D's", some of them eventually do make it. He felt everyone should be allowed to go to college.

Mr. Schwamm added that \$225,000 wouldn't pay for this bill; the way it is worded it would make loans available to anyone, virtually every student from Alaska could get a loan and wouldn't have to pay it back. He said the thinking is any student who goes to college now, either in or outside Alaska, can apply for this loan.

Mr. Ray asked Mr. Sackett to work on this bill and have it ready to be passed out at 2:00 p.m.

Recess: Meeting recessed at 9:45 a.m.

HOUSE FINANCE COMMITTEE

March 11, 1970

9:15 a.m.

Present: Mr. Croft and Mr. Bradner were absent.

SB 479 Mr. Borer moved and asked unanimous consent that the committee consider SENATE BILL NO. 479 (an act relating to compensation of public service commissioners). No objection, so ordered.

Mr. Borer explained the cost of this is \$15,300. He read the following from the fiscal note:

"The \$15,300 is now in a reserve account which was appropriated and needs enabling action in order to pay due to lack of authorization. RCA has filed an application with the Commission for certificates of public convenience and necessity to provide long-lines communication services and facilities between points within Alaska. It is possibly one of the most important proceedings the Commission has ever had and hearings on the matter will require several weeks. None of our Commissioners are able to give up that much of their time for the per diem they receive."

Mr. Borer moved and asked unanimous consent that SENATE BILL NO. 479 be passed out of committee with individual recommendations. No objections, so ordered. SENATE BILL NO. 479 was passed out of committee with Mr. Hohman, Mr. Sackett, Mr. Haugen and Mr. Borer signing "do pass" and Mr. Ray and Mr. Croft signing "no recommendation".

HB 599 Mr. Sackett moved and asked unanimous consent that the committee consider HOUSE BILL NO. 599 (an act relating to scholarship loans). No objection, so ordered.

Mr. Sackett moved and asked unanimous consent that the committee consider FINANCE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 599 in lieu of HOUSE BILL NO. 599.

No objection, so ordered.

Mr. Croft entered the meeting.

Mr. Sackett noted the following change in the bill:

"Sec. 6. AS 14.40.800(1) is amended to read:

(1) priority shall be given to entering freshmen who are graduates of Alaska high schools or who are graduates of a high school outside the state if their Alaskan residency has been continuous;"

"Sec. 8. AS 14.40 is amended by adding a new section to read:

Sec. 14.40.825. EFFECT OF ACADEMIC PROBATION.
A recipient of a scholarship loan under secs. 750 - 830 of this chapter and who is placed on academic probation may continue to receive the benefit of the loan for that school year, and may apply for a renewal of his loan for the next school year under sec. 770 of this chapter. However, a student who has remained on academic probation for a period of one full school year is not eligible for further loans until he is removed from probation."

Mr. Sackett noted that Sec. 14.40.825 applies to all undergraduate levels.

Mr. Borer questioned whether priority would be given to entering freshmen. Mr. Ray read from Sec. 14.40.770

"..A student who has been granted a scholarship loan ... and is in good standing with the college or university he is attending shall have the right to renew his scholarship loan the following academic year before any new loan is made to a student who did not have a loan the prior academic year..."

Mr. Borer asked if Mr. Sackett was satisfied with this bill. Mr. Sackett answered yes.

Mr. Hohman asked if an Alaskan student could take this money and go outside. Mr. Sackett said yes.

In answer to Mr. Hohman, Mr. Sackett said the amount of \$150,000 is in the budget request for the 1971 year and this is predicated on 300 students obtaining loans at \$500. He said increasing the amount from \$500 to \$750 would cost an additional \$75,000 for a total of \$225,000.

Mr. Haugen asked when the students pay this back and Mr. Sackett said one year after they get out of school.

Mr. Hohman asked if there were any racial restrictions.

Mr. Sackett said no.

Mr. Sackett moved and asked unanimous consent that FINANCE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 599 be reported out with individual recommendations.

No objection, so ordered. So FINANCE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 599 was reported out with Mr. Ray, Mr. Croft, Mr. Haugen and Mr. Borer signing "no recommendation" and Mr. Hohman and Mr. Sackett voting "do pass".

HB 744 Mr. Sackett moved and asked unanimous consent that HOUSE BILL NO. 744 (an act appropriating \$1,000,000 to the Department of Education for the acquisition, construction and equipping of a school building at Metlakatla) be considered by the committee. No objection, so ordered.

Mr. Sackett explained that the school was anticipated to cost \$1,300,000; however, they are going to get a portion of this from insurance and they will be able to pay some of the initial architectural and design fees. Mr. Sackett said he had discussed this with Dr. Hartman, Commissioner of the Department of Education, and he had said the amount of \$1,000,000 was sufficient; however, this would not provide any of the luxury items in terms of special things such as those discussed by Mr. Musgrove [page 639 and 640 in the minutes].

Mr. Borer questioned why they aren't considering starting this as the regional high school program.

Mr. Sackett moved and asked unanimous consent that HOUSE BILL NO. 744 be reported out of committee with individual recommendations. No objection, so ordered.

Mr. Haugen said he felt they should have the Commissioner of Education over and discuss this with him.

Mr. Hohman moved and asked unanimous consent the committee rescind their action on this until they have discussed this with the Commissioner. The motion failed. So HOUSE BILL NO. 744 was passed out of committee with 5 "no recommendations", Mr. Sackett voting "do pass" and Mr. Bradner being absent.

HB 478 Mr. Hohman moved and asked unanimous consent that the committee consider HOUSE BILL NO. 478 (an act relating to mining leasing). No objection, so ordered.

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

"line 16 on page 1, change the 20 and insert 10"

Mr. Hohman asked if there is any objection to restricting the mining leasing. Mr. Sackett objected and said there are some mines that may not be producing until after 10 years, and then there may be a find and they would lose the lease. Mr. Croft pointed out that they can tie up land with mining leases and this says they can hold the mine for 10 years or as long as they have an actively producing mine.

Mr. Hohman moved and asked unanimous consent that HOUSE BILL NO. 478 as amended be passed out of committee with individual recommendations. No objection, so ordered. So HOUSE BILL NO. 478 was passed out of committee with 5 "no recommendations", Mr. Sackett voting "do not pass" and Mr. Bradner being absent.

Bill
Assignment

The following bills were assigned.

HB 661 (appropriating to the higher education aid fund)	Mr. Ray
HB 176 (compensation for accrued sick leave)	Mr. Hohman
HB 641 (providing for compensation for members of the Workmen's Comp. Board)	Mr. Sackett
HB 692 (authorizing state grants-in-aid to nonprofit corp. - day care and child development centers)	Mr. Ray

HB 774 Mr. Ray moved and asked unanimous consent that the committee consider HOUSE BILL NO. 774 (appropriation to the continuous Alaska residence incentive grant fund). No objection, so ordered. [This had been reported out of committee on March 5, page 746 of the minutes. On March 10, the Speaker stated that without objection, the referral to the Special Monetary Investment Committee would be waived and this would be referred to the Finance Committee.]

Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 774 be reported out of committee with individual recommendations. No objection, so ordered. So HOUSE BILL NO. 774 was reported out of committee with 5 "no recommendations", Mr. Ray signing "do pass" and Mr. Bradner being absent.

Recess: The meeting recessed at 9:50 a.m.

802

3/11

HOUSE FINANCE COMMITTEE

March 12, 1970

9:05 a.m.

Present: All members were present with the exception of Messrs. Ray, excused due to illness, Sackett and Croft. Also present was Mrs. Julie Isaac.

HB 610 In Mr. Ray's absence, Mr. Bradner assumed the chair, and introduced Mrs. Isaac, who appeared before the committee to give testimony on HOUSE BILL NO. 610 (relating to personnel in the exempt service).

Mrs. Isaac presented the following testimony:

"My name is Julie Isaac. I reside at 410 "D" Street in Douglas, Alaska. I appear before you at my own request and represent no one but myself --- although I am a drop-out alumna of the University of Alaska, an employee of the Douglas Station, Institute of Marine Science, and a member of the local Community College Advisory Board.

"The effect of HOUSE BILL NO. 610 is to place a large number of University employees, especially those in clerical, secretarial, maintenance and general operating personnel on the same basis as other comparable State employees.

"I think this is important for the following reasons: FIRST AND FOREMOST, I DO NOT BELIEVE IN DISCRIMINATION ---between State and University employees or in any groups. The State employees work a 7-1/2 hour work

day and get eleven holidays a year. This past year, they received two extra---when President Eisenhower died and the Astronauts' Moon Walk. University employees work an 8-hour day and receive only six holidays. We did get the "moon-walk" holiday, but we were unable to observe the day of mourning set aside for General Eisenhower.

"I feel there is gross discrimination in this area alone. Other agencies of our State, such as the Legislative Affairs, State Courts System, Department of Law, etc., are also in the exempt service or do not come under the State Personnel Act, but it does not mean that they do not observe the same work day and holidays as those State Employees who are not exempt.

"Just how often do you see in your papers items about the backlog of cases facing our courts today---you'd think they would be putting in the extra thirty minutes a day or foregoing some of the holidays.

"I certainly am not aware of any great backlog of work that requires University employees to put in the longer hours or fewer holidays. Incidentally, we were notified on Christmas Eve that we would have the day off on Friday after the 25th, as well as the Friday following New Year's.

804

3/12

"Needless to say, we took them without question---but who wants a "hand-out" when they could have been designated as "legal holidays" at the beginning of the fiscal year. I don't want Dr. Wood or the administration "giving" me something that I feel has been earned.

"I won't belabor this point further, but there are other areas in which discrimination also exist: for example, the amount of accumulated annual leave---State employees--60; University--30; Sick leave for State--unlimited; University--90 days. As to salary increases ---whatever the percentage was for last year's increase, University employees received a 6% increase, I believe ---because supposedly the University of Alaska budget is not adjusted to accommodate the same increase as for State employees.

"I am aware of Dr. Wood's opposition to the bill---I had about an hour and a half session with him and the Board of Regents following their session with you. We talked of many things. While I am reluctant to say anything that would appear to discredit him, I will only say that no one is more disappointed than I at his unwillingness to accept or lend support to a measure that is designed to help the University.

805

3/12 .

As I pointed out to him and the Regents, this Bill does more than equalize hours and holidays---it makes the University competitive with private industry and government in attracting and holding capable, qualified and competent employees. It would bring the employees under the merit system, they would be hired from a personnel roster and know exactly what their duties and responsibilities are---they would also have a sense of job security. Those of us who are considered non-professional or non-contractual can be fired at will. I know of no appeals board where I would take a grievance.

"Dr. Wood stated that every employee has a job description---someone may have lead him to believe this, but we have none at the Douglas Marine Station.

"Under the State Merit System or Personnel Act, there would be an accurate accounting of leave records---signed by a supervisor, instead of leaving it to the integrity of the employee, who may or may not report his time off for annual or sick leave, where it is merely written in a book without any official authorization--but subsequently reported to the University on the monthly timesheets---or bi-weekly timesheets. Incidentally, since the first of the

year, those of us in the lower echelons are paid twice monthly without any apparent reason whatever. We were perfectly content with our monthly salaries and were geared to managing our finances on a monthly basis. When that was brought up in my talk with the Regents, Dr. Wood said all employees had been polled and the majority wished to be paid every two weeks. Maybe this was just another break-down in communications, as we WERE NOT POLLED. We merely received an announcement, telling us how it was going to be---and about three months later, it happened.

"To my knowledge, the University does not have a Personnel Manual or Personnel Rules, as such.

I may be mistaken. We have a large collection of memos, directives, etc., but nothing in a concise form that spells out the general rules and regulations pertaining to personnel or the University.

"Now I would like to address myself to a letter received from Chairman William Hensley, House Health, Welfare & Education Committee, dated February 26, 'It is my understanding that the University of Alaska, particularly Dr. Wood, is very much in opposition to the measure. He indicates that there are such wide-ranging activities of the University that it is almost

impossible to deal with the non-academic people under the classified system. He indicated that people up on Ice Island and very remote stations and the scattered activities of the University, would make it difficult to live on if the legislation is enacted.'

