



courses for two months at the University for such subjects as anthropology, English, etc. to prepare them with meeting the needs of the rural Alaskan rural teaching.

Mr. Sackett asked why the \$100,000 was deleted in Boarding Homes [on page 322 of the budget]. Mr. Thomas said this is shown in Book II of the budget.

Mr. Haugen asked about the school in Kake and there was a brief discussion on this.

PERCY The 1969-70 Authorized is \$232,200 and the Governor's Request is \$273,400 which is an increase of \$41,200 or 17.74%.

Mr. Armstrong explained this is their materials centers, film library, etc. He said they supply 16 mm films to the rural schools, BIA schools and this covers all of the rural schools except district and on-base schools. He said instructional material goes out for use of the teachers in the classroom.

100: The 1969-70 Authorized is \$70,300 and the Governor's Request is \$92,200 which is an increase of \$21,900 or 31.15%.

Mr. Armstrong said they are asking for one new position -- an Education Specialist to work with production of materials.

200: The 1969-70 Authorized is \$2,500 and the Governor's Request is \$2,300 which is a decrease of (\$200) or (8.00%).

300: The 1969-70 Authorized is \$24,000 and the Governor's Request is \$43,500 which is an increase of \$19,500 or 81.25%.

Mr. Armstrong said this is mostly for rental of films they cannot purchase.

400: This is the same level as last year -- \$111,400.

500: This is also the same level as last year -- \$24,000.

Special Education - 35

This is a new program. Mr. Armstrong said they are requesting \$443,400 and this is mostly federally funded. They are asking for \$30,000 in general funds. He said the intent of this program is to begin to meet the needs of the students in schools that have different problems such as those who are mentally retarded, neurologically impaired, deaf and hard of hearing, partially-sighted, orthopedically handicapped, multiple-handicapped, gifted children and the emotionally disturbed. He said they will begin training teachers in ways of overcoming the student's handicaps. He said that to date they have not been able to do much in this line and they have 6 classrooms at Bethel and he felt this was just not touching the needs at all.

Mr. Haugen discussed the situation at Metlakatla noting that the surrounding area does not have the same advantages as the kids at Metlakatla. Mr. Armstrong said the Department of Education has at various times tried to convince the people at Metlakatla to become a district school, but they cannot interest them and he suspected they would need legislation to require this.

Mr. Borer asked how many of these students that are covered under special education are in the Alaska On-Base Schools, and also if they contribute to the deaf.

Mr. Thomas said as for the deaf, only those who are going outside the state. Mr. Armstrong said these special education programs are only for these schools that have it in their area. Mr. Borer asked how many children they are talking about. Mr. Armstrong said from 250 to 300 students. Mr. Borer asked for the number of mentally retarded, the number of deaf, etc. Mr. Armstrong said they do not have any idea now but under executive order 20 they now have some JOM funds to begin such a survey. However, at the present time there are no statistics on this, but by July they expect to have considerable data. However, it will take at least another full year to know what all is needed. Mr. Borer asked how much they are going to charge this account back to administration, since they don't have a code 900. Mr. Armstrong said this program has sneaked up on Mr. Thomas. Mr. Sackett asked if he had said they had 6 special education teachers at Bethel. Mr. Armstrong said they have a total of 8 as they are adding two more. Mr. Sackett asked how many teachers they are adding this year. Mr. Armstrong said under this, they are adding 19 which makes a total of 25. Mr. Sackett asked if the relationship of the ratio between the federal receipts and general fund money would be changing as the year go by. Mr. Thomas said he would expect it to change, and Mr. Sackett asked how much. Mr. Thomas said he had no idea but the philosophy of JOM and Title I is to do things beyond which a district can

support. For example, if the state supports special education as a district responsibility, then the state should assume this responsibility and JOM would no longer be expected to, and then they would use funds elsewhere. He thought that next year they would have to look at it and if the state has accepted the responsibility then they would put in more general funds and use JOM elsewhere.

100: The Governor's Request is \$302,400.

200: The Governor's Request is \$16,000.

300: The Governor's Request is \$50,000.

400: The Governor's Request is \$25,000.

500: The Governor's Request is \$50,000.

Mr. Borer asked about the Prudden-Porter Gymsters. It was explained this is in-door equipment necessary in developing the program.

Teacher Aides - 36 The Governor's Request is \$977,600. There is \$393,300 in unrestricted general fund receipts.

This is a combined program with revenues from Career Opportunities Program, Teacher Corps, JOM and general funds. This program was again explained by Mr. Armstrong, noting at the end of 4 years and 6 summers these people will become certificated teachers.

100: The Governor's Request is \$770,000.

In answer to Mr. Borer, Mr. Armstrong said the On-Base teacher aides have no relationship to the federal programs. These are teacher aides that the On-Base Schools have requested -- two teacher aides for each school.

