

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2498

that the state should address itself to whether it affects a state program or not. Mr. Wilcox said that he thinks the essential part of the rehabilitation program is involvement of the local community in the treatment process. It is not only desirable but necessary that the community be involved in the program. When a person is being rehabilitated, he must again go back into the community, and the attitudes and involvement of that community are very important in determining the success or failure of his rehabilitation. Mr. Croft asked if it is Mr. Wilcox's feeling that the grants-in-aid are important because they develop community spirit and that the community involvement is recognized by the individual and so the treatment is more effective, and Mr. Wilcox said yes, that is part of it. Treatment will be more successful under those circumstances. The percentage of success will be higher than if it is simply a state run program of institutions where communities are not significantly involved. Mr. Croft asked why specifically community involvement produces. Mr. Wilcox said that people would encourage the people being treated because they are involved financially and in developing a program, and that when people are involved in something, they will work to see that it succeeds. If a person has a relapse, the members of the community would encourage him to go back, if they were involved in the program. The same attitudes they have toward other medical problems would prevail. He said that part of their effort has to be in changing the community attitudes. It is necessary to get whole communities

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to change. Many ailments are now being treated that only a few years ago were being "swept under the rug." Today that is what is still being done to alcoholism. Mr. Wilcox mentioned, too, that except in the Anchorage area there is nothing like county health departments in the state, and so the state is both consulting on and guiding the programs and there is little opportunity for real community responsibility and involvement. In response to questioning by Mr. Croft, Mr. Wilcox said that he doesn't think this is an either/or situation, as far as state and community programs for alcoholism are concerned, but rather it is a both/and situation. Mr. Croft said that he can see that there would be situations where the state programs might not be adequate and local communities might have to expand on them, but he couldn't see why it is essential that there be community financing when there is not this required local financing for rural education, vocational rehabilitation, or many other programs where the same rule of the importance of community involvement could be made.

Mr. Wilcox said he thinks they would like to see some of the local communities priorities redirected. The original purpose of taxing alcoholic beverages was because of the recognition that there were certain problems inherent in selling alcohol. At that time the problems were associated more with the sale and were thought of more as enforcement problem, and most people, he said, do identify that money does filter through

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help support the police department. In this day and age it is recognized that there are other problems besides law enforcement connected with alcohol - there are health problems, and some of these tax resources should be directed toward this effort as well. It is not as if communities were not deriving any benefit. He said again that priorities should be redirected. Mr. Croft said that it seems to him for the next few years if there is a trend in the relationship between the state and political subdivisions, the trend is not in local subdivisions assuming more responsibility but the trend is for the state to pick up more of a share of the funding. Mr. Wilcox said that 75% is the state's share in this, and only 25% is the community's, and the bill provides that communities may use real property for their match, so this is not talking about cash outlay only. Mr. Croft mentioned that the legislature passed a revenue sharing provision and yet now they are talking about turning around and saying the state will give the communities so much money but only if the communities put in a certain amount. Mr. Wilcox said that they want to see the programs develop somewhat on the basis of community interest and initiative, where citizens want to do something is where they want to go in, and so that does make it somewhat competitive. The communities don't automatically get the help - they have to really want it and work for it.

Mr. Croft referred to Section C of the bill, which reads:

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Grants shall be awarded in a ratio of 75 per cent state money to 25 per cent community money for the purpose of providing staff, and in the ratio of 50 per cent state money and 50 per cent to community money for the purposes of providing limited improvement, renovation or new construction of facilities for alcoholic detoxification, rehabilitation or "half-way house" care. No grant for improving, renovating or constructing may exceed \$50,000 except when there is a lack of applicants for available money and then only with the approval of the Advisory Board on Alcoholism. The department is not required to award all money available under this program, or the full percentage specified in this subsection, when another source of money is available or could reasonably be made available to the applicant.

Assuming that if the program was funded at the level provided in Section 3 [a minimum of \$250,000], Mr. Croft asked what type of program they would have in the first year. Mr. Wilcox referred to the Model Community Alcoholism Treatment Program. He said one of the programs that could be created would be an Information and Referral Center. This is a program such as Anchorage has presently on a half time basis under the sponsorship of the Community Chest and the Anchorage Council of Alcoholism. He went on to list the various projects that could be developed - a detoxification unit, within the hospital center [this really amounts to additional staff within the hospitals]; outpatient medical/alcoholism clinics, which Mr. Wilcox said are needed because there are many people who could be treated successfully as outpatients; a rehabilitation center, which is a relatively short term intensive care center; halfway houses, which are for long term care, because they have recognized that some alcoholics do not have a home they can return to and that they need someplace nearly like a home but with some structure before they are again able to enter into the

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community. Mr. Croft asked what communities they would expect to set up these services. Mr. Wilcox said Juneau, Ketchikan, Sitka, Kodiak, Fairbanks, Anchorage, Bethel, Barrow, Kotzebue, Nome, Fort Yukon and Tanana. Which community would be first in applying would be up to them, he said. This is a 15 year projection set up in the Model Cities Alcoholism Treatment Program. Their intent would be that 1/15 would be done each year for the next 15 years.

Mr. Wilcox said that at the present time the state is paying 40% of the medical services outside of private medical care in the state, and the federal government is paying 60%, mostly through the BIA. The ratio then between the state and federal is 40/60. If this program is developed for the next 15 years, at the end of that time the state would have these facilities in the communities outlined.

Mrs. Beirne asked if this would include an educational program.

Mr. Wilcox said that this is perfectly possible under the bill as he reads it.

Mrs. Beirne asked if there is any reason to believe if this educational program were instituted, that less money would be needed in 15 years, and Mr. Wilcox said that he really doesn't think so. He said that this is the same situation as hospitals, in which services are paid for by patients who go there and buy the services, but the hospital was probably paid for originally with grants-in-aid. This is the kind of set up that they are talking about for the facilities to deal with the problem of alcoholism.

Mr. Wilcox said that right now the Office["] of Alcoholism is providing an assist to/^{the} development of an alcoholism program, but this is not doing the job.

Mrs. Beirne asked if the amount Mr. Wilcox is proposing includes SB 256 as well as the Office of Vocational Rehabilitation. Mr. Wilcox said no. This would be just the grant-in-aid. This would help that facility be so that the Office of Vocational Rehabilitation could buy its services. Most of the operation would be paid through the services being bought, but he said they can't really ask someone to buy a service which does not exist.

Mrs. Beirne asked why the bill limits construction to \$50,000. Mr. Wilcox said simply because of the emphasis on services. Some of this could be used along with Mental Health money to get state money to match, but that is not their primary purpose. Most of the construction money will go for renovation. Mrs. Beirne said that \$50,000 doesn't sound like it would renovate very much, and Mr. Wilcox said that it isn't enough to do much, he agreed; however, it could be matched with Mental Health money, community money, to perhaps put up a more substantial facility, so it is not limiting. Certainly he said \$250,000 couldn't be expected to do everything that needs to be done.

Mrs. Beirne asked about the excise tax on alcoholism. Mr. Wilcox said that since 1960 the per capita consumption in Alaska has doubled. He said that whether they expect that

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pattern to continue he doesn't know, but the present amount of money is just over \$4,000,000. He said that he feels there should be an automatic authorization for more money to go to alcoholism when the excise tax revenues from alcoholic beverages go up.

In response to questioning by Mr. Croft, Mr. Wilcox said that at the present time the BIA is paying for a bulk of the budget of the Fairbanks Alcoholic Rehabilitation Center. They are also supporting the special committee of alcoholism in Anchorage and are attempting to put some \$60,000 into the community in alcoholism. Mr. Wilcox said if the federal government continues to give 60% of the health care they need to be doing the same thing for alcoholism. This is the amount they are figuring on. Mr. Croft asked if there is any formal federal policy that would assure the state of that level of federal participation in the 15 years of developing the programs. Mr. Wilcox said there is no formal agreement, but they are not worried about that.

Referring to the program projections [see pages 805 ~~and~~ 309 of the Minutes] Mr. Croft asked what the double figures on the state column mean. Mr. Wilcox explained that the figure on top is either over or under the projected grant-in-aid for that year. In the first year \$191,000 is needed to fulfill the state obligation, leaving a balance of \$59,000, but down in 1975 there is an \$11,000 deficit.

This is in addition to the Office of Alcoholism budget. Mr. Wilcox said they are not expecting the state office to grow

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in proportion to the grants-in-aid. Mr. Croft asked what type of program they would have after the fifteen years, and asked if it would be sufficient to handle the problem. Mr. Wilcox said that he thinks that would give an adequate minimum program - it would get program started in the major communities as far as they can project at this point. It would give a complete program in terms of services rendered. It certainly isn't all that could be done. Actually, he said when speaking of the program in 15 years, it will hopefully be much more creative by that time and perhaps even such communities as Petersubrg might have programs. He said that he thinks what they will be doing in the next couple years will be kind of a seeding effect.

Mr. Croft asked even under the formula in SB 256, assuming sufficient state money was made available, how realistic is it that Bethel, Fort Yukon, Tanana and places like that could come up with their share. Mr. Wilcox said that they have come up with their share in other things.

Mr. Croft asked if the federal expenditures used in arriving at their figures are not grants to the communities. Mr. Wilcox said that they are not, but they are programs within the communities. Mrs. Beirne asked if a community furnished the facility if that could be their 25%, and Mr. Wilcox said that that would be possible. The bill is ambiguous; there is no limitation on funds other than state funds, he said. It also says none of these funds would be awarded if other funds could be made available.

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Mrs. Beirne felt this seems almost like double taxation on the matching funds. First of all, the money comes from taxation on liquor, so that comes out of the communities, anyway, and then the communities have to come up with an additional amount, 25% of the total cost. Mr. Wilcox said this doesn't come out of the liquor money, but that he only used the liquor excise tax revenues as a gauge as to what should be being spent. He said there is no doubt an inequity but there is presently an inequity, too. Mrs. Beirne said she can see Anchorage, Fairbanks, and some of the other areas being able to come up with the necessary money, but she too was concerned that some places would have more trouble. She wondered if OEO funds could be used as the community matching. Mr. Wilcox said as he reads the bill they could. Mrs. Beirne expressed further concern about some areas being unable to raise the 25%. Mr. Wilcox said he doesn't think that will be a problem. The smaller communities don't have the need for all of these facilities, he said, but could come up with enough money for what they do need and then could use the facilities in other larger communities when needed. Mr. Croft, relating this to the reasons he had been given for the programs being at the community level, felt that if federal money could be used for the complete local share, and if this was being done on a regional basis where people in the smaller communities would utilize some of the facilities in the larger communities, that this is a different matter. He said that he doesn't see why

Bethel should be required to come up with 25% for facilities that will be used for the whole Lower Kuskokwim area, or why Anchorage should be required to come up with 25% for facilities that will be used by the whole Cook Inlet area.