First, I'll talk about the wide-ranging activities and the classified system. What Dr. Wood probably hasn't had pointed out to him is that by lifting the University employees out of the exempt service, does not mean that he or his administration cannot draw a line somewhere (the same as all the State departments do for Assistant Directors and above) and put the higher-ranking employees in the exempt or partially exempt service. This can be done by University regulations. They would follow a uniform salary schedule, observe the same holidays and workdays as other employees, but would serve at the pleasure of the appointing authority.

"Granted, the University does have wide-ranging activities, but hardly as wide as the Department of Public Works for example. The University does have the Research Ship operations---which under the Personnel Act would make the operations comparable to the State Ferry System. Then there is our Marine Station here at Douglas, or you might also include in this category

the experimental station at Palmer, or the fur farm at Petersburg. I know of no students that come in for special consideration that would necessitate adhering to the academic calendar established at College.

There have been two summer institutes at the Douglas Marine Station and during such time, schedules could still be worked out to accommodate the teaching staff and administrative staff.

"Remoteness is not a factor. Dr. Wood speaks as though the University situation is unique. Why doesn't he talk to the Fish and Game personnel who have people, scientific and otherwise, scattered all over the state; or the State Department of Education, which operates schools in some pretty remote areas of this great land. While their teaching staff is bound to a contract, to teach so many days a year, it doesn't mean that the maintenance or clerical personnel take their holidays while the teacher is on duty. The holidays are worked out at the convenience of the school administration. They might pick up their holidays during the long Christmas vacation, spring holidays or at the end of the school year.

"Gentlemen, what disturbs me about this proposed legislation is the knowledge that Dr. Wood and the

Regents have the power---almost---to correct the same ills through University regulations---yet they have not been moved to do so, although they said they are working on it.

"In response to a claim I submitted for overtime on the Friday worked following Thanksgiving, pointing out that Sec. 14.50.020, Definition of Public Schools for Purposes of Statehood Act defines the University as a 'public school' and the school holidays included Thanksgiving and the day immediately following, I received a memorandum from the Executive Officer of the Institute of Marine Science, which reads in part: 'The University Assembly has before it a request to modify the existing fringe benefit package. I am Chairman of the Committee to write the new proposal and such a proposal will certainly cover such things as more paid holidays, more annual leave, more sick leave, etc.' Later, I asked a visiting scientist from College what progress was being made--with a shrug of his shoulders, he said: 'Oh that wasn't a serious committee.'

"Well, I am indeed serious. I want to see our State University grow and prosper, but I also want to see it operating on a business like basis with competent,

dedicated State employees. Thank You."

Mr. Croft had come in during Mrs. Isaac's presentation, and a short while later Mr. Schwamm had come in.

Mr. Bradner, addressing himself to Mrs. Isaac, said that on one hand she seemed to be saying the University has no personnel system of its own, no rules and regulations, and that therefore the answer would be simply to put it under the state service. Correspondingly, he asked, if this was done did Mrs. Isaac foresee any problems on the other side.

Mrs. Isaac said there may be a little difficulty, just as when the various departments switched from territorial government to statehood.

Mr. Bradner asked if, when Mrs. Isaac spoke of exempt service - the need for exempt service in the area of clerical, secretarial, maintenance and general operating personnel, she foresees establishing a system where the recruitment and examinations would be identical to the state system. Mrs. Isaac replied whatever is necessary to get competent personnel.

Mr. Bradner said he agreed in some fashion that as far as pay is concerned it should be comparable to the state merit system; however, he said there is some question as far as the independence of the

University and the special needs of their employees, job descriptions, etc., are concerned.

Mrs. Isaac reiterated that Dr. Wood had stated every employee has a job description, but that she challenges that statement. She felt there should be job descriptions so that each person will know what his duties and responsibilities are, and tests to measure the person's capabilities.

Mr. Bradner asked if the University employees in Juneau and Anchorage areas have sought to gain membership under ASEA, or if there has been any movement in this area to correct the situation. Right now, he said, under the policy control of the Board of Regents, if the situation is bad enough it falls into the hands of the legislature.

Mrs. Isaac said no one has indicated any support or encouragement to her - she received one anonymous clipping at one time supporting this, and felt this lack of support is another indication of what might border on job security. She said she has nothing to lose in this effort, and that she feels very strong about this - it is the only way.

Mrs. Isaac referred to the Alaska State Employees Association, said that she knew the committee would

be receiving the state employees' bill soon, but in answer to Mr. Bradner's question, Mrs. Isaac said that at the time of the annual meeting of ASEA in Anchorage last fall she wrote to the chairman reasons why she felt it would be advantageous for the state employees to lend support to this measure. She said she suggested perhaps they could do something in the form of a resolution, but her letter was never acknowledged. She said she couldn't help but feel they are either looking after their own interests, or didn't have the personnel or time to acknowledge.

Mrs. Isaac added that someone might look into the area of fringe benefits - possibly one of the reasons this measure hadn't received much support is because under the present system certain employees have rent-free apartments, which is a sizable fringe benefit, and some boatmen employees store their boats in a warehouse rent free, and that too is a sizable fringe benefit. This is pretty much of a gravy train for some employees, she said, and possibly because of some of these benefits those particular people aren't going to complain.

Recess: There being no further questions or statements, meeting recessed 9:30 a.m.

823

3/12

HOUSE FINANCE COMMITTEE

March 13, 1970

9:10 a.m.

Present: All members of the committee were present with the exception of Messrs. Bradner and Sackett.

Also present was Mr. Schwamm.

HB 762 Mr. Ray called the meeting to order, and Mr. Croft moved and asked unanimous consent that HOUSE BILL NO. 762 (relating to the office of public administrator) be brought before the committee. No objection, so ordered.

Mr. Croft gave a brief history of the bill -- the original bill provides that when authorized by the supreme court, the presiding judge of the superior court in each judicial district shall appoint a person to act as public administrator of the estates of deceased persons and as coroner.

Mr. Croft said he had talked to Justice Dimond and Robert Reynolds [Administrative Director of Courts] in the Supreme Court, and discovered that Judge Monroe, Presiding District Judge, was right in that the presiding judge of the district court in each judicial district should appoint a person to act as public administrator of the estates of deceased persons and as coroner.

Mr. Croft said Barry Jackson, Chairman of the Judiciary Committee, had prepared an amendment that would change this from superior court to district court, and Mr. Croft said he has prepared a COMMITTEE SUBSTITUTE that would make this change.

Funding for this bill, Mr. Croft added is included in the fiscal year 1970-71 budget, which includes funding for three positions -- one each for Juneau, Anchorage and Fairbanks. The purpose of this is to take care of the estates of people who die in cases where no administrator is appointed. The public administrator would handle the estates so nothing could be taken unlawfully by creditors, etc. The total cost of this bill is \$56,752, which, as mentioned above is included in the 1970-71 Court System budget.

Mr. Croft moved that Finance COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 762 be adopted by the committee in lieu of the original bill. No objection, so ordered.

Mr. Croft then moved that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 762 be reported out with a "do pass" recommendation. Mr. Borer objected.

Mr. Croft moved that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 762 be reported out with individual recommendations. On vote by the committee, however, there was not a majority vote in any category, the

members voting as follows:

DO PASS: Messrs. Ray, Hohman and Croft

NO RECOMMENDATION: Messrs. Borer and Haugen

Mr. Ray asked Mr. Borer what his objections were. Mr. Borer said he felt it is just another slush fund. Mr. Ray contended that someone has to act as public administrator and coroner.

Mr. Borer asked what has been done all these years, and Mr. Ray replied nothing, that this is where the problem comes in.

Mr. Croft stated that what is happening now is that the district judges are being forced to do it.

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 762 was thereby returned to file.

HB 560

Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 560 (appropriating to the Department of Public Works, Division of Buildings - \$675,000) be brought before the committee for discussion. No objection, so ordered. Mr. Ray passed copies of the bill to the committee members, stating that he has the financial information [fiscal note] on the bill and the breakdown as to how much goes to each project. This provides for architectural design and other costs preliminary to going to bid, on the Anchorage District

Highway Complex, the Anchorage Court Building and the Juneau State Office Building.

Mr. Hohman asked how much of this goes to Juneau, and Mr. Ray gave him a copy of the fiscal note, which indicates Juneau will get \$495,800 for the State Office Building. The Anchorage District Highway Complex amounts to \$4,384.30 and the Anchorage Court Building \$166,000.

Mr. Borer asked what the State Affairs Committee recommended, and Mr. Ray replied that all with the exception of one voted "do pass," the other voted "no recommendation."

In answer to Mr. Haugen's question, Mr. Ray replied that funding for HOUSE BILL NO. 560 comes out of the general fund.

Mr. Borer asked if this would be reimbursed from the bond fund if and when issued. Mr. Ray said he would doubt it, but that it wouldn't make any difference.

Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 560 be reported out with a "do pass" recommendation. On vote by the committee, HOUSE BILL NO. 560 was reported out with a 5-1 "do pass," the members voting as follows:

DO PASS: Messrs. Ray, Croft, Haugen, Borer,
and Bradner.

NO RECOMMENDATION: Mr. Hohman.

Mr. Hohman moved and asked unanimous consent that HOUSE BILL NO. 568 (relating to the replacement of or compensation for permanent markers by the Department of Highways) be brought before the committee for discussion. No objection, so ordered.

Mr. Borer asked why the bill was necessary. Mr. Ray replied that the department shall replace or compensate for replacement of all permanent markers on private or municipal property that were destroyed or lost during highway construction if the markers were in actual evidence before construction.

Mr. Borer still could not see the necessity of this bill, and Mr. Hohman said it apparently places the responsibility for the replacement of these markers.

Mr. Hohman then moved and asked unanimous consent that HOUSE BILL NO. 568 be reported out with a "do pass" recommendation. Mr. Ray objected as he wanted to read the Statutes before reporting the bill out.

Mr. Bradner came in.

Mr. Ray read Sec. 19.10.260 of the Statutes as it reads now: "The department shall: (1) replace all permanent markers on private or municipal property that were destroyed or lost during highway construction to permit persons to determine accurately new boundary

lines resulting from the construction; (2) file in the local recording district, after completion of highway construction, an accurate right-of-way map that will contain sufficient engineering and survey information designating where the resulting boundary lines are located on private or municipal property along the highway. (§ 1 ch 14 SLA 1967)"

Mr. Ray noted that under the current law there is no provision for compensating the owner of property for the replacement of a marker taken out by the Highway Department during construction. This bill allows the owner to be compensated for the replacement of a marker.

Mr. Ray also noted that there is very little policy decision involved, and the costs will be minimal as replacement costs are normally eligible for federal participation, currently 92.76 percent federal and 7.3 percent state on the Federal Aid Highway System, as indicated in Commissioner Beardsley's memo of March 9, 1970.

Mr. Ray then took a vote of those in favor of Mr. Hohman's motion to report HOUSE BILL NO. 568 out with a "do pass" recommendation -- as all members were unanimously in favor, HOUSE BILL NO. 568 was thereby

reported out.

HB 88

[HOUSE BILL NO. 88 (relating to the rules and regulations to be issued by the Department of Health and Welfare) was considered by the committee on February 23, at which time it was voted on and to be reported out, all members recommending "do pass" with the exception of Mr. Borer, who voted "no recommendation." After voting on this bill, however, due to a cost factor the committee was not aware of at the time, HOUSE BILL NO. 88 was held in the file.]

Mr. Haugen said he has since talked to Mr. Anderegg, Director of the Division of Environmental Health, and it was determined there are no financial implications. HOUSE BILL NO. 88 was thereby reported out with a 6-1 "do pass," Mr. Borer signing "no recommendation."

Bill Assignments

- HOUSE BILL NO. 660 (creating the Alaska higher education aid program) -- assigned to Mr. Ray.
- HB 660
- HOUSE BILL NO. 765 (costs of burial of indigent persons) -- assigned to Mr. Borer.
- HB 765
- HOUSE BILL NO. 757 (establishing a re-enlistment bonus for members of the Alaska National Guard) -- assigned to Mr. Haugen.
- HB 757
- HOUSE BILL NO. 754 (retirement and death benefits for members of the National Guard) -- assigned to Mr. Haugen.
- HB 754

HB 698 HOUSE BILL NO. 698 (compensation of certain state board members) -- assigned to Mr. Borer.

HB 649 HOUSE BILL NO. 649 (appropriation to the Department of Military Affairs - \$210,000) -- assigned to Mr. Haugen.

HCR 52 Mr. Croft stated he had prepared a resolution requesting a study to determine the feasibility of a maximum security correctional institution for Alaska. This requests the Department of Health and Welfare to conduct this study and advise the legislature on whether or not it is feasible to establish a maximum security institution in Alaska.

Mr. Ray said he would support that resolution, and asked the committee if there was any objection to introducing this resolution. There being no objection, this measure was introduced and later became HOUSE CONCURRENT RESOLUTION NO. 52.

SB 419 am Mr. Bradner moved and asked unanimous consent that SENATE BILL NO. 419 am (appropriating to the Department of Natural Resources, agriculture revolving loan fund) be brought before the committee for discussion. No objection, so ordered.

Mr. Bradner said this is for loans for irrigation equipment needed immediately. The problem they are

running into is that if this fund doesn't go into effect soon it isn't going to do the farmers any good this year. There will be a drought period again this year, and they would like to get this equipment ordered and on the way. Mr. Bradner said this is also tied to the small grain incentive program.

He then moved and asked unanimous consent that SENATE BILL NO. 419 am be reported out with individual recommendations.

Mr. Haugen said he couldn't see how the state could afford to spend a half million dollars on this when there is a chance the oil pipeline won't be built.

Mr. Ray asked the committee what they were going to do with this bill, and on vote by the committee SENATE BILL NO. 419 am was reported out without recommendation, all members concurring.

Recess: Meeting recessed 9:40 a.m.

HOUSE FINANCE COMMITTEE
March 16, 1970
9:10 a.m.

Present: All members of the committee were present with the exception of Mr. Hohman. Also present from the Department of Health and Welfare were Commissioner Joseph W. Betit, Deputy Commissioner Robert A. (Bert) Hall, Director of Administrative Services V. L. Iverson, and Director of Public Welfare Stanley P. Harris.

CSHB 8 Mr. Ray called the meeting to order and stated that he had asked the above people from the Department of Health and Welfare to come before the committee to discuss aid to dependent children. Mr. Ray referred to COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 8 (relating to assistance to certain dependent children), and commented that the COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 8 introduced by the Health, Welfare and Education Committee differs from the original bill introduced by Mrs. Banfield in that the word "relative" in the original bill is changed to "parent" in the COMMITTEE SUBSTITUTE; e.g., "The department shall determine the amount of assistance for a dependent child and the parent [RELATIVE] with whom the dependent child is living....." This change, Mr. Ray felt, eliminates or does away with the entire intent of the Act. He

said the Act itself [Sec. 47.25.410. Definitions.] defines a dependent child as "a needy child under 18 years of age who is deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece in a place of residence maintained by one or more of these relatives as his or their own home"

To confine it simply to "parent," therefore, would be contradictory to the Act. Mr. Betit agreed it doesn't necessarily have to be a parent.

Mr. Ray asked if the Health, Welfare and Education Committee discussed this bill with them before introducing their COMMITTEE SUBSTITUTE. Mr. Betit said no.

Mr. Croft quoted the Health, Welfare and Education Committee Report, which reads:

"The Committee has reviewed House Bill No. 3, increasing the amount of assistance for dependent children.

"The bill as introduced fulfills the minimum requirement of the House Finance Committee of the Fifth Legislature that the amount of assistance provided be raised at least \$25.00, to \$130.00, for a relative and one child, and from the present

\$40.00 to \$50.00 for each additional child. Testimony before the committee indicates that the raise should be more than this minimum. The Committee has, therefore, provided a Committee Substitute to increase the maximum assistance by an additional \$20.00 for a parent and child and an additional \$10.00 for each additional child. Even at this higher level, in many cases there will be major 'unmet need,' according to testimony and exhibits submitted to the Committee. The Committee, therefore, recommends that the House Finance Committee consider raising the ceiling further if finances permit.

"The Committee is concerned that relatives other than parents who take care of dependent children are not granted support on the standard applicable to foster parents. In many cases this results in relatives refusing to take care of dependent children. For this reason the Committee Substitute further strikes the word 'relative' and inserts the word 'parent.' The Committee has not investigated the federal funding effects or the need for amendments to other statutes to conform with the intent of the Committee Substitute, and requests the Finance Committee to consider these questions."

Mr. Ray expressed the feeling this doesn't make any sense at all, and Mr. Betit said he didn't know what happened, that this Committee Substitute and the above report had not been seen or received by him or his staff. Mr. Ray said that as long as they understand the significance of the problems, they can solve them, and asked if the department has any objection to splitting the categories of children into the three age groups [0-4, 5-12, 13-18] and changing the rate of payment, rather than lumping them all together at the same rate.

Mr. Betit said there would be some significant changes in the administration; however, because they do have data processing well under way and because they can pretty much program age groups as well as other information, he believed they could cope with this. He thought it would be fair to the family who would have two or three small children compared to a family with two or three older children, and felt it would be a more equitable system.

Mr. Ray said he has taken the liberty of setting up a formula to start with, putting the base of the formula at \$75 for the parent or relative. Then, starting with line 16 of the bill it would read:

"However, the amount of assistance shall not exceed

- (1) \$125 when there is a relative and one child that has not reached its 5th birthday;
- (2) \$150 when there is a relative and one child that is at least 5 but less than 13 years of age;
- (3) \$175 when there is a relative and one child that is at least 13 but less than 18 years of age.

If there is more than one child the amount allowed for each additional child shall not exceed

- (4) \$50 if the additional child has not reached its 5th birthday;

(5) \$75 if the additional child is at least 5 but less than 13 years of age;

(6) \$100 if the additional child is at least 13 but less than 18 years of age."

Mr. Ray said that he had put this on \$25 increments working from the base of \$75.

DEPARTMENT
OF HEALTH
AND WELFARE

BOOK I

AFDC

Code 300:

Code 700:

CSHB 8

Referring to the department's budget book I, AFDC, page 246, contractual services, Mr. Ray questioned the figure of \$754,800 for contractual services, and Mr. Harris replied this is for children in foster care.

Mr. Ray referred to the figure of \$4,995,900 under grants, claims and shared revenue, and said that the formula he proposes would increase this amount to \$7,007,700, an increase of \$2,011,800.

Mr. Croft said that he understood that one of the big costs, particularly with younger children, is for babysitting. By making the 0 - 4 age group receive less than the 13 - 18 age group, which wouldn't need babysitters, he wondered if this would cause any problems.

Mr. Betit replied that the children involved in this program wouldn't be eligible for either day care under

WIN [Work Incentive Program] or any other day care.

Mr. Croft asked if medical expenses were included, and Mr. Betit said all medical expenses are in addition to those indicated in this portion of the AFDC budget. Mr. Croft asked what the average payment per child is now, and Mr. Betit replied the average payment is \$88; the average payment per recipient is \$44.56 rather than per case, so for the relative and one child it would be twice that.

Mr. Croft asked who the recipient is in this case, and Mr. Betit said it is a combination of both - in order to be a case there must first be a child and then the relative; however, they do have to differentiate between cases and recipients; e.g., a "case" would be a family, and a "recipient" a child. Mr. Betit added that they do supplement budgets of families with low incomes by considering all of the income and figuring the balance of their needs.

Mr. Ray noted that according to their March 11, 1970 memo, there are 2,145 cases and 5,739 children.

Mr. Hall added that for clarification, they are talking about today's caseload. Their projected recipient count for next year is 9,124. Mr. Ray said they could

always come in for a supplemental; however, Mr. Betit said their budget for fiscal year 1970-71 reflects the increased caseloads.

Mr. Croft referred to the present rates and asked if they felt these figures are very realistic, adding that the proposed rates are slightly higher. Mr. Betit said he would have to say the present figures aren't realistic in any way, they are low since they haven't been upgraded for some time.

Mr. Croft asked about the merits of setting up different age groups and amounts, and Mr. Betit replied that he was in favor of it. He said he knew from personal experience that the older child is more expensive than the smaller child - clothes, food, etc., are more expensive. It is inequitable to pay the same amount of money for a child in a crib and one in high school.

Mr. Ray agreed they cost proportionately more money as they get older and start breaking away from the family ties. He then noted that, according to their March 11, 1970 memo, it was very interesting to see where the dependent children live; for example, Bethel has nearly as many as Anchorage. Mr. Betit noted, however, that these figures represent districts, not

only the cities.

Mr. Ray asked what the federal contribution is for AFDC, and if the proposed rates would cut down on their contributions. Mr. Harris replied that the federal government contributes \$22 per recipient per month, that this is a set rate which will not be affected by changes in state assistance.

Mr. Betit said he had one item he would like to mention to the committee. The caseload, he said, is snowballing, there is probably a 25% increase annually now compared to about 32% for the overall United States. Alaska percentage of increase is under the national average, but nevertheless the caseload is frightening. The department is proposing a two million dollar increase in AFDC for one year. If the unemployed parent portion of the Family Assistance Program [FAP] before Congress is passed and becomes mandatory, they will be talking in terms of a fourteen million dollar increase for the department rather than a seven million dollar increase. This Family Assistance Program is the new Nixon proposal for minimum income. It is a situation whereby in some states this program would be very beneficial, but in Alaska it wouldn't do a

great deal of good with the high cost of living.

The state is still taking the position of trying to have this program amended to reflect area-wide cost of living. Mr. Betit said they have been trying to get something done about this program as proposed, and have been writing a lot of letters, going to meetings, etc., but so far it hasn't done any good.

Mr. Betit suggested that if the Department of Health and Welfare were charged with legislative intent to require all abandoning and divorcing fathers to support families to the extent they can, possibly this would cut down on state assistance. However, it takes all of the staff at this time just to keep up with the increased caseload, they don't have time to track these people down.

Mr. Croft said the District Attorney's Office in Anchorage has two or three people working on this and the Court System has it set up so payments are made through the court acting as the trustee.

Mr. Betit said a problem is a person earning money in another state, having left his family here, and the records as to his income are not readily accessible to this state. There are federal rules going into effect so this will be a federal operation as well.

Mr. Croft asked how the federal program [FAP] will change the state's costs. Mr. Betit replied it will increase the caseloads - presently the unemployed father is not eligible, if he is able to work then that family is not eligible for assistance. It is quite possible and probable, he said, that the present laws are driving fathers out of their homes because the families aren't being supported when the father is unemployed.

Mr. Haugen said he is aware of situations where the fathers leave families at home, earn a substantial amount of money and then blow it. Their income tax in the state proves what they make, and then the families go on welfare because they aren't getting support. Mr. Betit said that some states have laws covering this type of situation. Mr. Haugen expressed the feeling that there is too much irresponsibility, and gave examples of women he has seen with children who have had to work while their husbands are working construction and making a lot of money.

Mr. Betit felt there is a need for real strong

enforcement program requiring an absconding parent to be responsible, and some way to find out if that person isn't actually contributing to that family. He felt those things have to be reviewed and this is something that the Division of Public Welfare has to do, but doesn't have the staff to do it. Mr. Betit said that when he gets to Vermont [and assumes his new position] this is one of the things they will be doing, forcing these people to support their families. Mr. Sackett referred to their request for legislative intent, and asked what they propose to do with it, if they intend to add on staff. Mr. Betit said they would add on staff, but only staff that could be afforded. He would like legislative intent to allow adequate staff to follow up on these cases, and would like to know the legislature wants them to do this and determine how much staff they are authorized. He added that there are quite a few laws in this respect.

Mr. Croft asked if they have any access to the Department of Revenue records, and Mr. Betit replied no, that the laws preclude them from doing this. The Department of Public Safety can't even get this type of information, but he said if the Department

of Health and Welfare could get this information they could turn it over to Public Safety. He added that the federal law has changed in this respect, and they can get Social Security information now.

Mr. Betit reiterated that there has to be some thrust given to the Department of Health and Welfare so there can be action taken to make these parents pay support. Mr. Ray thanked them for their testimony, and they left.

Discussion followed on Mr. Ray's proposed amendment to HOUSE BILL NO. 8, and Mr. Ray added he felt that the general overall outlook would be more realistic as proposed.