Mr. Wilcox said that this is a plan of action that sees what a community needs and attempts to do, and is a complete approach to the problem. Mrs. Beirne said this plan kind of follows the comprehensive health plan, and Mr. Wilcox said yes, it does, but it is not labeled as such. It would be roughly following that pattern, however.

Mr. Croft asked what existing facilities would benefit by the grants-in-aid. Mr. Wilcox said the Fairbanks, Alcoholic Rehabilitation Center, the Halfway House in Juneau, and the Ketchikan Rehabilitation House would all benefit. He said that these are the only three facilities as such that are presently alcohol oriented. He thought there could be other places that would be affected, too - Providence Hospital presently is using the fourth floor almost entirely as an alcoholism unit. If they had some additional staffing and training it could be a detoxification unit and they might be able to apply for a grant-in-aid. In response to questioning by Mr. Croft, Mr. Wilcox said that he feels there will be many applications - all signs point to a good deal of interest.

Mr. Wilcox said that he feels the amount of money ought to be looked at realistically. He said he doesn't think any amount that will be funded will do all that needs to be done.

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He said that he thinks is it true that the size of the problem is tremendous; they know there are at least 7,000 alcoholics in Alaska. He spoke of an examination of Headstart in Juneau, where 50% of the parents of the children in Headstart had significant alcohol problems. They just completed a public defender survey and 83% of all persons in Alaska jails or custody were drinking at the time of the commission of the crime, not just those arrested on alcohol related charges but those on other charges, too. He said he could continue to enumerate indicators of the size of the problem. This will not be solved by this bill, but it is an attempt to get started. He added that in spite of all the fantastic difficulty and the scope and range of the problem, it is a hopeful situation inasmuch as it is treatable. He said he knows one family where \$1,000 a month is going in for treatment, and probably another \$1,000 a month is going in for other services, and nothing is being maintained except a drinking situation that is not improving and is impairing four children. That person could be sent out for treatment and even if he had to be sent half way across the states, the state would still save on the cost of his treatment within 1 1/2 or 2 months. Mr. Wilcox said he does feel they certainly will gain on this problem in the state as the years go by.

Mr. Wilcox stepped down from the witness chair, and Dr. Freedman, Director of the Division of Public Health, came up to testify.

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Dr. Freedman said he wanted to make a few comments resulting from other testimony and discussion. The first has to do with persons receiving aid to the disabled under Public Welfare. He said that he is involved in determining with the public welfare worker which persons are to be considered seriously disabled enough to be eligible for assistance under the program of aid to the disabled. Many of these applicants are alcoholics and it is the basis of their disability, or their disability is related to alcohol in some way, such as through an accident which occurred while they were drinking. This brings it down to how the determination is made. If an applicant is declared not disabled because his only problem is drinking and he could be treated, there is no place to send him. If he is determined disabled, he still receives no treatment of his problem.

Either way he must get sustenance from an agency or his family goes without funds or support. He used that as an example, he said, that they are really in a bind because there is nothing to do with these people and nowhere to send them.

Another point he wanted to make had to do with facilities, which he said are important only to a certain extent. To a large extent it is a matter of simply having trained persons to handle different facets of drinking problems. The physical plant of course is helpful, but he wanted to stress that there are not sufficient persons with training in alcoholism, and that is the real need.

He also wanted to mention the importance of keeping an employee with a drinking problem on the job. HE said they generally

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find if a person is an alcoholic or becomes one he may or will lose his job because he doesn't adequately perform his duties. Once he has lost the job many steps take place, one of the major ones being loss of reputation, which usually stays with him. However, if there is a staff member from a hospital or facility who can talk to the employer and help keep the person on the job by assuring the employer that the person will come to the clinic for treatment on a regular basis, and can elicit support and involvement from the employer by telling him how the employee needs support and help from him, that individual being treated may be able to keep his job and overcome his problem.

Mrs. Beirne said that she concurred with that. She said what he was really saying is that this type of thing would be included in a comprehensive plan, and that that is what is needed, and Dr. Freedman said yes. He said that public health nurses very often can see a problem, sometimes in the very early stages, but that she can only give supportive advice because now there is nowhere she can refer the people to.

Mrs. Beirne asked if Dr. Freedman felt a better preventative program would have any significant effect. Dr. Freedman said yes, that he thought it would help in two specific ways:

(1) in terms of students recognizing the concern and interest on the part of the adults in the community and (2) in terms of education in the school system.

Dr. Freedman stepped down from the witness chair, and Mrs.

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Angus Gair, a member of the Advisory Board on Alcoholism, came up to testify. She said that she was there to reaffirm the Board's support of this bill. She said that they feel this is a natural step after what has been done by the Office of Alcoholism in its educational and information program. The Board feels this is a natural outgrowth and a logical step that the state now offer/financial support. She said that the local communities wouldn't have the money to do it all and the state does have the money coming in from tax revenues, so this is one of their reasons for supporting the bill. She said that when you analyze the alcohol programs, you come down to the fact that they are people-to-people programs, like Alcoholics Anonymous, which have the most success. She said that the only way to get this people to people approach is in the local communities. She said that she feels another advantage of this approach is it does allow different communities to have different individual approaches rather than having to conform to one uniform state program. She said that the philosophy in society is much more citizen participation these days. This can be seen in the Comprehensive Health Planning and programs that have been developed in the state. She said that lastly, she feels that this is a good bill because it carries out the concept established by the legislature of the duties of the coordinator of alcoholism. This position was intended to coordinate local and state programs, and this is what would be being done.

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Mrs. Beirne asked if this is a state board that Mrs. Gair is a member of, and Mrs. Gair said yes. She said that there are many local boards that have been created, and the people instrumental in this will probably be those working in the forefront developing the community grants-in-aid programs. Mrs. Gair stepped down, and Mr. John *Keating*, planning director of the alcoholic rehabilitation facility in Fairbanks came up.

Mr. *Keating* said that he has been in this field for 13 years, and has been up until recently, working in Canada, in the Yukon Territory. He said that even before the establishment of the Office of Alcoholism in Alaska a tremendous amount of money was being spent on alcoholism - in jails, hospitals, welfare, inefficiency on the job. He feels this should be borne in mind when discussing appropriations to directly deal with the problem.

Mr. *Keating* had some figures from the Yukon Territory which he felt might be close to the case in Alaska and so of interest at this hearing. This information was gathered by various department in the Yukon, and though it is not scientifically validated, he felt that it was relevant. 75% of all law infractions are alcohol related in the Yukon Territory. 90% of all criminal offenses are alcohol related. 80% of all transportation costs are charged to medical accidents due to alcohol. During a one year period, 60% of all non-maternity cases in the hospital were alcohol related. During a 15 month period more than 1/3 of all Indian deaths were

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alcohol related. The venereal disease rate for two years was 10 times the national average - this is indicated as a result of individuals concerned being unable to remember their contacts because of drinking. 90% of the families on welfare for long periods of time are on welfare because of alcohol problems. Speaking of the facility he is now directing in Fairbanks, Mr. ^{Keating} said it has been operating on a "shoe string", providing ^{Keating} w/ r vices they can. He said that he feels they are doing a reasonably good job given the conditions under which they must work. Grants-in-aid are not much compared to the volume of the problem, he said, but would be a start and could make the difference between just getting by and doing some good and producing considerably better results. He said that he feels the important part about the grant-in-aid program is that it will provide some encouragement to those trying to set up treatment centers. Many people in this field become so discouraged with lack of support that they give up. This grant-in-aid can provide the impetus, the encouragement and funding that will make it possible to utilize all the people who do become involved. He said that he feels this is a good first step. He thinks if it is possible to implement this immediately so that the funds can be gotten into the communities as soon as possible, then they will be able to get something going this year and next year will be able to come in and say what it is they have done and prove it is possible to save money by spending money in this area.

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Mr. Croft asked what the budget of the Fairbanks Rehabilitation Center is now. Mr. Keating said that it is approximately \$120,000 a year. Mr. Croft asked if that is made up of tax revenues and contributions, and Mr. Keating explained that they sell their services to different agencies, and this is how they are funded. Most of their participation has been from the BIA. Mr. Croft asked how much the state is presently putting in, and Mr. Keating said that they presently have no state money whatsoever. In response to further questioning he explained that his facility is a non-profit corporation. They determine who can come to them for treatment. Mr. Croft asked how they charge for their services, and Mr. Keating said that for example if the BIA wants someone to be placed at the Center, they are told how much the people at the Center think it will cost to rehabilitate this person, and then he said usually the BIA says they cannot pay that much but only some lesser amount and usually the Center ends up taking the people anyway for less money. Mr. Croft asked about staffing, and Mr. Keating said that there are 9 people at this time. This includes some members who are resident staff. Mr. Croft asked how long the facility has been in existence and Mr. Keating said two years. Senator Thomas asked what degree of success they are achieving at the Center, how many people have been cured. Mr. Keating said that he does not like using the expression or concept of "cured", but he said that he would say over 50% have shown marked improvement.

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Mr. Croft asked about cooperation with the Court System, and Mr. Keating said that it is very good. Mrs. Beirne asked if there is any stipulation that if a person picked up on drunken driving goes to the center for treatment he could be released, and Mr. Keating explained that this could be done but said again that the Center is under no obligation to take someone in - they still have the final choice.

Mr. Keating stepped down from the witness chair.

Recess: Meeting recessed at 10:00 for 10 minutes.

After Recess
10:10 p.m.

The next witness was Mr. Jack Randall, a lobbyist for the Alaska Council of Churches.

Mr. Randall said about a year ago in a public hearing before a joint Health Welfare and Education committee they were concerned with trying to identify whether or not there was a problem of alcoholism in Alaska; now the state has come well past that, having recognized that the problem does exist, and so there is a movement toward actual treatment programs. Mr. Randall said he supports SB 256, although he does have some reservations. He said he shares Mr. Croft's reservations to a certain degree inasmuch as he thinks it is unrealistic to assume that every community experiencing the illness of alcoholism will have the community attitude and commitment to rise up and put together an acceptable plan, and he is sure some of the communities lack the resources, but on that basis alone he said he would not say the grant-in-aid program is invalid.