In answer to Mr. Haugen's question, Mr. Ray said the department budget has increased from \$29,773,900 to \$42,134,300 for fiscal year 1970-71. He thought if the committee was a little observant possibly they could get some of this money out of Education and other facets of the general Health and Welfare program. It was agreed that the committee would review the Education and Health and Welfare budgets before further action on this bill.

Recess: Meeting recessed at 9:45 a.m.

AFTER RECESS
1:40 p.m.

Present: Mr. Bert Hall, Deputy Commissioner; Dr. Freedman, Director, Division of Mental Health; V. L. Iverson, Director, Division of Administrative Services; Mr. Laif Thorn-Thomsen, Department of Health and Welfare. Mr. Dick Freer, Division of Budget and Management, was also present.

All members present except Mr. Bradner and Mr. Hohman.

DEPT. OF HEALTH AND WELFARE
PUBLIC HEALTH

The Governor's Request is \$4,103,300 and the 1969-70 Authorized was \$3,578,500 which is an increase of \$524,800 or 14.67%.

Program Administration Summary
Program Administration

The 1969-70 Authorized was \$352,000 and the Governor's Request is \$441,200 which is an increase of \$89,200 or 25.34%.

100: The 1969-70 Authorized was \$300,300 and the Governor's Request is \$377,800 in personal services which is an increase of \$77,500 or 25.81%.

Mr. Ray read the following cost analysis:

net change in employee benefits cost 14% vs 12%	(\$5,100)
salary increase per ch. 101, SLA 1969	41,100
reclassification, range change and A to C step	9,100
transfer of Environmental Health Branch Chief to Env. Health budget	(18,600)

Restoration of vacancy and turnover
factor incorporated into FY 1970 budget 7,300

Total increase \$33,800

Mr. Ray noted if they added this increase of \$33,800 to the \$63,700 requested for the 8 new employees this made an amount of \$97,500 which did not agree with the personal services increase of \$77,500.

Mr. Freer explained that on page 25 of the budget document there is a decrease of (\$20,000) for vacancy and turnover. Mr. Freer said that the additional \$20,000 in vacancy and turnover is not part of the original cost analysis.

Mr. Ray noted there is (\$15,000) in vacancy and turnover for the 8 new positions requested on page 27. Mr. Ray requested that this be noted in the minutes.

Mr. Borer asked why there is a half year of vacancy and turnover shown for the Public Health Officer and for the Clerk Steno III in the Southeastern Regional Office. He noted they have not found vacancy and turnover added back in in any other budget. Mr. Hall said this was done in order to balance the budget and adhere to their recommendation. He said there is a time lag anticipated in the hiring of the Public Health Officer. He said this vacancy and turnover was used because first, they could not hire this person right away and secondly, to balance the budget.

Mr. Hall distributed copies of a narrative backup that had been prepared by the Department as supplemental material for the budget. Mr. Borer asked if the administration had reviewed this material and Mr. Hall said yes.

Mr. Bradner and Mr. Hohman entered the meeting.

Mr. Ray noted that the Environmental Health Branch Chief had been transferred out of this part of the budget.

There was a discussion on the (\$20,000) for the vacancy and turnover factor. Mr. Ray asked why they are taking out the vacancy and turnover. Mr. Freer said this was a mutual arrangement. Mr. Ray asked Mr. Freer if he subscribed to the philosophy of taking out vacancy and turnover. Mr. Freer said generally not. Mr. Ray said but in this case they did and Mr. Freer answered yes.

Mr. Ray asked that this be noted in the minutes.

200: There was \$19,300 in the 1969-70 Authorized and the Governor's Request is \$28,300 which is an increase of \$9,000 or 46.63%.

Mr. Ray questioned the inside travel for 8 medical students for observation and training in Public Health Methods.

This shows a cost of \$4,800. Dr. Freedman explained that this is a program where medical students come to Alaska to do work on such studies as epidemiology. He said this provides only for transportation and the rest of this would be paid for by the student or medical center sending him. Dr. Freedman said Alaska would benefit from

this as it would help to do some of these studies and also be a good source of recruitment.

Mr. Ray asked that the minutes reflect this program shows a cost of \$4,800.

Mr. Ray also noted the meeting on the National Council on Alcoholism to be held in New York.

300: The 1969-70 Authorized was \$15,800 and the Governor's Request is \$24,000 which is an increase of \$8,200 or 51.90%.

Mr. Borer asked about the malpractice insurance under code 370, insurance and bonding. Mr. Iverson explained that they had placed a requirement with the Division of Supply to sound out some of the insurance agents to try to get a cost estimate for malpractice insurance but they do not have a firm figure. He said he thought Shattuck's proposal was \$300,000 but as far as the exact cost they would have to supply additional data to receive this. Mr. Borer asked about the deductible on this and Mr. Iverson said he did not know. Mr. Borer asked if the state has any malpractice insurance covering any of the doctors or nurses. Mr. Hall said they thought they had a policy but it turned out to be nothing so they cancelled it in 1967.

Mr. Ray noted that there was \$1,800 shown under code 350, transportation of things, for the shipment of household goods for new employees, while page 44 of the budget indicated \$500 for new hire transportation from Berkeley.

Dr. Freedman said that Berkeley was a misprint and should be crossed off the budget document.

400: The 1969-70 Authorized is \$4,000 and the Governor's Request is \$5,400 which is an increase of \$1,400 or 35%.

Mr. Ray asked what type of educational material is needed under code 470, professional and scientific supplies.

Dr. Freedman explained this is for the Health Education Specialist position and is material to create posters and pamphlets and charts for health education. Mr. Ray asked if the division did have any of this material at the present time. Dr. Freedman said yes, but they expected the increase in output to warrant the additional \$1,000.

500: The 1969-70 Authorized is \$1,800 and the Governor's Request is \$3,200 which is an increase of \$1,400 or 77.78%.

900: The 1969-70 Authorized is \$10,800 and the Governor's Request is \$2,500 or a decrease of (\$8,300) or (76.85%).

Mr. Ray asked that the minutes reflect the \$800 request for Department of Highways for car rental.

There was a decrease of (\$10,000) for data processing, and a request of \$300 for offset duplicating. There is \$1,400 requested for the Division of Buildings for utilities and maintenance.

Office of Research and Academic Coordination

Mr. Hall explained that this office was at the University of Alaska and is not in the Division of Environmental Health.

Community Health

Nutrition This is a new program and the Governor's Request is \$22,600.

100: The Governor's Request is \$16,500 for personal services. In answer to Mr. Ray, Dr. Freedman explained this will provide a trained, experienced Nutritionist and a Clerk Typist III. He explained the Nutritionist will secure and develop some of the specific institutional materials that can be used in Alaska. He said she will be consulting and advising and training the public health nurses in almost all of their activities involved in nutritional problems. He said in addition she will be working with the various federal and other agencies that have institutional expertise such as B.I.A. Mr. Ray asked if this program could be carried out by mail. There was a brief discussion of the necessity of this and Mr. Hall explained this is one of those programs that has been talked about for a long time. Mr. Sackett pointed out that the U.S.P.H. has the same program and asked if this is a duplication. Dr. Freedman said this program will cover primarily areas and needs not met by the U.S.P.H. service.

Dr. Freedman said they know from the scientific evidence that a great deal of illnesses are related to poor nutrition. Mr. Ray read the following program goal that is in the budget:

"The goal of the program is behavioral change towards food-its selection, preparation and eating. As a result, there should be a discernable improvement in health. In the area of alcoholism, the goal is diminution of the problem; inebration, accidents, violence and alcohol-caused disabilities."

- 200: The Governor's Request for travel is \$2,000.
300: The Governor's Request for contractual services is \$2,400.
400: The Governor's Request for commodities is \$600.
500: The Governor's Request for equipment is \$1,100 and the total for the program is \$22,600.

Communicable Disease The 1969-70 Authorized is \$56,100 and the Governor's Request is \$67,300 which is an increase of \$11,200.

- 100: The 1969-70 Authorized is \$15,700 and the Governor's Request is \$17,200 which is an increase of \$1,500.

In answer to Mr. Ray, Mr. Freer pointed out this is mostly related to the salaries.

- 200: The 1969-70 Authorized for travel is \$6,500 and the Governor's Request is \$6,100 which is a decrease of (\$400).

- 300: The 1969-70 Authorized is \$6,600 and the Governor's Request is \$7,500 which is an increase of \$900.

- 400: The 1969-70 Authorized is \$26,600 and the Governor's Request is \$34,700 which is an increase of \$8,100. Mr. Hall explained the \$8,000 increase in 470, professional and scientific supplies, relates to the rubeella program.

- 500: The Governor's Request is \$500 for equipment for this program.

- 900: The 1969-70 Authorized is \$700 and the Governor's Request is \$1,600 which is an increase of \$900. Mr. Ray read the following: Dept. of Administration Central Duplicating -- \$100; Department of Highways Car Rental -- \$300; and Division of Buildings Utilities for Community Building -- \$1,200.

Immunization Project The 1969-70 Authorized is \$9,400 and the Governor's Request is \$47,200 which is an increase of \$37,800 or 402.13%. Mr. Hall noted this is all federally funded.

100: Mr. Ray noted personal services for 1969-70 was \$7,800 and the Governor's Request is \$36,000 which is a \$28,200 increase of 361.54%.

Mr. Hall explained this is a federal project and is 314(e) funds. He said this program was cut last year and was just reinstated. There was a discussion on the three employees in Anchorage listed on page 90 of the budget.

Mr. Ray asked if the federal program was cut again if the state "would be stuck" with these employees.

Dr. Freedman said no. [However, it was later discovered these employees are state employees -- not federal employees.]

200: The Governor's Request for travel is \$3,500.

300: The 1969-70 Authorized for contractual services was \$1,600 and the Governor's Request is \$5,900 which is an increase of \$4,300 and 268.75%.

Recess: There was a recess at 2:20 p.m.

AFTER RECESS
2:35 p.m.

Medical Care The Governor's Request is \$111,500 and the 1969-70 Authorized was \$115,100 which is a decrease of (\$3,600) or (3.13%).

100: The 1969-70 Authorized was \$41,000 in personal services and the Governor's Request is \$45,600 which is an increase of

\$4,600 or 11.22%.

Of the Medical Care Program, \$97,000 is federal funds and \$14,500 is from the General Fund.

Dr. Freedman gave a brief explanation of this program noting this is the program in which the federal government contracts with the Department so the medicare facilities in the state can be approved. He said the staff in this program continuously upgrades and inspects all of these nursing homes. Dr. Freedman said this is an ongoing operation which covers every facet of medical care and medical records.

200: The 1969-70 Authorized was \$17,200 and the Governor's Request is \$17,400 which is an increase of \$200 or 1.16%.

300: The 1969-70 Authorized was \$55,200 and the Governor's Request is \$47,600 which is a decrease of (\$7,600) or (13.77%).

400: The 1969-70 Authorized was \$600 and the Governor's Request is \$500 which is a decrease of (\$100) or (16.67%).

500: The 1969-70 Authorized was \$1,100 but there is nothing requested this year for equipment.

900: The Governor's Request is \$400 for inter-agency charges.

Greater Anchorage Area Borough-Health Dept.

The 1969-70 Authorized was \$175,500 and the Governor's Request is \$213,900 which is an increase of \$38,400 or 21.88%.

There is \$52,500 in federal funds in this program.

Mr. Hall explained that this is the only borough in the state that has health powers.

Dr. Freedman said the borough's budget is around \$700,000-\$800,000 and the state will pay \$125,000 to the Greater Anchorage Borough Health Department and the remaining \$88,900 will be distributed to parent groups (ACCA, ARCA, etc.).

Public Health Nursing

The 1969-70 Authorized is \$1,114,500 and the Governor's Request is \$1,357,100 which is an increase of \$242,600 or 21.77%. 1,306,100

100: The 1969-70 Authorized is \$828,400 and the Governor's Request is \$1,011,900 which is an increase of \$183,500 or 22.15%. Dr. Freedman explained \$158,000 of this is for salary adjustments and the balance of the increase is for the six new positions. He said four of these new positions are public health nurses and the other two positions are clerical positions. Dr. Freedman noted that they provided 178,000 nursing visits in FY 1970 and with the additional nurses they will be able to provide 199,000 nursing visits. This does not include immunization and any other personal services: In answer to Mr. Haugen, Dr. Freedman said there was a reclassification of most of these positions last December.

Mr. Haugen asked if there is a public health nurse in Kake. Dr. Freedman said yes.

200: The 1969-70 Authorized is \$108,400 and the Governor's Request is \$112,600 which is an increase of \$4,200 or 3.87.

300: The 1969-70 Authorized is \$101,700 and the Governor's Request is \$110,200 which is an increase of \$8,500 or 8.36%.

- 400: The 1969-70 Authorized is \$41,300 and the Governor's Request is \$44,500 which is an increase of \$3,200 or 7.75.
- 500: The 1969-70 Authorized is \$7,300 and the Governor's Request is \$6,700 which is a decrease of (\$600) or (8.22%).
- 900: The 1969-70 Authorized is \$27,400 and the Governor's Request is \$71,200 which is an increase of \$43,800 or 159.85%.

Nurses Training The Governor's Request is \$50,000 which is the same level as last year. Dr. Freedman explained that \$50,000 has been provided to AMU to establish a four-year baccalaureate degree nurses training school. He felt it was developing in a most satisfactory manner and further pointed out that they would have been unable to start a school without the state support. He said they have about 15 students this year and they are all from the State of Alaska. [This testimony is in conflict with the budget book which refers to this program as a "graduate course for nurses."]

Laboratories The 1969-70 Authorized is \$331,100 and the Governor's Request is \$383,400 which is an increase of \$52,300 or 15.80%. Dr. Freedman said in this program they have three regional public health laboratories in Fairbanks, Anchorage and Juneau and they conduct laboratory tests for tuberculosis, venereal disease, samples of water, etc.

- 100: The 1969-70 Authorized for personal services is \$210,100 and the Governor's Request is \$247,800 which is an increase of \$37,700 or 17.94%. Dr. Freedman noted there was one new position requested -- a Microbiologist I. He said this person would be involved in testing sea food, and

in particular, a clam testing type of program. Mr. Borer asked why they needed another position. Mr. Hall explained this testing will be done in Alaska at a reduced cost. They are presently sending samples to Seattle at a cost of \$25 a sample. Mr. Borer asked how much was spent on this program last year. Mr. Hall did not recall but noted he had been impressed by the large savings in doing the testing in Alaska. There was a brief discussion on the razor back clams and Mr. Haugen noted he would like to see this get on the market as it would be a valuable resource. Mr. Hall pointed out this man would be located in the Anchorage laboratory. Mr. Borer asked how much is in the budget for this position, including salary, travel, contractual services, etc. Mr. Hall said that part of this is in the Environmental Health budget as they have the basic responsibility for this. He added that Public Health is only the testing part of this. Mr. Hall noted that the salary for this position is \$7,271 and the travel is \$610 for this position. Mr. Borer requested that the Department provide the committee with a complete breakdown of this "clam man" before the committee reviews the Division of Environmental Health budget.

200: The 1969-70 Authorized is \$6,600 and the Governor's Request is \$5,500 which is a decrease of (\$1,100) or (16.67%).

300: The 1969-70 Authorized is \$64,300 and the Governor's Request is \$56,700 which is a decrease of (\$7,600) or (11.82%).

400: The 1969-70 Authorized is \$46,300 and the Governor's Request is \$53,100 which is an increase of \$6,800 or 14.69%.

There is \$1,800 under code 490, other supplies, materials and parts for dishwashing compounds, foil, disinfectants, eggs etc. projected for the three laboratories.

500: The 1969-70 Authorized is \$3,800 and the Governor's Request is \$11,000 which is an increase of \$7,200 or 189.47%.

Mr. Borer asked about the dishwasher requested under code 530 for a cost of \$1,700. Dr. Freedman noted this is a very special, high temperature dishwasher used to kill germs.

["The dishwasher in use in the S.E. Regional laboratory has seen its better days. It is second hand and there is some possibility that it may 'give up the ghost' altogether."]

900: The Governor's Request is \$9,300 for inter-agency charges.
TB Control & Chest Diseases - Summary

The 1969-70 Authorized is \$585,200 and the Governor's Request is \$391,300 which is a decrease of (\$193,900).

Dr. Freedman said even though there has been a loss of \$193,000 of federal funds they have integrated federal and state operations and they feel they can carry on this program with a simple increase of \$10,000 of General Fund.

Mr. Borer asked if Dr. Freedman felt they could cut this down without cutting down on the effectiveness of what they are trying to do in regards to the control of TB.

Dr. Freedman said they do not expect to reduce any of these services. He pointed out there had recently been one death as a result of TB and this was the first one in two or three years. He said this happened north of Fairbanks and they sent

in a team from Public Health to x-ray everyone who had been in contact with this individual.

Mr. Borer said the state has regulations that people coming in to work in the state are suppose to have physicals and apparently this was not done; therefore, they are taking in mobile testing equipment into the area as a result of this.

Dr. Freedman said in essence this is what has happened.

He said the statute is an old one and says no employer may import an employee until he has been examined for communicable disease. Mr. Sackett asked who the employer was in this particular case and Dr. Freedman said Burgess Construction.

Mr. Hall pointed out that this is being investigated and it could very well have been a carrier from within the state.

Mr. Sackett asked if a report of this could be made available to the Finance Committee.

Dr. Freedman pointed out that Alaska is the second highest in the nation for the ratio of tuberculosis cases to population even though it is 15% below what it was several years ago. There was a brief discussion on the number of tuberculosis cases now as compared to ten years ago [see page 176 of the budget book for a complete breakdown].

Mr. Ray entered the meeting.

100: The 1969-70 Authorized is \$217,600 and the Governor's Request is \$197,200 which is a decrease of (\$20,400).

200: The 1969-70 Authorized is \$58,800 and the Governor's Request is \$39,100 which is a decrease of (\$19,700).

300: The 1969-70 Authorized is \$258,400 and the Governor's Request is \$117,900 which is a decrease of (\$140,500).

400: The 1969-70 Authorized is \$45,500 and the Governor's Allowance is \$28,600 which is a decrease of (\$16,900).

500: The 1969-70 Authorized is \$3,900 and the Governor's Request is \$6,300 which is an increase of \$2,400.

900: The 1969-70 Authorized is \$1,000 and the Governor's Request is \$2,200 which is an increase of \$1,200.

TB Project

The 1969-70 Authorized is \$207,600 and the Governor's Allowance is \$120,600 which is a decrease of (\$87,000).

General

The 1969-70 Authorized for TB Control & Chest Diseases General is \$377,600 and the Governor's Request is \$270,700 which is a decrease of (\$106,900).

Child Health Services

Maternal and Child Health

The 1969-70 Authorized is \$188,600 and the Governor's Request is \$236,400 which is an increase of \$47,800 or 25.34%.

100: The 1969-70 Authorized is \$65,900 and the Governor's Request is \$117,100 which is an increase of \$51,200 or 77.69%.

200: The 1969-70 Authorized is \$11,900 and the Governor's Request is \$21,900 which is an increase of \$10,000 or 84.03%.

Mr. Ray noted there is a lot of outside travel and request that the travel be noted in the minutes. Dr. Freedman said there are a good many new positions in this budget.

[There are five new positions requested.]

300: The 1969-70 Authorized was \$26,300 and the Governor's Request is \$37,700 which is an \$11,400 increase or 43.35%.

Mr. Ray asked about the Dental Demonstration project under code 380. Dr. Freedman explained they will take school children in several villages and examine their teeth, treat them with fluoride, and bring their teeth up to a perfectly normal state. He explained this project which utilizes the staff of the Native Health Service and some private dentists is the first attempt to participate in doing something about the dental needs of Caucasian children.

400: The 1969-70 Authorized is \$77,600 and the Governor's Request is \$18,600 which is a decrease of (\$59,000) or (76.03%).

Under Code 470, payments for purchase of eyeglasses are going directly from the patient to the vendor thereby reducing the expenditure by \$60,000. [The budget shows a decrease of (\$57,000) in code 470.]

Mr. Hall referred back to the dental program in code 380, noting this is one of the most confusing formulas for receiving federal funds and in order to get type B funds they must first utilize the A funds.

500: The 1969-70 Authorized is \$5,700 and the Governor's Request is \$39,000 which is an increase of \$33,300 or 584.21%.

Mr. Ray questioned the malfunctioning audiometers.

Dr. Freedman said they are so sensitive and go out of "whack" because they are transported by the public health nurses from place to place. After these have been moved they

have to be tested to see if they are functioning properly. Mr. Ray noted they are requesting six audiometers to replace these and questioned this. Dr. Freedman said a good many of these audiometers are old. There is a soundproofed room requested for Juneau and Dr. Freedman explained this is for testing hearing. He said there is a dreadful problem with the number of persons who have hearing loss, particularly with children and this is not limited to native children. He said this type of room is needed to find out how much of a hearing loss there is. Mr. Ray asked what they do after they determine a person has a hearing loss. Dr. Freedman said they determine the type and extent of damage and then work with the youngster to see if he needs a hearing aid and if he does need one they find out which one will be the most effective. He said they have to teach the family and the teacher to accept this person.

Dr. Freedman said there was one area where there were 40% of the youngsters with a sufficient hearing loss. Mr. Hohman asked which area this was and Dr. Freedman answered Bethel. Mr. Hohman asked if this testing in Bethel was not done under ideal conditions then it might be possible there is even a greater percentage of youngsters with hearing loss. Dr. Freedman said this is correct. Mr. Hohman asked how many school children were involved in the Bethel area and Dr. Freedman answered 700. Mr. Hohman said he thought this justified the expenditure for the equipment.

There was a brief discussion on the number of doctors and

nurses in the Bethel area. Dr. Freedman said there are five nurses plus a supervisor in the Bethel Area and they are working out of Anchorage.

Mr. Hall pointed out that ear infection is the number one health problem in Alaska exclusive of alcoholism.

Crippled Children's Services

The 1969-70 Authorized is \$351,100 and the Governor's Request is \$416,800 which is an increase of \$65,700 or 18.71%.

100: The 1969-70 Authorized is \$64,400 and the Governor's Request is \$69,200 which is an increase of \$4,800 or 7.45%.

The federal funds in the Crippled Children's Services are \$143,200 and Mr. Ray noted this was almost a 2 to 1 (state to federal) matching fund and asked if they had changed the allocation of this. Dr. Freedman said he was not aware of any change in this program in the last two years.

Dr. Freedman said there are eight employees in this program and the increase of \$5,800 is primarily due to salary increases.

200: The 1969-70 Authorized is \$79,800 and the Governor's Request is \$87,800 which is an increase of \$8,000 or 10.03%.

Mr. Ray asked why this was cut back last year. Dr. Freedman said he thought this was because they did not have a Chief of Child Health and this cut would account for some of his projected travel. Mr. Ray asked that this be noted in the minutes.

Dr. Freedman said a good deal of this travel has to do with taking crippled children outside for surgery.

Mr. Ray said he will not take this up with the Governor.

300: The 1969-70 Authorized is \$195,300 and the Governor's Request is \$244,100 which is an increase of \$48,800 or 24.99%. There is \$200,000 requested in code 380, professional fees and services. Mr. Ray noted this is an increase of \$50,000.

400: The 1969-70 Authorized is \$10,100 and the Governor's Request is \$13,000 which is an increase of \$2,900 or 28.71%. Under code 470, professional and scientific supplies, there is an increase of \$2,500. Mr. Ray asked that this code be marked and noted that since they have the same amount of children this year, the level should be the same. Dr. Freedman said the cost of doing business has increased in hospital costs.

500: The 1969-70 Authorized is \$500 and the Governor's Request is \$1,200 and the increase is \$700 or 140%.

900: The 1969-70 Authorized is \$1,000 and the Governor's Request is \$1,500 which is an increase of \$500 or 50%.

Child Study Center

The 1969-70 Authorized is \$84,800 and the Governor's Request is \$87,800 which is an increase of \$3,000 or 3.54%.

100: The 1969-70 Authorized is \$37,500 and the Governor's Request is \$40,500 which is an increase of \$3,000 or 8%.