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He said that he feels in those communities where the problem exists whether or not there is community interest it is the state's obligation to take the initiative if the local community does not. He said he supported Mr. Wilcox's position that ultimately community attitudes will have a major effect on the success of an alcoholism treatment program. However, he said, having a program in the communities can be an essential part of changing some of these attitudes. He spoke of the amount that can be accomplished even with a small amount of money, giving as an example a Public Health supervisor who was sent to a special conference on alcoholism and as a result has been doing volunteer work and with her special training has been extremely effective and instrumental in getting much more accomplished in Fairbanks in the field of alcoholism. They now have a set up whereby there is daily contact with the hospital. The hospital has accepted the responsibility for medical management of alcoholics and diagnosing of alcoholics as such rather than covering up as they have done in the past. There is a doctor who visits these people, they are informed of the Clinic that is available to them, they are given information about Alcoholics Anonymous, are informed of the meetings, and are given information on alcoholism so at least they know a little more what is wrong with them. He said that of the 89 people who have been seen, 25 of those have made appointments with the Center. Not all of them have kept these appointments but some of them have. He said, however,

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it really is just a matter of luck for them that this one person doing volunteer work is so dedicated. He said that he hopes the situation will be "beefed up." The Division of Public Health might staff a person directly in the facility with alcoholic functioning or through a grant-in-aid might develop a special facility. Here it happens to have developed in the Health Center, he said. He said he could say it wouldn't happen in the Mental Health Center in Fairbanks because they have said definitely they will not or cannot treat alcoholics, but he said Mental Health Clinics elsewhere in Alaska might be willing to.

He mentioned the five cases he had discussed at last year's public hearing, and he said that three of the five are now dead. One man died of acute alcohol poisoning when after six months of relative sobriety he went on a "binge"; another man died along with two others while drunk operating an automobile. The third died sober, and he said he counts that as a success. Unfortunately the man was killed by a car driven by a man who was intoxicated. Another of the five is still at the center; he has been damaged to the point that ultimately they will be unable to help him. The fifth is in Bethel; he has had one slip but otherwise is doing very well. He said that this is what they have to look forward to - what the programs established by the grants-in-aid can look forward to. He said he doesn't like the expression "cured" either - he said that he feels the only true measure of success is when a man dies sober.

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Mr. Randall stepped down, and Mr. Pat Spartz from Anchorage stepped up to the witness chair.

Mr. Spartz testified in favor of the bill. He felt it is an excellent beginning. He said that he felt the communities are the logical place to begin and he felt the involvement of the members of the community in these programs is very important. He said that he felt if this legislation were enacted there would be some improvement shown in a very short time.

Mr. Spartz stepped down and Mr. Trudeau stepped up to the witness chair.

Mr. Trudeau testified in favor of the bill, also. He spoke of the need for facilities in the state, and emphasized the importance of community involvement. Mrs. Beirne asked him about the part Model Cities would play, and Mr. Trudeau said that Model Cities participation would depend on the decision made by the citizens.

Dr. Hill came up to testify. By in large she testified in favor of the bill. The largest part of her testimony was concerned with a facility run by the police in St. Louis which is a very short term intensive care unit which has really had remarkable results. She said that the average person treated there had been drinking for 15 to 20 years and had an average 8th grade education. At the end of a year the success rate which had been 49% went down to 30%, but that still is much higher than the average treatment program.

The other point Dr. Hill emphasized was the importance of making it easy for people to get the help they need. She

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said that in a study at Massachusetts General Hospital they found that most of the alcoholics come through the emergency ward and under 1% go to the clinic for treatment. They put through a minimal program that just made it easy for these people to go, cutting down on complexities of paperwork and appointments, and of the first 100 patients, 65 did make an appointment with the clinic. 42% of these were in treatment long enough to say they improved.

Mr. Al Willis and a woman named Marsha both testified that they were formerly alcoholics, and they emphasized the need in Alaska for more facilities, and the importance of community participation.

Mr. Croft thanked the witnesses and the meeting was adjourned at 11:20 p.m.

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RESOURCES NEEDED BY OVR

RECOMMENDATION	IMPLEMENTATION		BUDGET ITEMS AND AMOUNTS			
YEAR	STATUS	RESPONSIBLE	ITEM	BUDGET INCREASE	TOTAL COSTS BY YEAR	
1971:	N	OVR - JUNEAU	1 VRC II	16,676		
			1/2 C.T. II	3,728		
			C.S. Funds	40,000		
				Rent	1,200	
				Equipment	(1,400)	
					<u>63,004</u>	
	N	OVR - KETCHIKAN	1 VRC II	16,676		
			1/2 C.T. II	3,728		
			C.S. Funds	40,000		
			Rent	1,200		
			Equipment	(1,400)		
				<u>63,004</u>		
N	OVR - SITKA	1 VRC II	8,338			
		1/2 C.S. II	2,000			
		C.S. Funds	20,000			
			Rent	3,600		
			Equipment	(1,800)		
				<u>35,747</u>	161,700	
1972:	N	OVR - FAIRBANKS	1 VRC II	17,948		
			1 VRC I	15,499		
			1 C.T. II	8,016		
				C.S. Funds	80,000	
				Rent	2,446	
				Equipment	(2,800)	
					<u>126,711</u>	
	N	OVR - BETHEL	1 VRC II	19,316		
			1/2 C.S. II	4,651		
C.S. Funds			40,000			
			Rent	3,600		
			Equipment	(1,800)		
				<u>69,367</u>	355,200	
1973:	P	OVR - ANCHORAGE	1 VRC III	19,316		
			2 VRC II	33,352		
			3 VRC I	43,215		
				1 C.T. III	8,016	
				2 C.T. II	14,912	
				C.S. Funds	240,000	
				Rent	6,100	
				Equipment	(8,500)	
					<u>373,311</u>	721,900

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RECOMMENDATION	IMPLEMENTATION		BUDGET ITEMS AND AMOUNTS		
YEAR	STATUS	RESPONSIBLE	ITEM	BUDGET INCREASE	TOTAL COSTS BY YEAR
<u>1974:</u>	N	OVR - KODIAK	2 VRS II 2 C.S. II C.S. Funds Rent Equipment	8,652 2,079 20,000 3,600 (1,800) <hr/> 35,131	749,600
<u>1975:</u>	N	OVR - NONE	1 VRS II 1 VRS I 1 C.S. II C.S. Funds Rent Equipment	19,315 15,675 9,302 80,000 4,200 (2,300) <hr/> 132,292	880,100

FIVE YEAR PROGRAM TOTAL COSTS: 1,630,500

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<u>Local</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>	<u>Year</u>
62,500	$\frac{58,896}{191,104}$	286,656	540,260	1971
75,000	$\frac{4,655}{404,655}$	606,982	1,111,637	1972
156,250	$\frac{4,009}{620,991}$	931,486	1,708,727	1973
212,500	$\frac{1,926}{848,074}$	1,272,111	2,332,685	1974
268,750	$\frac{(11,389)}{1,086,388}$	1,629,583	2,984,722	1975
331,250	$\frac{(8,949)}{1,383,940}$	2,000,919	3,666,100	1976
406,250	$\frac{36,244}{1,588,756}$	2,383,134	4,378,140	1977
475,000	$\frac{41,111}{1,858,889}$	2,788,333	5,122,222	1978
525,000	$\frac{(42,915)}{2,149,915}$	3,224,873	5,899,783	1979
606,250	$\frac{(17,438)}{2,562,438}$	3,663,656	6,712,344	1980
700,000	$\frac{65,114}{2,744,886}$	4,116,879	7,561,465	1981
775,000	$\frac{30,489}{3,069,520}$	4,604,279	8,448,799	1982
850,000	$\frac{(10,424)}{3,410,424}$	5,115,635	9,376,059	1983

<u>Staff Positions</u>	<u>Budget</u>	<u>Grants-in-</u>	<u>1</u>
Coordinator Assoc. Coordinator Project Coord. Grant-in-Aid Adm.	146,270	250,000	
2 Project Coord. Educational Consul.	221,103	400,000	
2 Project Coord. Nursing Consul.	280,960	625,000	
3 Project Coord. Social Work Consul.	405,750	850,000	
3 Project Coord. Institutional Consul.	506,618	1,075,000	
	529,416	1,325,000	
	553,234	1,625,000	
	578,129	1,900,000	
	604,145	2,100,000	
	631,329	2,425,000	
	659,738	2,800,000	
	689,427	3,100,000	
	720,451	3,400,000	

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<u>State</u>	<u>Federal</u>	<u>Total</u>	<u>Year</u>	<u>Staff Positions</u>	<u>Budget</u>	<u>Grants-in-Aid</u>
69,481 <u>3,755,519</u>	5,633,279	10,345,048	1984		752,871	3,825,000
49,444 <u>4,125,556</u>	6,188,335	11,357,641	1985		786,750	4,175,000

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HOUSE FINANCE COMMITTEE

March 18, 1970

9:15 a.m.

Present:

All members of the committee were present with the exception of Messrs. Sackett and Hohman.

CSHB 8

Mr. Ray called the meeting to order and said the first order of business would be COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 8 (relating to assistance to certain dependent children). He said he thought they all understood the bill, that the complete cost is \$7 million, raising it \$1.3 million over the Governor's allowance in the budget.

Mr. Ray moved and asked unanimous consent that Finance COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 8 be reported out with a "do pass" recommendation. On vote by the committee, Finance COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 8 was reported out with a 5-1 "do pass," the members voting as follows:

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

NO RECOMMENDATION: Mr. Croft.

HB 412

HOUSE BILL NO. 412 (raising the agricultural revolving loan fund authorization) was brought before the committee for discussion. Mr. Haugen said this bill

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increases the authorization from \$2,000,000 to \$5,000,000.

Mr. Ray asked what this does, and Mr. Haugen said it is supposed to provide more money in the fund because the farmers need more money.

In other words, Mr. Ray said, it can only go up to \$2,000,000 now, and this allows it to go up to \$5,000,000.

HB 413

Mr. Ray referred to HOUSE BILL NO. 413 (appropriating to the Department of Natural Resources), and stated that this bill would appropriate \$2,500,000 from the general fund to the Department of Natural Resources for the purpose of increasing the Agricultural Revolving Loan Fund. Mr. Haugen said there is not much enthusiasm for this bill. Mr. Ray suggested they consider one bill at a time, and asked Mr.