Mr. Ray noted the new positions requested on page 241 should be 5 [these positions were not allowed by the budget review committee]. Dr. Freedman said this was to open an office in Fairbanks so they would not have to bring the children to Anchorage. Dr. Freedman said it would be cheaper to set

up this office rather than bringing the children to Anchorage. Mr. Ray questioned why this was disallowed by the budget review committee. Mr. Freer said he was sure the people in the Department would like to have this but they had indicated this would be one of the areas they would "give up first" and this was done in an attempt to pull back the budget. Mr. Ray said to mark this and they would put in legislative intent on what to do about this.

Leg. Intent
200: The 1969-70 Authorized is \$9,900 and the Governor's Request is the same.

Mr. Ray referred back to the \$87,800 for travel in Crippled Children's Services. He noted there is \$9,900 in the Child Study Center and said his point was to determine the merits of establishing an office in Fairbanks and if it would be cheaper. Dr. Freedman said he thought they were talking about two different groups of children. Mr. Hall said the children in the Child Study Center are primarily mentally retarded.

Mr. Ray asked the percentage of natives in this program in comparison to Caucasians. Dr. Freedman said they did not have this kind of study; however, anyone can apply for assistance at this Center in Anchorage.

300: The 1969-70 Authorized is \$36,800 which is the same as the Governor's Request.

400: The 1969-70 Authorized is \$600 and the Governor's Request is the same.

Medical Social Service

The 1969-70 Authorized is \$18,000 and the Governor's Request is \$19,200 which is an increase of \$1,200 or 6.67%.

Mr. Ray requested the staff to go through this budget and show percentage of federal funds to general fund money.

- 100: The 1969-70 Authorized is \$13,900 and the Governor's Request is \$15,200 which is an increase of \$1,300 or 9.35%.
- 200: The Governor's Request is the same level as the 1969-70 Authorized which is \$2,400.
- 300: The Governor's Request is \$1,000 and the 1969-70 Authorized was \$1,100. This shows a decrease of (\$100) or (9.09%).
- 400: The 1969-70 Authorized is \$600 and the Governor's Request is \$600.

Exceptional Children

The 1969-70 Authorized is \$10,200 and the Governor's Request is \$10,200. Mr. Ray discussed this noting this is an area that is "dear to his heart" and that there is a bill in to help the parents of these children who cannot find proper education in the state. [HOUSE BILL NO. 520 - an act relating to special education outside the state for exceptional children.]

Case Registry The Governor's Request is \$26,500. There was nothing in the 1969-70 Authorized.

"The Case Registry budget was approved by the 1969 Legislature but not funded. The Registry will enable development of a case registry of persons who have impairments. It will expedite case-finding, direct services, and assist in research endeavors into causative factors of physical handicaps in this field."

Mr. Ray asked if this is limited to children. Dr. Freedman

said there is no limitation but they will develop guidelines and start with children first.

Family Planning The Governor's Allowance is \$98,600.

There is \$74,200 in PL 90-248 Family Planning Formula Grant.

Dr. Freedman noted this is a new program.

Office of Alcoholism The 1969-70 Authorized was \$97,000

and the Governor's Request is \$122,300 which is an increase of \$25,300.

100: The 1969-70 Authorized was \$50,500 and the Governor's Request is \$68,500 which is an increase of \$21,700.

Mr. Ray asked who the Associate Coordinator of this program is and Mr. Hall said Dr. Judy Hill.

Mr. Ray asked that the A.P.I. Alcoholism Project on page 299 be noted.

Mr. Ray questioned why this office is in the Division of Mental Health. There was a brief discussion on the rehabilitation of alcoholics.

200: The 1969-70 Authorized was \$24,800 and the Governor's Request is \$31,000 which is an increase of \$6,200.

300: The 1969-70 Authorized is \$14,600 and the Governor's Request is \$17,600 which is an increase of \$3,000.

400: The 1969-70 Authorized is \$2,500 and the Governor's Request is \$2,700 which is an increase of \$200.

500: The 1969-70 Authorized was \$4,600 and the Governor's Request is \$2,500 which is a decrease of (\$2,100).

Adjournment: The meeting adjourned at 4:15 p.m.

HOUSE FINANCE COMMITTEE
Tuesday, March 17, 1970
9:00 a.m.

Present: All members with the exception of Mr. Borer. Also present were Gerald Ousterhout, lobbyist for social workers and Model Cities, Ruth Ellen Anderson, Assistant Executive for Model Cities, Gordon Cavnar, Director of Social Services for BIA, and Robert Hall, Deputy Commissioner of Health and Welfare.

HB 8

Mr. Ousterhout said that they had read the newspaper report on plans for the modified AFDC bill, HOUSE BILL 8. He said that the bill looks good to him, but he did have a couple points that he wanted to have clarified. Referring to the base pay, he asked if this is a base to which additional needs could be added on or if this is the maximum. Mr. Ray said that it is the maximum. Mr. Croft said that it is a \$125, \$150, \$175 scale for the first child, depending on age, and \$50, \$75, \$100 depending on age for the subsequent children. Mr. Croft asked if the clothing allowance is in addition to that, and Mr. Ray said no.

Mr. Osterhaut felt that this bill is a very liberal approach and said they will certainly back it. He said that their major question was that there might be an inequity in the lower age bracket.

Mr. Ray read the proposed new language for the bill, which reads:

- (1) However, the amount of assistance shall not exceed
 - A. \$125 when there is a relative and one child that has not reached five years of age
 - B. \$150 when there is a relative and one child that is at least five but less than 13 years of age
 - C. \$175 when there is a relative and one child that is at least 13 but less than 18 years of age;
- (2) If there is more than one child the amount allowed for each additional child shall not exceed
 - A. \$50 if the additional child has not reached five years of age
 - B. \$75 if the additional child is at least five but less than 13 years of age
 - C. \$100 if the additional child is at least 13 but less than 18 years of age.

Mr. Ousterhout said a mother and one child or children, especially with young children, would not receive enough unless there was some other income or resource available. That is a rough amount; very seldom would a reasonable budget be found for a mother and one or two children that would not exceed \$125 or \$150, he said.

Mr. Ray noted that there is in addition to the AFDC money \$25 per child for food stamps (approximately), federal resources, social security, etcetera. Mr. Ousterhout said that there are cases where this would not be enough, and he didn't feel it would cost that much additional to provide for these cases.

Mr. Ray asked what the federal government does. Mr. Ousterhout said that the BIA provides actual budget means within the same standards as the state Department of Health and Welfare.

They [BIA] pay actual rent up to \$125, food, fuel, clothing, etc. They don't have any ceiling as such, other than the standards.

Mr. Ray asked if the federal BIA supplements the state, and Mr.

Ousterhout said no. He said they have an agreement that the BIA will not pick up a case that is eligible for state welfare; that sometimes they will start a case and transfer it to the state; however, there is a considerable cut in the amount of assistance they are eligible for when they are transferred to the state. Mr. Ray asked about programs other than AFDC that help these people. Mr. Hall said that the WIN program provides an extra \$30 incentive which is disregarded in considering income eligibility; the food stamp provides for minimum food; day care; and medical. They have been providing day care for non-WIN mothers as well as WIN program mothers to equalize the opportunity for mothers who work. The only question he said that he personally has is the problem they are going to run into in area differentials where there is a statutory limitation set and yet the amount of money may not be sufficient for a particular area of the state while being sufficient for another area. He said that they are working this into the budget, but as long as there is a statutory limit on the amount that can go to the families, then there may be inequities. Mr. Ray said that looking at the other side, however, there may be some cases where the families are going to get more than they need. Mr. Hall said that that will never happen. There are a few cases where they get less, but not more than they need. Mr. Ray asked about social security. Mr. Hall said that it is considered a prior resource. Mr. Hall said all social security is considered income. He said there have been three major changes in the

federal requirements. To determine eligibility they take total cost up to \$125 in this area, add basic needs, use schedule for cost of living - everything except shelter, then determine prior resources, what cash income they have from other sources, then they deduct FICA, child care if applicable, and get an income figure and if the figure is less than the budget, they are eligible for the program. However, the amount of money received is determined in a different way. They take the total income and deduct these same items and other items - they deduct \$30, deduct 1/3 after the deduction was made, deduct state tax, FICA, etcetera. Then this is weighed against the budget, and this gives the figure. Mr. May felt it would be pretty complicated to try to get this ratio or formula into a bill. Mr. Hall said that there is still an unmet need, although it is small.

Mr. Croft asked for more of an explanation of the food stamps.

Mr. Hall explained that they are given a certain amount of food which have greater purchasing power than their dollar value - stamps, e.g. \$25 worth of stamps would buy \$50 worth of groceries.

Mr. Croft asked about the medical coverage. Mr. Hall said it is as needed, they only pay for those who can't pay from prior resources.

Mr. Hall reiterated on the prior testimony that their caseload will double in the event the family assistance program [FAP] is adopted by the federal government - from \$7 million to about \$14 million next year.

Mr. Croft asked what Mr. Ousterhout meant when he said the AFDC program would be expanded to include non-WIN working mothers. Up until September, he said, they had been included. Mr. Ousterhout

explained that they had not been authorized to cover non-WIN working mothers but had not realized it, and so when in September they did realize this, they had to stop doing it because it was misappropriating the funds. Now with the supplemental [HB 467] they can start doing this again. Through the supplemental they requested funds for non-WIN mothers and so will be able to assist them on day-care funds. Mr. Croft asked what they pay, and Mr. Ousterhout said that they have a rate schedule that has four different levels of childcare - nursery, preschool, day care and specialized care. He said that it is usually \$4.75 a day - \$6.00 per day is the highest amount paid, and that is for the specialized care, and then there is a sliding scale for the second child.

Mr. Croft asked again about food stamps, and Mr. Ray asked if it is a straight ratio of about 25¢ per \$1.00 of food stamps and Mr. Hall said that it isn't a straight ratio, he didn't know exactly what it is but thought 40¢ to \$1.00 would be closer; however, it varies on each case.

Mr. Cavnar, speaking of food stamps, wanted to make the point that the fact that so much more food can be bought per dollar with the food stamps does not give the people any more money to spend on the other necessities of life. That money can be used only for food, and cannot apply to clothes, shelter, fuel, etc. Mr. Croft asked what they feel the minimum cost per month would be for a woman to take care of herself and a child under five.

Mr. Ousterhout passed out some information [see pages ^{863a-d}~~864-867~~].

which gives actual cases and budgets. Mr. Ousterhout said that Mr. Ray's proposed bill does get pretty close to the need in most cases. He noted that in the first two cases the bill is a little short, but in the third it is a little high [but the woman will not get the additional money]. A problem is when the low income housing is not available. Mr. Croft asked if it would then be correct to say that they believe this bill is good but that there are some cases where it would not be sufficient, e.g. when low income housing is not available. Mr. Ousterhout said yes, that that would be the major item. Mr. Ousterhout emphasized that they were not talking about any great number of people. Mr. Ray said that the committee is trying to avoid any partisan effort and he was afraid if they tamper with it before it has been enacted, then its chances of passage will be less. Mr. Ousterhout agreed that they do not want to upset the "applecart"; they were just hoping some adjustment could be made for these exceptions.

Mr. Ray assured them that the committee was most appreciative of their efforts in helping them on this extremely difficult problem. Mr. Cavnar said he was aware of the situation whereby some mothers did have more children to get more money and he thought the continuation of the present program was forcing the mother to place herself in the position of bringing a man into the home to buy groceries and this in turn creates the situation in which more children are then produced.

Mr. Ray gave an example of a woman who was receiving aid for her children, and neglecting them. A legislator had cited this

example to him and it was this type of thing he felt that brought adverse publicity and bad reaction from other legislators in trying to enact something that would be fair to all.

Mr. Bradner brought up the situation that now exists in Fairbanks where urban renewal has wiped out all low rent housing. Mr. Ousterhout said they were fully aware of that situation and in many cases these women simply have to leave the Fairbanks area. Mr. Ousterhout reiterated the support of Model Cities, social workers and PTA for the bill as proposed by the Finance Committee. They all feel it is very good and even though they have advocated no ceiling, they were very aware of the political problems involved. Mr. Ray said they had gone through this open-end or open ceiling on HOUSE BILL NO. 251 for foster care homes, hospitals, etc., and it just wasn't feasible. Mr. Ray felt the committee could not afford to be called fiscally irresponsible, and leaving it open would do exactly that.

The witnesses were thanked for their appearance by Mr. Ray, and they departed.

BILL ASSIGNMENTS: Mr. Ray made the following bill assignments:

HB 755 [Educational assistance for members of National
Guard] Mr. Haugen

SB 351 [Vehicle registration plates] Mr. Hohman

SB 461 [Claims prior years - Skaeway] Mr. Hohman

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

A LOOK AT THE AID TO FAMILIES OF DEPENDENT CHILDREN IN ALASKA *

by

Alaska Chapter of the National Association of Social Workers

The Alaska Chapter of the National Association of Social Workers is gravely concerned about the grossly inadequate grants provided recipients under the AFDC (Aid to Families of Dependent Children) program which is administered by the Alaska Division of Public Welfare.

"The purpose of Public Assistance programs in Alaska", according to Section 4,000 of the Division of Public Welfare Staff Manual, "is to provide financial assistance and services to eligible residents of the State in a manner consistent with decency and health . . ."

The goal of this program is to assist those in need to regain a measure of economic security by provision of financial assistance. It is designed to provide the recipient with sufficient food, shelter, etc. to maintain a standard of living compatible with decency and health. Concurrent social services are designed to help the person improve their personal problems to become socially and economically independent. Because of the inadequacy of current economic assistance, it is unreasonable to believe that all the social services possible could "re-habilitate" a person. The lack of financial resources forces the recipient into a downward spiral which can be overcome only by increasing the amount of money available to the family.

We feel the responsibility for this deplorable condition rests with the citizens and legislators of the State of Alaska, who have, consistently ignored the unreasonable maximum grants provided AFDC recipients. No reasonable individual could expect a mother with one child to maintain themselves on the meager sum of \$105.00 per month. Yet, legislative action has established that amount plus a ceiling of \$40.00 per month for each additional child. In essence, the assumption is that families can maintain themselves with the following person income ratio:

TABLE I:

SIZE OF FAMILY	MAXIMUM GRANT
Mother and 1 child	\$105.00
Mother and 2 children	145.00
Mother and 3 children	185.00
Mother and 4 children	225.00
Mother and 5 children	265.00
Mother and 6 children	305.00

* Alaska Statute 47.25.320 states that "assistance is sufficient if, when added to all other income and support available to the child, the child and relative have reasonable subsistence compatible with decency and health". The Statute then contradicts this statement by limiting income from the AFDC program; "assistance shall not exceed \$105.00 where there is a relative and one child. If there is more than one child, the amount allowed . . . for each additional child shall not exceed \$40.00."

* November, 1960 revision of "The Supporting Statement and Data for Resolution No. 1" prepared 2-13-60 by the Juneau Branch of the Alaska Chapter of the National Association of Social Workers 863 (a)

This incongruous situation becomes even more obvious when the AFDC program is compared with other DPW administered programs. If the child remains in his own home it is apparently inferred that he can be supported for \$40.00 per month; if he is removed to the home of a relative and is the only AFDC child in the home, this amount is increased to \$50.00 per month; if he is placed in a stranger's home, as a foster child, the payment rises sharply to \$115.00 to \$165.00 per month; if placed in a child-caring institution, (i.e. children's home, orphanage, etc.) the payment may then increase to as much as \$319.00 per month. (see TABLE II)

319

TABLE II:

PLACEMENT	MAXIMUM GRANT (per month)
Own home	\$ 40.00
Relative's home	\$ 50.00 1st child, \$40.00 each additional child
Foster home	\$115.00 for children under 13, Anchorage area \$165.00 for children over 13, Juneau and Fairbanks higher; Ketchikan lower.
Institution	\$153.00 to \$319.00

The following actual budgets for three representative AFDC families are presented in order to more clearly illustrate the impossibility of current practices. These are real families!

The WIN program mentioned here is the Work Incentive Program which is run under a cooperative agreement with the United States Department of Labor, the State Department of Public Welfare, and the State Office of Vocational Rehabilitation. It is an upgrading program in the areas of education and vocational training designed to help welfare recipients be able to obtain the necessary skills to be able to get a job. To determine eligibility for WIN the question that is asked is, "Will the client be able to work?" Recipients accepted in this program are given a bonus of \$30.00 a month while participating, and transportation is provided (if necessary) by the Department of Labor.

Day Care services for children are provided (if necessary) by the Department of Welfare for those in the WIN Program. A current concern of the National Association of Social Workers is for persons who showed initiative in finding employment or job training on their own. They were previously able to utilize Day Care benefits for their children under the WIN Program. However, as of September 19, 1969 these benefits were immediately terminated, thus penalizing the very persons who, due to their initiative, were ineligible for WIN. This cutoff was due to Federal interpretation.

1. This family consists of a mother and four children whose husband is in a mental institution. This mother has not been referred to the WIN Program due to a complexity of emotional problems.

- a. Basic needs \$267.00
- Includes food, clothing, personal necessities medical, incidentals, utilities, education allowance, household equipment and supplies.

~~888~~ 863 (b)

b. Rent (includes oil heat)	\$ 67.00
This is one of our low cost housing units.	
c. Teen-age allowance	15.00
d. Laundry allowance	<u>20.00</u>
Total budget needs	\$350.00
Maximum grant	<u>225.00</u>
\$105.00 for mother and one child	
\$ 40.00 each additional child.	
Unmet need (No provision allowed)	\$ 131.00

1

2. This is a mother with three children who is a divorcee with no child support monies being received. She has a sick child, and also has a great deal of medical problems herself. She has been referred to WIN, but will probably not be accepted by them until her medical problems are cleared up. She works part time, and lives in Low Cost Housing.

a. Basic needs	\$225.00
b. Telephone for sick child	7.50
Cleaning (for her medical problems)	40.00
c. Rent (includes oil heat)	<u>68.00</u>
Total budget needs	\$340.50
Earns \$132.00; disregard \$64.00	<u>68.00</u>
	\$272.50
Maximum grant	<u>165.00</u>
Unmet need (No provision allowed)	\$ 87.50

3. This is a mother with seven children, of whom two are preschoolers. She has no income except \$97.00 a month in social security payments. She has not been referred to the WIN program as she is needed at home to care for her children.

a. Basic needs	\$416.00
b. Rent	103.00
She lives in Low Cost Housing but pays oil heat	<u>11.50</u>
Total budget needs	\$531.20
Less Social security	<u>-97.00</u>
	\$434.20
Maximum grant.	<u>345.00</u>
Unmet need (No provision allowed)	\$ 89.27

All of the above families are receiving Food Stamps and the Welfare Department is able to provide for their basic medical needs.

~~816~~ 863 (C)

Upon close examination, one must reach the conclusion that the AFDC Program as now administered is not only failing to correct or eliminate social problems, but is actually contributing to prolonging or, most distressingly, is probably intensifying the problem.

The assistance grant does not provide the recipients with sufficient funds for a minimum standard of living, thus forcing them to resort to illicit and illegal resources for even subsistence living. The intended Welfare Program is being defeated from the very onset. The economic security is not provided, forcing the family to find some alternative situation that further increases their social problems. It appears that the programs as now administered, function to cause family deterioration rather than strengthen the family as is recommended by every authority in the field of child welfare.

The September, 1969 figures for total monies allotted for AFDC payments in the Anchorage District totaled \$67,169.00. Since there were 1,491 persons in this AFDC caseload, the average payment was approximately \$45.06 per person. This is less per person on an annual basis (\$540.72) than the Federal Government allows taxpayers to claim for dependents on our Federal Income Tax Return. (\$600.00)!!

The grants being provided under the "Aid to Families of Dependent Children" program in the State of Alaska are limited by Statute to \$105.00 per month for the mother and one child, plus \$40.00 for each additional child.

Therefore, the National Association of Social Workers feels it is absolutely imperative that a major change in legislation be made to remove this unrealistic maximum and allow recipients of the AFDC program to receive their full budgeted financial needs as determined by the State of Alaska, Division of Public Welfare by utilization of the "Computation of Budget Schedule" contained in Section 4643.2 of the Alaska Division of Public Welfare Staff Manual.

~~867~~ 863(d)

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The goal of this program is to assist those in need to regain a measure of economic security by provision of financial assistance. It is designed to provide the recipient with sufficient food, shelter, etc. to maintain a standard of living compatible with decency and health. Concurrent social services are designed to help the person improve their personal problems to become socially and economically independent. Because of the inadequacy of current economic assistance, it is unreasonable to believe that all the social services possible could "re-habilitate" a person. The lack of financial resources forces the recipient into a downward spiral which can be overcome only by increasing the amount of money available to the family.

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* A November, 1963 revision of "The Supporting Statement and data for Resolution No. I" prepared 2-13-63 by the Juneau Branch of the Alaska Chapter of the National Association of Social Workers

863 (a)

This incongruous situation becomes even more obvious when the AFDC program is compared with other DPW administered programs. If the child remains in his own home it is apparently inferred that he can be supported for \$40.00 per month; if he is removed to the home of a relative and is the only AFDC child in the home, this amount is increased to \$50.00 per month; if he is placed in a stranger's home, as a foster child, the payment rises sharply to \$115.00 to \$153.00 per month; if placed in a child-caring institution, (i.e. children's home, orphanage, etc.) the payment may then increase to as much as \$219.00 per month. (see TABLE II)

TABLE II:

PLACEMENT	MAXIMUM GRANT (per month)
Own home	\$ 40.00
Relative's home	\$ 50.00 1st child, \$40.00 each additional child
Foster home	\$115.00 for children under 13, Anchorage area \$155.00 for children over 13, Juneau and Fairbanks higher; Ketchikan ... lower.
Institution	\$153.00 to \$319.00

The following actual budgets for three representative AFDC families are presented in order to more clearly illustrate the impossibility of current practices. These are real families!

The WIN program mentioned here is the Work Incentive Program which is run under a cooperative agreement with the United States Department of Labor, the State Department of Public Welfare, and the State Office of Vocational Rehabilitation. It is an upgrading program in the areas of education and vocational training designed to help welfare recipients be able to obtain the necessary skills to be able to get a job. To determine eligibility for WIN the question that is asked is, "Will the client be able to work?" Recipients accepted in this program are given a bonus of \$30.00 a month while participating, and transportation is provided (if necessary) by the Department of Labor.

Day Care services for children are provided (if necessary) by the Department of Welfare for those in the WIN Program. A current concern of the National Association of Social Workers is for persons who showed initiative in finding employment or job training on their own. They were previously able to utilize Day Care benefits for their children under the WIN Program. However, as of September 19, 1969 these benefits were immediately terminated, thus penalizing the very persons who, due to their initiative, were ineligible for WIN. This cutoff was due to Federal interpretation.

1. This family consists of a mother and four children whose husband is in a mental institution. This mother has not been referred to the WIN Program due to a complexity of emotional problems.

- a. Basic needs \$257.00
Includes food, clothing, personal necessities medical incidentals, utilities, education allowance, household equipment and supplies.

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b. Rent (includes oil heat) \$ 67.00
This is one of our low cost housing units.

c. Teen-age allowance 15.00

d. Laundry allowance 20.00

Total budget needs \$350.00
Maximum grant 225.00
\$105.00 for mother and one child
\$ 40.00 each additional child.
Unmet need (No provision allowed) . \$131.00

2. This is a mother with three children who is a divorcee with no child support monies being received. She has a sick child, and also has a great deal of medical problems herself. She has been referred to WIN, but will probably not be accepted by them until her medical problems are cleared up. She works part time, and lives in Low Cost Housing.

a. Basic needs \$225.00

b. Telephone for sick child 7.50
Cleaning (for her medical problems) 40.00

c. Rent (includes oil heat) 68.00

Total budget needs \$340.50
Earns \$132.00; disregard \$64.00 68.00

Maximum grant 185.00

Unmet need (No provision allowed) \$ 87.50

3. This is a mother with seven children, of whom two are preschoolers. She has no income except \$97.00 a month in social security payments. She has not been referred to the WIN program as she is needed at home to care for her children.

a. Basic needs \$416.00

b. Rent 103.00
She lives in Low Cost Housing but pays oil heat 11.60

Total budget needs \$531.20
Less Social security -97.00

Maximum grant. 345.00

Unmet need (No provision allowed) \$ 85.27

All of the above families are receiving Food Stamps and the Welfare Department is able to provide for their basic medical needs.