HB 412

Haugen what his feelings are on HOUSE BILL NO. 412. Mr. Borer asked how many farmers are in this state. Mr. Haugen said there are 38 farmers they claim need money for irrigation and things of this nature. Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 412 be reported out with individual recommendations. On vote by the committee, HOUSE

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HB 412

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BILL NO. 412 was reported out without recommendation,
the members voting as follows:

NO RECOMMENDATION: Messrs. Ray, Croft, Haugen,
Borer, Bradner and Hohman.

DO PASS: Mr. Sackett.

HB 413 Mr. Ray asked how many committee members would like
to bring up HOUSE BILL NO. 413. As there was no
interest in bringing up this bill, HOUSE BILL NO. 413
was returned to file.

HB 373 Mr. Ray referred to HOUSE BILL NO. 373 (relating to
political campaigns) assigned to Mr. Bradner, and
asked Mr. Bradner to do some work on this bill and
bring it before the committee the following day.

HB 619 HOUSE BILL NO. 619 (relating to marine pilots) was
brought before the committee. Mr. Haugen commented
that this is much more important than the agricultural
bills. This bill is assigned to Mr. Bradner, who
said they could consider this bill at this time, but
he would sign "do not pass."

Mr. Ray stated that this provides for a Board of
Marine Pilots, and suggested amending the bill to
specify that river systems vessels under 500 tons
would be exempt from the Act, and that this amendment
be included under "EXEMPTIONS" on page 4.

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It was decided, however, to have Commissioner Kubley from the Department of Commerce come before the committee at that time to testify on this bill and the proposed amendments.

HB 607

While awaiting the Commissioner's arrival, HOUSE BILL NO. 607 (appropriating to the Department of Education, Alaska Higher Educational Facilities Commission) was brought before the committee. Mr. Ray said this would appropriate the sum of \$100,000 from the general fund to the Department of Education, Alaska Higher Educational Facilities Commission, for the purposes of providing scholarship loans. Mr. Haugen said that a similar bill had been reported out the other day. Mr. Ray agreed that is enough. HOUSE BILL NO. 607 was thereby returned to file.

HB 635

HOUSE BILL NO. 635 (changing the upper limits of compensation for permanent partial disability under the Alaska Workmen's Compensation Act) was brought before the committee. Mr. Ray passed out copies of the bill and the Department of Labor's justification. Mr. Ray said all this does is change the pay scale for permanent partial disability, nothing else, and moved and asked unanimous consent that HOUSE BILL

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NO. 635 be reported out with a "do pass" recommendation.
On vote by the committee, HOUSE BILL NO. 635 was
reported out with a 4-1 "do pass", the members voting
as follows:

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

NO RECOMMENDATION: Mr. Croft.

Mr. Hohman arrived.

Bill
Assignment

HCR 23

HOUSE CONCURRENT RESOLUTION NO. 23 (requesting the Law
Revision Commission to undertake a study of procedural
and substantive defects in criminal law) -- assigned
to Mr. Ray.

HB 753

HOUSE BILL NO. 753 (relating to pay and allowances of
Alaska National Guardsmen) -- assigned to Mr. Haugen.

HB 758

HOUSE BILL NO. 758 (relating to uniform and maintenance
allowances for national guardsmen) -- assigned to
Mr. Haugen.

HJR 58

HOUSE JOINT RESOLUTION NO. 58 (proposing amendments
to the state constitution relating to the election,
term of office and qualifications of the attorney
general) was brought before the committee. Mr. Ray
moved and asked unanimous consent that HOUSE JOINT
RESOLUTION NO. 58 be reported out without recommendation.
Mr. Borer objected and stated that he would like to
see that bill stay in committee. On vote by the

committee, however, HOUSE JOINT RESOLUTION NO. 58 was reported out without recommendation, the members voting as follows:

NO RECOMMENDATION: Messrs. Ray, Croft, Bradner and Sackett.

DO NOT PASS: Messrs. Borer and Haugen.

Mr. Sackett arrived, followed by Mr. McMurtrey, Deputy Commissioner of the Department of Commerce, and Mr. Thomas Givan, Director of Veterans' Affairs, who came in Commissioner Kubley's place as the Commissioner was attending a conference in the Governor's Office. HOUSE BILL NO. 619 was therefore brought before the committee again.

HB 619

Mr. McMurtrey said they feel a Board of Marine Pilots should be set up with two members from the trade in order to make it work. This would transfer the responsibility for examining and licensing marine pilots from the Commissioner of Commerce to a five-member board. The board would be composed of the Commissioner, two licensed pilots, and two agents or managers of vessels subject to the act. The way it is now they are having problems.

Discussion followed regarding amendments to the bill.

Mr. Haugen suggested that in order to avoid any possible legal problem, it be specified that this

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act does not apply to the Yukon, Kuskokwim and Tanana Rivers; however, using the term "river systems" was suggested instead.

Mr. Haugen then suggested that vessels engaged in freighting activities on the interior river systems up to 750 tons not be included in this act. Mr. Mc Murtrey said he had no idea just how big a 500 ton vessel is. Mr. Haugen said that where tonnage is concerned it depends on how a vessel is built -- river boats are primarily shallow-built vessels. Therefore, it is a little difficult to estimate how big a 500 or 750 ton vessel is.

Mr. Givan said this act does not cover navigable rivers of the state. On the Kuskokwim River there is a river pilot who takes boats up to Bethel and beyond. The pilots down here do not at this particular time envision having anything to do with navigation on the rivers. If the economics of this becomes such that it will be necessary, they could put it in the act later, according to Mr. Givan. At present, this is strictly for salt water. Mr. Bradner pointed out that there may be some problems in training a river pilot as it is possible they may be starting with a deckhand. Mr. Ray asked that Mr. Bradner prepare an amendment so that it would make sense, and said HOUSE BILL NO. 619

would be taken up again that afternoon.

Recess: Meeting recessed 10:00 a.m.

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HOUSE FINANCE COMMITTEE

March 18, 1970

1:40 p.m.

Present: Committee members present were Messrs. Borer and Haugen.

Also present from the Department of Health and Welfare were Mr. Robert A. Hall, Deputy Commissioner; Mr. V. L. Iverson, Director of the Division of Administrative Services; Mr. Charles McLean, Administrative Services; Mr. Charles McLean, Administrative Officer for the Division of Mental Health; and Dr. Carl Koutsky, Acting Director for the Division of Mental Health. Also, Mr. Freer of Budget and Management was present.

DEPT. OF
HEALTH &
WELFARE

In Mr. Ray's absence, Mr. Borer assumed the chair and called the meeting to order.

DIVISION
MENTAL
HEALTH

The Division of Mental Health reflects a 21.60% increase - from \$5,240,900 authorized for fiscal year 1969-70 to the Governor's allowance of \$6,372,800, for fiscal year 1970-71, an increase of \$1,131,900. Of this, \$180,000 are federal receipts, \$20,100 are program receipts, \$47,300 are inter-agency receipts, and \$6,125,400 is from the general fund.

Dr. Koutsky told the committee that the contract with the state of Indiana for the care of the criminally insane has been terminated as they no longer have facilities to take care of prisoners other than their own. They are redoing a section of API to ultimately handle these people but in the meantime the superior court

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will not allow these prisoners to be kept in jail. Therefore, the state has had to contract with the state of California to take care of any cases that Alaska cannot handle. At present they have returned several prisoners and Dr. Koutsky thought Indiana still had about four of them.

The expansion program, Dr. Koutsky said, in terms of renewed interest, is the treatment of alcoholics. They have problems of the alcoholic being either primary or secondary to a psychiatric condition, and have requested some expansion in social services.

Program
Admin.

Central
Office

Program Administration, Central Office, reflects a 19.14% increase - from \$116,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$138,200, an increase of \$22,200. Of this, \$18,500 are federal receipts and \$119,700 from the general fund.

Mr. Sackett arrived.

Code 100: Personal services reflects a 16.14% increase - from \$104,100 authorized for fiscal year 1969-70 to the Governor's allowance of \$120,900, an increase of \$16,800.

Mr. Borer noted the one new position for a Community Mental Health Coordinator, and asked if that position

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would be working with the Mental Health Center. Dr. Koutsky replied he will work with the centers and communities in establishing new centers.

Mr. Borer asked if Central Office is presently fully staffed, and Dr. Koutsky said no. Mr. McLean said they have a nursing position vacant and also an Accounting Clerk I. They are reclassifying the Secretary I position to a Secretary II position.

Mr. Haugen wondered how much reclassification there is going to be, saying that every department in the state is getting "jacked up," and asked if they have that big a problem in recruiting. Mr. Hall said one of their problems is with vacancy and turnover.

Mr. Ray arrived.

Mr. Hall continued, saying that they have difficulty recruiting major professional personnel primarily.

Mr. Haugen referred specifically to reclassifying positions, stating that all the salaries have already been raised and there is another big raise pending.

Mr. Hall said they have just completed a basic study on 80% of the positions in Mental Health and this wouldn't come up again for quite awhile. The positions are pretty well up to par with this reclassifying. Recruitment and retention has been one of their big

problems.

Mr. Borer referred to the \$15,000 allowed for vacancy and turnover, and stated that it appears they are figuring on not having at least one of those positions. Mr. McLean said that they figured they probably wouldn't fill the director's position for some length of time because of the problem they have had filling it in the past, and also other positions they do not anticipate filling immediately.

Code 200: Travel is increased 36.84% - from \$5,700 authorized for fiscal year 1969-70 to the Governor's allowance of \$7,800, an increase of \$2,100.

Mr. Borer noted that the department request for fiscal year 1970-71 was \$12,000 for travel, although the Governor's allowance is only \$7,800. Mr. Freer said that it was a determination of the Governor's Office that there had to be a cutback in the total amount of money going to the departments. This was thrown back to the department and they were asked to indicate which areas they could cut back. All of these cuts are based on the determination of the department in line with the directive from the Governor's Office to hold back the total program. Vacancy and turnover was one medium they used to force a reduction in their budget.

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In answer to Mr. Borer, Mr. Freer said the reduction in travel was for the vacant positions.

Code 300: Contractual services indicates a 12.77% increase - from \$4,700 authorized for fiscal year 1969-70 to the Governor's allowance of \$5,300, an increase of \$600. No questions.

Code 400: Commodities reflects a 90.91% increase - from \$1,100 authorized for fiscal year 1969-70 to the Governor's allowance of \$2,100, an increase of \$1,000.