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Upon close examination, one must reach the conclusion that the AFDC Program as now administered is not only failing to correct or eliminate social problems, but is actually contributing to prolonging or, most distressingly, is probably intensifying the problem.

The assistance grant does not provide the recipients with sufficient funds for a minimum standard of living, thus forcing them to resort to illicit and illegal resources for even subsistence living. The intended Welfare Program is being defeated from the very onset. The economic security is not provided, forcing the family to find some alternative situation that further increases their social problems. It appears that the programs as now administered, function to cause family deterioration rather than strengthen the family as is recommended by every authority in the field of child welfare.

The September, 1969 figures for total monies allotted for AFDC payments in the Anchorage District totaled \$67,189.00. Since there were 1,491 persons in this AFDC caseload, the average payment was approximately \$45.06 per person. This is less per person on an annual basis (\$540.72) than the Federal Government allows taxpayers to claim for dependents on our Federal Income Tax Return. (\$600.00)!!

The grants being provided under the "Aid to Families of Dependent Children" program in the State of Alaska are limited by Statute to \$105.00 per month for the mother and one child, plus \$40.00 for each additional child.

Therefore, the National Association of Social Workers feels it is absolutely imperative that a major change in legislation be made to remove this unrealistic maximum and allow recipients of the AFDC program to receive their full budgeted financial needs as determined by the State of Alaska, Division of Public Welfare by utilization of the "Computation of Budget Schedule" contained in Section 4643.2 of the Alaska Division of Public Welfare Staff Manual.

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HOUSE FINANCE SUBCOMMITTEE
Tuesday, March 17, 1970
8:00 p.m.

SB 256 Chairman Chancy Croft called the subcommittee hearing on SB 256 [An Act relating to a community grant-in-aid program for alcoholism] to order at 8:00 p.m. He introduced Representative Helen Beirne who was conducting the meeting with him. He explained that the meeting was for the purpose of taking testimony concerning SB 256, and that a report on the hearing would be made for the House Journal.

Mr. Croft said he is concerned about the fact that the state's first real attempt, if \$1/4 million can be considered an attempt, at the treatment of its alcoholism problem is in effect a grant-in-aid to political subdivisions to treat the problem themselves. He wondered why they are talking about starting out with local programs when it seems to him the other approach, for the state to start out with the program and then if there are unique community needs for the community to go ahead and add to it and be assisted by grants-in-aid, is more reasonable. He said that if the responsibility falls on the legislature only because people feel the legislature will not be willing to deal with this problem he said he would like to know.

The first witness was Mr. C. M. Craft, State Director of Vocational Rehabilitation. Mr. Craft said that since

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3/17/70

864

the function of his agency would be that of a coordinating agency in whatever program is developed to rehabilitate alcoholics in the state, he would confine his remarks to those things that basically concern his agency and would expect others in the Department of Health and Welfare to provide detailed testimony on what the plans are so far as their departments and divisions are concerned. He said they have been working for many years in the rehabilitation of the disabled in the state of Alaska and have recognized that many of the clients, particularly number of the Native clients, have not necessarily been identified medically as alcoholics but the problem of alcohol has been a grave secondary disability which has resulted in frustrations and failures in carrying out their rehabilitation plans. They have been unable to cope with problems of alcohol and related social problems. Mr. Craft said they have recently completed a two year study of the handicapping conditions in the state of Alaska and that document will be given to the legislators in a very few days. In this study they have identified as best they can by random sampling throughout the state, including about 35 remote areas, the incidence of disabilities in all categories and they have attempted to project numbers of disabilities in the state; and alcohol is one of those identified disabilities which they consider handicapping to employment. HE said they recognized a long time back if they were to make any substantial inroad to those problems it would only be in conjunction with the other agencies

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3/17/70

and specifically the Office of Alcoholism, who he thinks should have a major responsibility in executing this broad program and so in their five year plan which will be out of the printers in a day or so they have integrated the projected needs of resources to carry out at least a beginning effort in rehabilitation over the five year period for the alcoholic. This will be presented in detail by Mr. Wilcox, he said, so Mr. Craft said he would not go into it but would merely emphasize the gravity of the problem. It is his judgment that this is both a state and community problem with substantial responsibility on the state to develop programs that can be carried out in the several communities. He said he believes communities should have responsibilities within their own governmental structure in working with the state. How that will come about he didn't know, but he said he was again emphasizing the gravity and scope of the problem. He felt this subject has particular application to one of the groups they are working with now, which is their attempt to restore the Native people to their rightful place in the society and economy of Alaska. They are working now on the problem to double the basic allotment of rehabilitation from Congress so when he is talking about funds this is predicated on substantially more money from the federal government and substantially more from the state to match the increased federal allotments. They have projected the resources needed by just his agency in grants-in-aid. If these facilities are to be made available through a combination

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866

3/17/70

of state and local resources to develop detoxification units, alcoholic rehabilitation centers, referral units, whatever is needed, they have projected \$2,866,000 as a 5 year budget as what would be needed as resources from his own small agency to meet this problem. He said he was talking about special counsellors, case survey monies to meet the problem, all the resources that will have to be added to the regular program. He emphasized again that the rehabilitation of the medically identified alcoholic is a difficult and frustrating thing. They have been unable to make any substantial inroad in rehabilitating alcoholics - they think it requires a concentration of effort through these types of detoxification centers, alcoholic rehabilitation centers, where there are specialized resources available to cope with this problem because for the most part they have tried to rehabilitate those whose alcoholism was a secondary disability and even then it has been plagued with failure. He strongly encouraged the committee and other committees to make a beginning by some appropriation in this session for funding a beginning program. He said he was heartened by the fact that it is now recognized that this is a problem which must be met. He said he feels this bill or some related bill is not only important but essential. Mrs. Beirne asked if the \$2,000,000 he had mentioned is what they would have coming from the federal government. Mr. Craft said no, they presently only have \$1,000,000 coming from the federal. Mrs. Beirne asked what the matching on this is, and

Mr. Craft said 80-20. He said that Alaska has the smallest allotment of any of the 50 states. For the past year he said he has been working with various federal officials to try to find a way of handling this, and they are requesting that \$2,000,000 rather than \$1,000,000 be the minimum per state. He said that they are projecting a need of approximately \$3,000,000 to meet their part of this alcoholism problem. He said that he thinks they will be successful in getting additional money from the federal government; however, this \$3,000,000 is their projection of resources needed for the alcoholism program but that they may not be able to divert this much money to the problem. The need, however, is there. He said he did not see alcoholism program with the Division of Vocational Rehabilitation as part of the grant-in-aid program. He would see this as a Vocational Rehabilitation program to complement whatever the communities develop. Mrs. Beirne asked Mr. Craft if he has any idea how much has been spent in the state on alcoholism, and Mr. Craft said that what alcohol has cost the state is just fantastic. He said he would have no estimate but that there are tens of thousands of dollars that go down the drain because of interrupted training plans of people in Vocational Rehabilitation who have alcoholism as a secondary problem. He said that they are budgeting this coming year for one position to work just with the alcoholism problems. This is the first time they have identified a counsellor they would expect to have specialized training in this field. He said that they know many clients in their

3/17/70

868

agency have alcoholic problems so when they spend their present \$1,000,000 they are spending a lot of money on this problem. In response to questioning by Mr. Croft, Mr. Craft said that they have \$1,000,000 this year and hope for \$2,000,000 next year. The new position he had spoken about would be for next year; they don't have one now. Mr. Croft asked then if in Vocational Rehabilitation this year there is no part of the \$1,000,000 specifically allocated toward alcoholism, and Mr. Craft said that that is correct. Mr. Croft asked how much of that \$3,000,000 for the 5 year program would be needed for the FY 71 budget. Mr. Craft said that they have estimated \$161,700. Mr. Croft asked what that is conditioned on, and Mr. Craft said it is conditioned on them getting federal and state appropriations for FY 71 in an increased amount. They will be diverting some of their general program monies to the concentration of greater effort on the rehabilitation of alcoholics. Mr. Croft asked if SB 256 passed and the communities were able to extend or establish programs, would the Office of Vocational Rehabilitation need more money in FY 1971. Mr. Craft said that he doesn't think they would request an additional budget for this coming year. They are budgeting for \$2,000,000 which is more than doubling their appropriation now. If these other resources [like alcoholic rehabilitation centers] are made available they will buy from them. They will provide from the monies already appropriated. Mr. Croft asked how many positions the \$161,000 would fund for 1971. Mr. Craft said they have put in 2 1/2 rehabilitation counselors and

869

3/17/70

1 1/4 clerical personnel and case survey monies of about \$100k000 plus some minor expenses, so there are approximately 4 new positions. Mr. Croft asked where the offices would be located. Mr. Craft said that they have anticipated additional resources in Juneau, Ketchikan and Sitka for 1971. Actually, if they get additional federal monies they are planning to open 5 additional branch offices throughout the state to serve areas they have been unable to serve except for transiently over the past years. Those are included in their regular budget. Mr. Croft asked if it is realistic to say at this time that for whatever reason there is really no alcoholic treatment or coordinating program within the Office of Vocational Rehabilitation. Mr. Craft said that they are working with it all the time and have been for 10 to 12 years. Mr. Croft asked what the effect of that has been. Mr. Craft said that they just treat whatever client comes to them who needs their services as an individual. They draw up a rehabilitation plan for each client they accept. If alcohol is one of their problems, then they try to deal with it. The two year study to which he had earlier referred is the one which will furnish figures on the number of alcohol related problems. Mr. Craft said that he thinks an attempt to determine the number of those with alcoholic problems is very difficult. Their projections are based in terms of crude estimates. He said when you take a random sampling you find some people reluctant to admit having a problem with alcohol. He said he thinks actual statistics of alcohol problems are hard to come by but he

841

3/17/70

870

said they know they are numbered in the thousands.

Mrs. Beirne asked if Vocational Rehabilitation has anything to do with actual treatment, and Mr. Craft said yes, they furnish psychiatric care, therapy, they buy whatever services the individual needs that are available. Of course, he said, they are confronted with money limitations, but they do all they can within the limitations of money and staff they are provided. Mr. Croft thanked Mr. Craft and he stepped down from the witness chair.

The next witness was Mr. Glen Wilcox, Coordinator of the Office of Alcoholism. He passed out a position paper on SB 256 [see bill file]. He also passed out a part of one of the reports to which Mr. Craft had referred, this portion of the report entitled "Alcoholism and Problem Drinking." This includes two pages of projections of resources needed by the Office of Vocational Rehabilitation, and these two pages are attached to these minutes as pages *946 and 947*. He also passed out copies of "A Model Community Alcoholism Treatment Program" which is in the bill file.

Mr. Wilcox said that this represents a major effort on the part of all agencies to cooperate and work to coordinate a program. Their particular plans as to implementing programs are their own. He said he would hope that as each develops its own program and the Office of Alcoholism develops its program through the grants-in-aid, this coordination will continue right along. That certainly represents a major effort on the part of all these agencies, he said again.

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3/17/70

871

First, speaking to Mr. Croft's question of why this should be a community grant-in-aid program rather than a state program, he said that he thinks there are essentially two aspects of responsibility in alcoholism. There is a state responsibility, much of it administered through the department of Health and Welfare through Corrections, Mental Health, Social Services. Where people qualify in those programs and where there is alcohol involved the state has the responsibility to deal with that as it is one of the needs of the client. However, that doesn't include all of the alcoholics. There are many alcoholics who do not fall under any of these programs, and so there are needs beyond the regular channels of the Department. Part of those needs would be met through grants-in-aid. Mr. Wilcox read from the position paper which states:

Perhaps no single effort in the area of alcoholism rehabilitation and treatment is more needed than the development of foci of treatment. The current situation is analogous to claiming to have a hospital, without having a hospital facility as such, and without personnel. The personnel would be scattered throughout the entire community and the patient would not be aware of them. Certainly, the efforts of professionals would be minimized if such a situation were in fact a reality with hospitals.

Mr. Croft said that he still does not understand why there should not be a statewide program, why this must be done through grants-in-aid. He said that if he understood what Mr. Wilcox is saying, there are certain problems which because they affect certain existing programs of the state in that situation alcoholism is a state responsibility - but he said he wonders why alcoholism can't be viewed as a problem

3/17/70

872