Mr. Borer noted that the increase was primarily for Code 490, film rental and purchase to support the education office with acquisition of materials for public information relating to mental health and drug addiction in short supply at this time. In answer to Mr. Borer's question, Mr. McLean said this is for inservice education.

Code 500: Equipment reflects a 50.00% increase - from \$400 authorized for fiscal year 1969-70 to the Governor's allowance of \$600, an increase of \$200. No questions.

Code 900: Inter-agency charges indicates a Governor's allowance of \$1,500, which represents the increase as there was no authorization for fiscal year 1969-70. No questions.

Office of Mental Retardation The Office of Mental Retardation reflects a (3.51%) decrease - from \$34,200 authorized for fiscal year

1969-70 to the Governor's allowance of \$33,000, a decrease of (\$1,200). These are all general funds.

Code 100: Personal services shows a decrease of (4.41%) - from \$27,200 authorized for fiscal year 1969-70 to the Governor's allowance of \$26,000, a decrease of (\$1,200). Mr. Borer asked if some of these positions are vacant, and Mr. McLean replied no, not at the moment.

Code 200: Travel reflects no increase over fiscal year 1969-70, the Governor's allowance for fiscal year 1970-71 also being \$4,000. No questions.

Code 300: Contractual services reflects a decrease of (3.57%) - from \$2,800 authorized for fiscal year 1969-70 to the Governor's allowance of \$2,700, a decrease of \$100. No questions.

Code 400: Commodities remains at the same level as fiscal year 1969-70, the Governor's allowance being \$200. No questions.

Code 500: No request for equipment again this year.

Code 900: Inter-agency charges reflects a Governor's allowance of \$100, which represents the increase as there was no authorization for fiscal year 1969-70. No questions.

Community
Mental
Health
Clinics

Community Mental Health Services reflects an increase of 22.38% - from \$384,300 authorized for fiscal year 1969-70 to the Governor's allowance of \$470,300, an

increase of \$86,000. Of this, \$46,500 are federal receipts and \$423,800 from the general fund.

Code 100: Personal services is increased 27.35% - from \$276,800 authorized for fiscal year 1969-70 to the Governor's allowance of \$352,500, an increase of \$75,700.

Mr. McLean said the only changes in personal services that have been authorized up to this point is the revision of two positions from part-time to full-time.

Mr. Borer noted that they had requested two new positions, two Clinical Psychologists, but they were deleted by the Governor's Budget Review Committee.

Mr. Ray noted that the reclassification of some of the positions represented nearly \$5,000 increase in salary.

Mr. Borer asked how many of these positions are vacant at this point. Mr. McLean said several are vacant; however, they are contracting for the services. Dr.

Koutsky said there are three psychiatrist positions they haven't been able to fill. They have been able to contract for a half-time person in two of the clinics, and a one-third time person in Anchorage.

Dr. Koutsky added that it is mainly the psychiatrist positions that can't be recruited. The three psychiatrist positions referred to are in Juneau,

Anchorage and Fairbanks.

Mr. Borer referred to the cost analysis sheet on page 49, and questioned the \$11,000 for reclassifications. Mr. Freer said that part of this \$11,000 is also for the new salary increases.

Code 200: Travel is increased 8.67% - from \$30,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$32,600, an increase of \$2,600.

Mr. Borer asked if the professional personnel ever get to Cordova, and Mr. McLean replied yes, that they visited Cordova last month. Mr. Borer asked how many times they have gone to Cordova this last year, and Mr. McLean replied that he believed the trip to Cordova last month was about it.

Mr. Borer asked how much traveling was done in South-eastern Alaska, and Mr. McLean replied that they average a trip monthly or bi-monthly to Ketchikan, Wrangell and Petersburg; however, they will be reducing their trips to Ketchikan because of the new clinic there. They also make it monthly and bi-monthly to Sitka, Haines and Skagway.

Mr. Borer asked why they are traveling so much, and Mr. McLean replied that they have not been getting out to areas they should have been. And, in answer to

Mr. Haugen's question, Mr. McLean said they are accelerating the travel.

Mr. Haugen said that he has seen some activities he has not been satisfied with.

Code 300: Contractual services reflects a 38.63% increase - from \$46,600 authorized for fiscal year 1969-70 to the Governor's allowance of \$64,600, an increase of \$18,000.

Mr. Borer referred specifically to Code 380, Professional Fees and Services, for which they have physicians "on call" for Fairbanks, \$300 a month to service psychiatric needs. This totals \$10,600, which would probably reduce other services which can only be guessed at depending on patient need.

Mr. Borer asked how many calls this represents, what the state has paid out and what they are getting for it, and how often these physicians are actually being called. Mr. McLean said they receive the bills coming through, and that, for example, a physician may have to call on a patient in a hospital ten times, which would amount to \$100.

Mr. Borer asked if this is not a retainer. Mr. McLean said no, it is on a fee and service basis. Mr. Borer asked if they are using it, and Mr. McLean said they

have no option.

Mr. Borer then questioned Code 390, Other Contractual Services, for professional books and journals and miscellaneous contractual items, \$500; and \$15,000 for training of semi-professional on a contractual basis within the purview of the clinics; this will include fees to schools, training, materials, etc. Dr. Koutsky admitted that having come into the job as Director a little late in the budget preparation, he is having trouble picking up where his predecessor left off. He believed the reasoning behind this item is not being able to provide trained personnel in the areas of management of psychiatric problems. Mr. Hall said the department contracts with them under the new Careers Program for a certain amount of services. He said they have contracted with the University of Alaska to do the training of the RASS [Rural Areas Social Services] people to become aides in the villages.

Mr. Ray asked the staff to mark this item for close examination by the committee.

Code 400: Commodities is decreased (2.27%) - from \$17,600 authorized for fiscal year 1969-70 to the Governor's allowance of \$17,200, a decrease of (\$400).

Mr. Borer questioned Code 470, Professional and Scientific Supplies, for which they have requested no increase but that it remain at the same level as last year, which is \$15,500.

Mr. McLean said that even though the Fairbanks Clinic is increasing as is the Anchorage Clinic due to the influx of people whereby normally they would have increased their local purchase of drugs, they have been able to buy on state contract award other than an emergency supply of drugs. They hope to be able to hold the present drug cost level or reduce it.

Mr. Haugen asked how the visiting psychologists can interview children in schools without the consent of the parents. Dr. Koutsky said he didn't know, but he would think they could in terms of trying to evaluate a student for placement in class, but didn't know if this happens.

Mr. Haugen said that if a student needs some kind of depressant drug to get his mind "down on the ground," whether imaginary or not imaginary, he believes parents should be a part of this. Dr. Koutsky said a psychiatrist can prescribe, but a psychologist cannot.

Mr. Haugen asked if a child from Petersburg, for example, is sent to Juneau for psychiatric attention

and placed in the hospital, who has control when the doctor isn't there in the hospital. Dr. Koutsky said the hospital has control.

Mr. Haugen asked who has control if that child is out on the streets when the parents expect the child to be in the hospital. Dr. Koutsky didn't understand what Mr. Haugen was getting at, and Mr. Haugen said he was satisfied with the answers given. At this point Mr. Bradner arrived.

Mr. Borer referred to the funding of the Mental Health project, and asked if the \$46,500 federal receipts were distributed overall to the program, and Dr. Koutsky replied yes.

Mr. Ray asked what the relationship is between the Ketchikan Mental Health Clinic and the Community Mental Health Centers. Mr. Hall referred to the last section of the book, Mental Health Centers, and said that there is no direct relationship except for coordination and supervision.

Hospital &
Nursing Home
Care

Hospital and Nursing Home Care reflects a decrease of (24.59%) - from \$477,500 authorized for fiscal year 1969-70 to the Governor's allowance of \$360,100, a decrease of (\$117,400). This is 100% from the general fund.

Code 100: Personal services is increased 20.00% - from \$10,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$12,000, an increase of \$2,000.

Mr. Borer noted the increase, and referred to their cost analysis on page 69, which reads, "There are emergency hires, paid on an hourly basis. Fiscal year 1969 costs were \$10,711. Budgeted this year is \$10,000. Utilization forecast except on experience basis is impossible since these persons are hired solely on as as needed requirement. Legislative salary increase will raise the amount required by at least 15%."

Code 200: Travel remains at the same level as fiscal year 1969-70, the Governor's allowance being \$7,800. Mr. Borer asked how many people this actually covers. Mr. McLean replied approximately 65 in Haven Acres. This travel will include the cost of auditing the books of Haven Acres, professional supervision and consultation by the director or his designee, and necessary patient escort to and from Alaska. This will also include travel to Indiana as there are still four patients in Indiana to move back. Mr. Borer asked if the patients in Haven Acres are

considered hopeless. Dr. Koutsky replied that there are various areas of retardation - from very retarded to only moderately. Haven Acres has mostly severe cases, but not always. Mr. Borer asked if they couldn't put them in Valdez, and Dr. Koutsky replied that eventually they could.

Mr. Borer asked if they will have to keep Haven Acres, and Dr. Koutsky said yes, he thought so, until they get their new building so they can move the program out, and it still won't take up the slack, plus they are constantly getting more referrals.

Mr. Hall said they have an educational program now at Harborview that takes up one of the wings - 45 beds.

Mr. Borer asked if the 79 they had a year ago is now down to 65, and Mr. Hall replied yes, approximately.

Code 300:

Mr. Borer asked what is being paid for in contractual services. Mr. McLean replied primarily for patients in Haven Acres and Hope Cottage for acute care in Alaska.

Mr. Haugen asked how much it costs a day for acute care in Alaska, and Mr. McLean replied \$50 - \$75 a day. Mr. Hall said at API they collect \$36.12 right now.

Mr. Borer noted that the average monthly rate at Haven Acres is increased to \$315, and asked what it

has been. Mr. McLean said it has been \$225 a month. Mr. Borer questioned the rates at Hope Cottage, and Mr. McLean said the rate for care of the exceptional child is currently \$285 under contract, and they are proposing \$425 a month. Mr. Borer asked what their justification is for going to \$425, and Mr. Hall replied this represents their full need.

Mr. Ray said he doesn't think HOUSE BILL NO. 251 (relating to the purchase of services by the Department of Health and Welfare) will pass the House, but that SENATE BILL NO. 240 (relating to the purchase of services by the Department of Health and Welfare from municipalities and private voluntary institutions and agencies) might.

Mr. Hall said their figures are based on rate hearings held last year, that the study on which HOUSE BILL NO. 251 is based represents these increases.

Mr. Borer noted the short-term hospital costs of \$50,000 on page 73. Mr. McLean said the patient should be taken care of in the Ketchikan General Hospital where he will have psychiatric care rather than being transferred to Juneau where there is no psychiatric care. Mr. McLean said there actually is

no increase, but the same figure; the increase shows up in Haven Acres and Hope Cottage. They are just trying to show where the money is going to go. Mr. Borer asked where the Gateway Community Mental Health Center is located, and Mr. McLean replied it is located in the Public Health Center.

Dr. Koutsky said that is a general policy in the clinics that if an individual is not going to be able to recover in a general hospital in at least a week to ten days they want him transferred to API immediately; however, for short-term care it is less expensive if an individual can be handled in his own community.

Code 400: Commodities remains at the same level as last year, the Governor's allowance being \$400. No questions.

Institutional Services

Institutional Services, Harborview Memorial Hospital, reflects an increase of 30.57% - from \$1,606,900 authorized for fiscal year 1969-70 to the Governor's allowance of \$2,098,100, an increase of \$491,200. Of this, \$20,100 are program receipts and \$2,078,000 from the general fund. Mr. Borer asked if this is where the state is in the "rhubarb" for the new wing in Valdez. The background, he said, is the state used Valdez's eligibility after the earthquake so that they [the state] could have a new hospital. Now, he said, he thought the state would like to give Harborview to Valdez. Mr. Hall said the primary request was to take over the facilities of the community portion on the basis of

square footage with the same ratio as in the prior building. The department has been in touch with them constantly in the last four or five months, and they [Valdez] realize if they take over their section of Harborview they can't afford it -- they have a good deal now. They didn't take into consideration problems that should have been recognized. It is recognized by the department that they have a moral equity for the portion of the building, and the state will transfer this portion to the city as soon as they show that they can operate it. The next step is theirs, Mr. Hall said; this is the present status.

Mr. Borer asked why there is such a serious problem with turnover in personnel at Harborview. Dr. Koutsky said the cost of living and the housing shortage are primarily the reasons.

Mr. Ray asked what specifically was the authorization for the state to build an additional 39 beds there. Mr. McLean said the authorization was not for that but was for a rehabilitation center which would open up an additional 45 beds. Mr. Borer said they were using this area now as a playground; however, Dr. Koutsky said there were two special education teachers and training program that had to be housed somewhere, but the new rehabilitation center would take care of this. Mr. Ray quoted from page 78 of the budget document, "With

the approval of the 1969 legislators of the Program Building, which will begin construction in the spring of 1970 with a completion date of September 1970, it will permit us to utilize present program space which is an additional 39 beds to come up to full capacity by September 1970."

Mr. Hall said that the space was already there -- they had moved the education program into one of the wings and as soon as the rehabilitation center is built they can get up to 45 beds in there. Mr. Ray asked if they then want a recreation camp ten to twelve miles from town, and Mr. Hall replied yes.

Code 100: Personal services reflects a 30.54% increase - from \$993,400 to \$1,296,800, an increase of \$303,400.

Mr. Ray questioned the figure of \$13,560 for Laundry Worker I; however, Mr. Hall said this is for two people. Mr. Borer referred to page 88 and noted that the Chief Nurse's salary went from \$11,700 to \$18,912. Mr. Hall said that she moved into a whole new position. In addition, the raise this year was not included in that \$11,700.

Mr. Ray asked who is doing the reclassifying. Mr. Freer replied that personnel does the reclassifications. Mr. Ray commented that they set up classifications so strict that they can't fill them, then they underfill with the same people. Mr. Borer asked if 1968-69 was a full year of operation, and Mr. McLean replied yes,

it was, the same level as it is now.

Mr. Borer wanted to know why they are requesting six new positions when they have about 30 that aren't filled now. Mr. McLean said they would need those 30 plus these new positions if they get their new rehabilitation center built.

Code 200: Travel is increased 33.33% - from \$8,700 to \$11,600, an increase of \$2,900. Mr. Ray asked what their conferences and work sessions include, and Dr. Koutsky replied this is essentially travel to carry on work of the hospital and communications with other areas. Mr. McLean said that as an example, they had their administrator in Anchorage come down to Juneau for about three days this fall to finalize the budget request. Another example would be the conference they had for the professional staff in Anchorage last month, and two people from Valdez had gone to Anchorage for orientation. Mr. Ray noted that during fiscal year 1968-69 their actual travel was \$4,581 and it has increased in two years to \$11,600 - he asked who is watching the store all this time if everyone is traveling. Mr. McLean said this also includes patient transportation, e.g. patients being transferred to ANHS hospital or going home. Mr. Borer asked if ANPHS pays anything to the state for mental health, and Mr. McLean replied no, but they don't charge the state anything for inpatient care, either.

Dr. Koutsky said ANPHS does not care for mental retardation. Mr. Hall added that this is the only area where the state has full responsibility for all classes of mental health.

Recess: Meeting recessed at 2:30 p.m.

After Recess
2:45 p.m.

Code 300: Contractual services reflects a decrease of (22.33%) - from \$394,100 to \$306,100, a decrease of (\$88,000). Mr. Borer asked how many people there are in Harborview, to which the reply was 103. Mr. Borer referred to Repairs, Services & Alterations, Code 340, and asked what the Johnson Control Repair is on page 104. Mr. McLean replied that that is the name of one of the control mechanisms for controlling the heat and ventilation in the buildings. Mr. Borer then referred to Code 350, Transportation of Things, and asked if they are going to hire 20 new single and 20 new married employees, and Mr. McLean said this isn't for new positions but for new hires and transportation as they have a big turnover at Harborview. Mr. Borer noted the \$1,500 for membership fees under Code 390, Other Contractual Services, on page 106.

Code 400: Commodities is increased 27.60%, from \$202,200 to \$258,000, an increase of \$55,800.

Mr. Ray questioned the sun helmets and special wearing apparel. Dr. Koutsky said that the sun helmets are necessary because medications make the patients prone

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to serious sunburn.

Mr. Borer noted the food for staff members, Code 430, Food for Human Consumption, and asked if the staff reimburses them for food, to which the answer was yes, they eat there but they pay for it.

Code 500: Equipment reflects an increase of 825.00% - from \$2,400 to \$22,200, and increase of \$19,800. Mr. Borer asked about the request for a 30-passenger bus to be used for transporting residents to recreational and occupational therapy programs, and asked why they can't charter a bus. Mr. McLean said they have buses going all the time transporting these people.

Code 600: Land and structures reflects a 76.47% increase - from \$1,700 to \$3,000, an increase of \$1,300.

Code 700: Grants, claims and shared revenues reflects a 77.27% increase - from \$4,400 to \$7,800, an increase of \$3,400.

Code 900: Inter-agency charges indicates a Governor's allowance of \$192,600, which represents the increase as there was no authorization for fiscal year 1969-70. These costs were formerly carried under Code 300, Contractual Services.

Mr. Borer asked if they have ever received an analysis from Administration or Buildings as to whether Mental Health is paying their fair share or more of the steam heat. Mr. McLean said they have requested in past years verification from the Department of Highways as to whether these figures are accurate. They have discussed

the possibility of suggesting the Department of Administration get an internal auditor to validate the figure. There are five employees involved, plus the cost of oil and it is allocated on a square foot basis. Mr. Borer wanted to know how come they had a preacher at API and not one at Valdez. Dr. Koutsky pointed out that the one at API was there on a half-time basis and he served the other half of his time at McLaughlin Youth Center. He said that ^{at} both of these places, it was felt, that the need of a minister was important, but that at Harborview where the patients were for the most part mentally retarded, the need was not so essential.

API Alaska Psychiatric Institute [API] reflects a 21.59% increase - from \$2,532,000 to \$3,078,600, an increase of \$546,600. Of this, \$25,000 are federal receipts, \$47,300 are inter-agency receipts, and \$3,006,300 from the general fund.

Code 100: Personal services is increased 22.43% - from \$1,992,700 to \$2,439,600, an increase of \$446,900. Mr. Borer questioned the chaplain's salary, and Dr. Koutsky said that although this budget indicates a full-time position, the chaplain spends half his time at API and the other half at McLaughlin Youth Center. The amount recoverable for this service is included in the Code 900 request for McLaughlin Youth Center and not included in the balance for API. Mr. Borer asked what kind of religious program this is, and Dr. Koutsky said they run a chapel

on every Sunday, and the Chaplain is in contact with other religions. In addition, he said there is marriage counseling, group sessions, etc. Mr. Ray asked why there is not a psychiatrist, and Mr. McLean said that would cost twice as much. Mr. Ray said then that if his salary half-time is \$8,800 his full-time salary would be over \$17,000. Dr. Koutsky said that is right. Mr. Haugen asked what he does on Sunday where the two institutions are concerned, and they said he has services at both. Mr. Ray asked why denomination he is and Mr. Hall said this one is Lutheran, but that doesn't matter, he is specially trained for institutional work. Mr. Borer referred to page 139, which indicates there are 240 permanent full-time positions, and asked how many are on line. Mr. McLean replied there are approximately 220 on line, that it varies up and down. Mr. Borer asked where these vacancies are, and Dr. Koutsky said there are always vacancies in nursing, and there are also 1 1/2 vacancies in the medical division - one child psychiatrist and 1/2 of another psychiatrist position, but most of the vacancies are in nursing. Mr. Borer noted **that** on their request for new positions on page 141, they were cut back one position by the Governor's Budget Review Committee. Mr. McLean

said this was the Medical Officer II. Mr. Borer noted that they were requesting additional social workers, supply officers, etc. Mr. Ray requested new positions under personal services for further examination.

Code 200: Travel reflects a (1.82%) decrease - from \$22,000 to \$21,600, a decrease of (\$400).

Mr. Borer asked if their travel is charged to Harborview when traveling there. Mr. McLean said it is usually charged to API, and Dr. Koutsky said as part of his job [superintendent] he travels to Harborview about four times a year. Mr. Ray asked why the travel was cut back, and Mr. Freer said \$500 was eliminated because of the position that was not allowed.

Code 300: Contractual services is increased 16.64% - from \$217,500 to \$253,700, an increase of \$36,200. Mr. Ray referred to Code 380, Professional fees and services, medical and psychiatric consultants \$15,000. Dr. Koutsky said this is essentially consultation with two psychiatrists who come to the institute and assist in consultation for such things as appendectomies, broken arms, pregnancies, etc. Mr. Ray asked what they pay a psychiatrist by the hour, and Dr. Koutsky said the going rate is \$35 an hour. Mr. Ray figured if this was cut in half and half given to a medical doctor and half to a psychiatrist, it would give 215 hours of consultation - which, he said, is pretty fat.

Dr. Koutsky said the majority would be for medical consultation, as they have 4 1/2 psychiatrists at the institute including himself.

Mr. Ray figured at an annual salary of approximately \$25,000 - \$26,000, it would be \$100,000 worth of talent and he wondered why they have to hire people to come in and consult.

Mr. Ray then referred to Code 390, Other Contractual Services, \$35,880, Loomis Guard Service, and asked if they have to guard the people inside from the people outside. Dr. Koutsky said they have had people break in; however, he stated, this item was knocked out by the Governor's Budget Review Committee.

Code 400: Commodities reflects a 5.23% increase - from \$277,400 to \$291,900, an increase of \$14,500. Mr. Borer noted no real change except for the increase in clothing. Since the department had requested \$333,700 and were only allowed \$291,900, Mr. Borer asked where they are going to take this cut. Dr. Koutsky said that the Governor's cut came in clothing - from \$32,800 to \$20,000; in food from \$141,900 to \$120,800; in professional and scientific supplies from \$72,300 to \$67,300; and other supplies, materials and parts from \$55,700 to \$52,700.

Mr. Croft arrived.

Mr. Ray asked if they can get by on 48¢ a meal, and Mr. McLean said it shows up in other cost figures. Mr. Ray referred to page 161 of the budget document and the

four different classifications of drugs and pharmaceuticals, and commented that it seemed to him this was an especially large figure for drugs for these people, particularly the \$33,600 for tranquilizers and anti-depressants. Dr. Koutsky said that before these medications it took some times six months to a year for a patient to leave the hospital and they are now releasing them in about 28 days. Mr. Ray asked what their rate of recidivism is, and Dr. Koutsky said about 25% - it varies, but when talking in terms of hospital-bed days it is actually a savings.

Code 500: Equipment is increased \$2,290.91% - from \$1,100 to \$26,300, an increase of \$25,200. Mr. Freer noted that their original request was \$37,400 and they took a \$1,100 reduction by the Governor's Budget Review Committee. Mr. Borer asked how many years API has been in operation. Mr. McLean replied since October 16, 1962. Mr. Ray noted their request for radios, phonographs, televisions, etc.

Code 600: Land and structures indicates a Governor's allowance of \$20,000. As there was no authorization for last year this represents the increase over fiscal year 1969-70. No questions.

Code 700: Grants, claims and shared revenues reflects an 84.21% increase - from \$5,700 to \$10,500, an increase of \$4,800. No questions.

Code 900: Inter-agency charges reflects a decrease of (3.85%) -

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from \$15,600 to \$15,000, a decrease of (\$600). Mr. Ray noted that car rental from the Department of Highways should be marked.

Hospital Improvement Program The Hospital Improvement Program remains at the same level as fiscal year 1969-70 = the Governor's allowance being \$90,000. This is 100% federally funded. In answer to Mr. Ray's question, Dr. Koutsky said this is a federal grant to run a children's unit at the institute and provides additional monies for specialized personnel. Mr. Ray commented that this program has stayed pretty much the same.

Mental Health Centers Mental Health Centers is a new program amounting to \$104,500 as allowed by the Governor's Budget Review Committee.

Mr. Ray asked if this is going to be a "dry-out" place for "winos." Dr. Koutsky said he didn't think that would happen, and that if the propoganda he has heard is correct, this is the most serious health problem in the state.

Adjourned: Mr. Ray thanked them for their presentation, and the meeting at 3:25 p.m.

HOUSE FINANCE COMMITTEE

March 19, 1970

9:15 a.m.

Present: All members except Messrs. Bradner, Haugen and Ray.

Representative John Schwamm; Richard Freer and Walt Norem, from Budget and Management; Dr. Hartman, Commissioner; Robert Thomas Director, Administrative Services; and Merle Armstrong, Director of State-Operated Schools, from the Department of Education were also present.

DEPT. OF
EDUCATION

Mr. Borer chaired the meeting.

Book I

STATE-OPERATED
SCHOOLS

The 1969-70 Authorized was \$19,410,700 and the Department Request was \$27,001,300. The Governor's Request is \$27,795,800. Mr. Borer asked about the difference in the Governor's Request and the Department Request. Mr. Thomas explained this is for salary increases.

Director's Office - 30

The 1969-70 Authorized is \$456,000 and the Governor's Request is \$764,600 which is an increase of \$308,600 or 67.68%.

100: The 1969-70 Authorized is \$338,000 and the Governor's Request is \$545,500 which is an increase of \$207,500 or 61.39%.

Mr. Borer noted there are 11 new positions and asked where they are going to be. Mr. Armstrong said these positions are basically in the Anchorage office. In answer to a query, Mr. Armstrong explained that the Education Specialist, Range 18, handles the hot lunch program. He added the Administrative Assistant III helps in placements and handles responses to teachers regarding information about placement.

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The remaining positions are supporting positions, Mr. Armstrong added.

200: The 1969-70 Authorized is \$40,000 and the Governor's Request is \$88,600 which is an increase of \$48,600 or 121.50%.

Mr. Borer questioned this increase. Mr. Armstrong said the additional travel is for the two new supervisors. This is for travel to the rural and on-base schools for general supervision and administration. Mr. Armstrong explained that they wanted the travel in the Director's budget for better accounting on it. He added there are also new programs such as the Teacher Corps and Careers Opportunity that require additional travel.

Mr. Borer said that outside travel, code 230 and 240, had increased from \$10,700 to \$16,400. Mr. Armstrong said with the large number of schools they are trying to provide for an opportunity for one or two people in each area to get to some national or area meeting. He said as they are talking about 125 rural schools he did not think this is an unreasonable request because they have to keep current and abreast of changing educational programs. He said \$14,000 of this is for the new positions.

SSSB 229 am Mr. Sackett asked about SSSB 229 am (providing for representative board of directors for state-operated schools) and if this would have an effect on the budget this year. Dr. Hartman said no, most of this bill does not become effective until July, 1971. He said the new board should

start planning the budget for FY 71-72. He said there are no travel funds for this board in this budget; however, the board should have some travel and some per diem put in somewhere for it will be necessary for this board to meet during the next year to assume the duties and responsibilities of state-operated schools. He said the Department of Education would assist in every way possible in this transition with their (Education's) professional people helping but he wants the board to approve the budget that goes to the Budget Review Committee. Dr. Hartman said assuming the Governor signs SENATE BILL NO. 229 they would like to take the administrative prerogative that when they have a vacancy they would be able to fill it in Anchorage and have the payroll handled there. This would provide for a smooth transition as well as providing that they would not be "dumping" all these administrative duties in Anchorage in July, 1971. He said this could be handled administratively and there would not be any increase in cost since there would be no transfers.

Mr. Armstrong said that travel in rural Alaska is very expensive and they have 107 widely scattered rural schools and if they are to provide adequate education this travel is necessary. He said that \$40,000 of this budget is just for the supervisory control of the schools. Mr. Armstrong felt very strongly that it is necessary to know what is going on in order to give curricular support and supervisory

and administrative control.

In answer to Mr. Croft, Mr. Armstrong said there are 107 state-operated rural schools and they propose to take over 17 in FY 71. He said of these 17, 14 schools have committed themselves to transfer. Mr. Croft asked how many schools BIA has right now. Mr. Armstrong said they had 73 and with the 14 committed this would leave 59 BIA schools in Alaska.

Mr. Ray entered the meeting.

300: The 1969-70 Authorized is \$74,000 and the Governor's Request is \$102,300 which is an increase of \$28,300 or 38.24%.

Mr. Borer asked about the \$10,600 increase in code 360, equipment rental. Mr. Armstrong said this is for one new MTST and composer.

Mr. Ray said it appeared that since this program moved to Anchorage they have been putting a lot more money in this. Mr. Borer asked about the \$7,100 shown under code 360 for inter-agency transfer from federal budget. Mr. Armstrong said some of the cost had been charged to federal programs and this was transferred to the budget for the Director's Office. Mr. Borer asked about the \$10,000 in code 380, professional fees and services. Mr. Borer said they already had one specialist so why did they need this for consultants. Mr. Armstrong said this person is handling the writing of programs and the assistance to the schools. He said the consultant services requested in code 380 is not for writing

programs but developing programs. He said when they are developing a special program such as the Careers Program there is not the expertise that is needed, so they must get outside advice on how to set it up.

Mr. Ray asked why this program is "blossoming out".

Mr. Thomas said part of this represents additional federal funds. He added that some of these programs used to appear under Johnson O'Malley funds for Rural Schools and now they are shown in the Director's Office.

400: The 1969-70 Authorized is \$4,000 and the Governor's Request is \$17,000 which is an increase of \$13,000 or 325%.

Mr. Borer asked what the \$5,000 inter-agency transfer is that is under code 480, stationery and office supplies.

Mr. Armstrong said this is part of the program carried in the federal budget which has been transferred to the Director's Office as they feel it is more appropriate to show it in the Director's Office.

500: There is \$6,200 in the Governor's Request for equipment and Mr. Borer asked if this increase is for equipment for the 11 new positions. Mr. Armstrong said yes.

900: The Governor's Request is \$5,000 in code 900. In answer to Mr. Borer, Mr. Thomas said code 969, Office of Commissioner Educ. Facil. represents their share of the support for this position and a portion of the federal funds should support this position.

31 The 1969-70 Authorized is \$7,732,200 and the Governor's Request is \$11,717,000 which is an increase of \$3,984,800 or 51.54%.

100: The 1969-70 Authorized is \$5,400,000 and the Governor's Request is \$7,409,800 which is an increase of \$2,009,800 or 37.22%.

Mr. Borer noted there are 54 new positions for a total of 567 positions. Mr. Armstrong said they have a payroll for every school they take over and that 26 of these new positions are custodial workers. Mr. Borer asked how the maintenance had been handled in the past. Mr. Armstrong said this had been done by temporary part time help. He also noted 17 of these positions are for the new schools. Mr. Borer asked what were the two positions that had been disallowed [there had been 56 requested by the department and 54 allowed].

Mr. Armstrong said one of the Maintenance Mechanic III's and the Secretary I at Bethel had been disallowed by the Budget Review Committee. Dr. Hartman pointed out there was an overlap in the area of maintenance with the Division of Buildings and they had tried to attempt to coordinate this when they met with the Senate Finance Committee. In answer to a question of how many maintenance men had been budgeted for Bethel, Dr. Hartman said he did not know but there was an overlap.

Mr. Ray asked if the children in Bethel pay for their lunch. Mr. Armstrong said they pay 25¢ per lunch and Dr. Hartman said all of this goes back into the general fund so never shows up in the budget.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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Mr. Hohman asked how many people they were feeding at Bethel. Mr. Armstrong said around 600. Mr. Hohman asked how many students they anticipated at Noatak and Mr. Armstrong said they have 78 students for 8 grades and anticipate 4 more. There was a brief discussion on the secretarial duties at Bethel [it was later discovered this was the position that had been disallowed by the Budget Review Committee.] This had been accomplished with parttime help in the past.

200: The 1969-70 Authorized was \$15,000 and the Governor's Request is \$57,000 which is an increase of \$42,000 or 280%.

Mr. Borer questioned this large increase. Mr. Armstrong said the area workshops had in the past been picked up under Title I funds and they are now shown in this budget. Mr. Ray asked why and Mr. Armstrong explained that Title I funds are designed to develop new programs and as these programs are on-going there is a phase-out, then the Title I funds will be used elsewhere to develop another program. He said this is the intent of Title I legislation. Mr. Ray said then the state will pick up the area workshops and the federal money will be used to institute more new federal programs. Mr. Armstrong said yes.

300: The 1969-70 Authorized was \$795,300 and the Governor's Request is \$936,200 which is an increase of \$140,900 or 17.72%.

In answer to Mr. Borer, Mr. Armstrong said the increase is due to the addition of 3 which makes a total of 12 administrative units and 17 school units.

Mr. Haugen entered the meeting.

Mr. Armstrong continued noting that the increase in contractual is due to the addition of schools and the fact that utility costs are going up. Mr. Borer asked if the Budget Review Committee gave them this increase without back-up data. Mr. Freer said yes, based upon the increased schools and the general increased costs.

400: The 1969-70 Authorized is \$662,400 and the Governor's Request is \$1,655,900 which is an increase of \$993,500.

Mr. Croft and Mr. Ray left the meeting.

Mr. Borer asked about the \$100,000 increase in code 440.

Mr. Thomas said this is primarily for fuel.

Mr. Sackett asked what effort is being made in terms of putting newer text books and newer methods of teaching into the rural schools. Mr. Armstrong said the curriculum committee is working on this and are working constantly in upgrading text books and supplies. He said social studies is the program they are currently developing. Mr. Sackett asked if they are making a concerted effort this year in obtaining new text books. He pointed out that in the Tanana schools the newest test book is 10 years old and their entire library is very outdated. Mr. Armstrong said they are making every attempt with the funds they have to update all of these schools but the funds are very limited. Mr. Sackett asked if \$381,600 under code 470, professional and scientific supplies, will take care of the situation regarding text books in all the different schools. Mr. Armstrong said no, but it will begin to. Mr. Sackett asked why they did not

ask for more if this would not provide the needed new text books. Mr. Armstrong felt the reaction from the Finance Committee would be negative on any more increase. Mr. Sackett said that his concern was the public schools in the cities have new textbooks and up-to-date scientific text books while the rural schools do not.

Recess: There was a recess at 10:00 a.m.

AFTER RECESS
10:20 a.m.

- 400: Mr. Armstrong said he wished to point out that under code 400 of their budget \$268,500 is allocated to the new schools and that when they add 17 schools these schools will cost a lot of money. He felt the state, in picking up these BIA schools which adds costs for students, teachers, facilities, etc., must realize the cost will go up tremendously.
- 500: The 1969-70 Authorized is \$41,500 and the Governor's Request is \$163,100 which is an increase of \$121,600 or 293.01%. Mr. Armstrong said they have not been able to keep decent furniture in the schools and teachers quarters and need to do a better job. He said as the villages that still have BIA schools look at state-operated schools and the deplorable conditions, they are not interested in leaving BIA schools. Mr. Borer asked about Tatitlek's situation, and Mr. Armstrong said they had cut back to one teacher but with increased enrollment, they would have two again next fall. Mr. Sackett asked if they have received an application for the school at Red De-ll. Mr. Armstrong said yes, and

that they sent a man out to survey this and it appears this will be about 30 students and in all probability a two-teacher school. Mr. Sackett said there is no provision within the budget for this and Mr. Thomas said there is the possibility of using relocatable units which have not been assigned. Mr. Sackett asked if there would be any problem in terms of funding this school and Mr. Thomas said he thought the decision to place the units in there would be all that would be required, and assured Mr. Sackett they could handle it within the budget.

900: The 1969-70 Authorized is \$818,000 and the Governor's Request is \$1,493,600 which is an increase of \$675,600 or 82.59%. Mr. Borer noted there is \$82,000 for Inter-Agency Charges for ASHA and \$200,000 for Department of Education, Administration. Mr. Thomas said they used to take a certain percentage of PL 874 funds for operation of the department but now they are putting all the PL 874 funds into state-operated schools. Mr. Borer asked how much had they been taking out of PL 874 funds before and Mr. Thomas said approximately the same amount.

On-Base - 32 The 1969-70 Authorized is \$8,139,000 and the Governor's Request is \$8,886,800 which is an increase of \$747,800 or 9.19%. Mr. Armstrong said this increase is primarily for increased enrollment and there are no special programs being added. He said they had about 700 to 800 students and 200 housing units at Elmendorf and 200 under construction at Eielson in Fairbanks which will create some real problems in housing

because the construction under PL 15 is about 2 to 2 1/2 years away. They will have to solve some of it by renting or leasing relocatable units. Mr. Borer asked how many children are in the total On-Base schools. Mr. Armstrong said about 9,800 and they expect about 10,500.

Mr. Sackett asked how many children are in rural schools and Mr. Armstrong said 6,988 is what they are using for a figure without counting the 17 schools which have been added.

The total student count under state-operated schools including the 17 schools makes a total of 18,347, which is the second largest district in Alaska. [Anchorage is the largest.]

100: The 1969-70 Authorized is \$7,060,000 and the Governor's Request is \$7,307,200 which is an increase of \$247,200 or 3.50%. There are four new positions requested.

Mr. Borer asked if the state is reimbursed from the federal government for all of this and Mr. Thomas said they are but the rate at which they receive it is always two years behind so the state does not recover the increase in costs. He said they always lose the increase unless there is a period of declining costs, which, he observed, is highly unlikely.

200: The 1969-70 Authorized is \$15,000 and the Governor's Request is \$10,700 which is a decrease of (\$4,300) or (28.67%).

Mr. Armstrong said the travel for this is lower because the teachers' travel is out. This is for Adak. He said there is travel for the Guidance Counselor and Coach for the state basketball tournament.

- 300: The 1969-70 Authorized is \$472,400 and the Governor's Request is \$571,000 which is an increase of \$98,600 or 20.87%.
Mr. Armstrong said there is a housing problem and the increase in code 330, rents and utilities, of \$59,030 is to take care of the housing problem through the use of relocatables for the next two years.
- 400: The 1969-70 Authorized is \$421,600 and the Governor's Request is \$570,800 which is an increase of \$149,200 or 35.39%.
Mr. Borer asked about code 490, other supplies, materials and parts. Mr. Armstrong said there was no explanation on this because with the new students coming in they did not feel they could determine exactly the materials needed and this is why this does not have identification.
- 500: The 1969-70 Authorized is \$50,000 and the Governor's Request is \$138,300 which is an increase of \$88,300 or 176.60%.
Mr. Armstrong said they have dropped consistently since 1966 from that figure in equipment and they now must get some of the equipment updated. Typewriters, desks, etc., have not been replaced for years.
- 900: The 1969-70 Authorized is \$120,000 and the Governor's Request is \$288,800 which is an increase of \$168,800 or 140.67%.
Mr. Borer asked why the Department charged the state-operated schools \$200,000 and the On-base schools only \$100,000 [this is shown as Office of the Commissioner of Education, inter-agency charge]. Mr. Thomas said this is primarily on the basis of ratio of PL 874 distribution. He said the rural schools need a lot more administration, and just has a heavier load.

Mr. Thomas said the Beltz school is included in Rural but had been under Regional schools in prior years.

Mr. Borer left the meeting and Mr. Haugen took over the chair.

Federal Programs - 33 The 1969-70 Authorized is \$910,000 and the Governor's Request is \$2,570,000 which is an increase of \$1,660,000 or 182.42%.

Mr. Armstrong said under this program the Career Opportunities and Teacher Corps are programs to employ teachers aides, placing them in a college program at advanced level on the junior year or those without college, placing them in teaching aide positions so that at the end of four years they will be certified as teachers. During the school year while they are working in the classroom they will also take classes from the University of Alaska taught by local teachers and other technicians. Then they will go to the University in the summer. It is to bring into the teaching profession the native teachers. There are at present, according to Mr. Armstrong, 60 participating in this program. Under Title I, originally broken out under transfers in the budget book as teachers aides in the rural school projects, this is now part of these federal project funds.

Mr. Thomas further explained by saying that this section [federal programs] had people operating under the federal program and also money like Johnson-O'Malley which helped support rural schools. It was then put into rural schools so they took people out and showed them in the Director's Office. He said it is only a flow-through account where

all federal funds come in and are being distributed.

900: The 1969-70 Authorized is \$399,600 and the Governor's Request is \$2,570,000 which is an increase of \$2,170,400 or 543.14%. In answer to the query of whether Alaska Readers are part of the federal program, Mr. Armstrong said no, this is general fund money.

Mr. Sackett questioned the incorrect figure on the Governor's Allowance for the total on page 315 of the budget. It was noted this should be \$2,570,000

Mr. Armstrong, in further describing the teacher aide program said that these people will apply to work in the village schools and then they will enroll at the University or Alaska Methodist University, both schools are working on this program. At the end of four years of working as a teacher aide, and 6 summers of participating on the campus of the University or AMU, they expect these teachers to become certificated. Mr. Haugen observed that this should help toward cutting down on the turnover of teachers and Mr. Armstrong heartily agreed, and felt that it was one of the finest programs they had.

Mr. Armstrong said they had heard talk there was an intent to reduce the teacher aides in rural schools and he thought this would be tragic as it is the first breakthrough for the natives in this field. He pointed out that \$200,000 of this is federal funds and a little of it is general fund.

Mr. Sackett asked about the Rural School Project, University of Alaska. Mr. Armstrong said the teachers attend training