Mr. Borer asked about the 16 Additional Teacher Aides and the 30 Additional Teacher Assistants. Mr. Armstrong explained the 14 are listed by village and 16 additional ones are at unselected sites plus 30 more. In answer to Mr. Borer, Mr. Armstrong said 11 are currently under the Career Leadership program in the Department of Labor and they will bring these 11 into the Teacher Corps.

Mr. Sackett asked the difference between a teacher aide and teacher assistant. Mr. Armstrong said teacher aides are expected to have two years of college, but have dropped out, and they will come in on a higher level. These pay ranges were determined by the Department of Labor. He said teacher aides are an entering level and teacher assistants are the upper level.

Mr. Borer asked where they would put the 30 teacher assistants. Mr. Armstrong said the Career Opportunities and Teacher Corps strongly recommended that these assistants be put in large enough areas where they can work in a team of 4 or 5 which somewhat limits the areas. They have tentatively selected some of these. Mr. Borer asked about Glenallen. Mr. Armstrong said this has not been selected because it is not large enough. They will be, for the most part, native communities, because they want to get these teacher aides working with students who have language difficulties.

Dr. Hartman gave the following list of villages definitely selected: Angoon, Aniak, Bethel, Ft. Yukon, Kongiganak,

McGrath, Tanna, Metlakatla, Nulato and Togiak.

300: Mr. Borer noted on page 345 of the budget workbook that the only breakdown of the expenditure request for \$183,600 was, "Training will be provided by U of A and AMU." Mr. Armstrong provided him with his own copy of a breakdown on this (see Dept. of Education file). Mr. Borer asked how much of this \$183,600 requested is "slush" and how much is actually going to get to the students. Mr. Thomas said they knew there would be administrative costs at the University. Mr. Borer asked for a recap of these two pages as it relates to this. He also wanted to know if these people are going to be paying anything for this education or is the state giving this away free. Mr. Armstrong said they were giving it away. Mr. Borer asked if they thought they could get the teacher aides they have requested in the budget. Mr. Armstrong said yes. Mr. Sackett asked why they did not have a teacher aide at Galena. Mr. Armstrong said they were selected by Department of Labor and he didn't know.

Extra Curricular Activities The Governor's Request is \$71,400.

100: The Governor's Request is \$48,900.

200: The state has taken on secondary education in the rural schools and now these areas are expecting the kind of activity the students in Juneau, Anchorage, etc. are involved in. They are small schools and they have real difficulty, according to Mr. Armstrong, in raising enough

funds to take care of travel, and travel is quite expensive out in that area. Eilsen has no gate receipts because they can't charge admission to a military gym and since they have to use base facilities they can't charge.

Dr. Hartman noted that there was no travel for the junior high schools, only the high schools. Mr. Borer wondered if the extra amounts shown in her for the coaches was in addition to their salaries and Mr. Armstrong said that it was and said it was consistent with all high schools in the state. Mr. Borer asked why places like Metlakatla and Glenallen [which are listed on here for transportation to games] can't charge at their games, and Mr. Armstrong said they could and do, but because they are small, they can't raise enough money to provide for the total expense of traveling. Mr. Borer wanted this marked for attention at a later time.

Alaska Readers The Governor's Request is \$67,600.

Mr. Armstrong said this program was for the first through third graders and that it was a phonetic and linguistic approach.

Alaska Rural Project

Mr. Armstrong, in describing this program, said it was a rural school project that would be in all rural schools upon completion of the third year program. He said it was started five years ago with a Ford Foundation grant; however, that has terminated but they are receiving Title I and JOM funds, and are requesting \$20,000 from the general fund for it. He said the state-operated school program has been involved over the years and there has been ample evidence that the teachers that have gone through this program have stayed in Alaska and in some cases have become leaders. He felt that it was a tremendously valuable program and this project is also in the BIA schools, and they are supporting it strongly with JOM funds. Mr. Borer inquired about the use of JOM funds here and elsewhere and Mr. Armstrong said they were receiving, in toto, \$2,585,000 JOM this year and expect \$3,500,000 next year so it is increasing considerably. Dr. Hartman felt it was clear, however, that the federal government was leaving the state with no alternative on these JOM funds, and that is they must use these over and above or for the extras, such as the Rural Alaska project. He said the state is now responsible for basic education and since the federal government feels the state would or could not fund these extras, they want JOM diverted into these other programs. He said he feels there is a change in the philosophy and policy and so when the state takes over these BIA schools, they are essentially responsible, and should not expect continuing help from the federal government. Mr. Borer asked Dr. Hartman to provide the committee with a breakdown of the amount of money spent on the take over of BIA schools, how many teachers and how their budget compares with previous years. Mr. Armstrong assured him he would provide him with these statistics.

Recess: The meeting recessed at 11:30 a.m.

HOUSE FINANCE COMMITTEE

March 19, 1970

1:40 p.m.

- Present: Committee members present were Messrs. Borer, Hohman, and Haugen. Also present from the Department of Education was Mr. Robert L. Thomas, Director of Administrative Services, and from the Division of Budget and Management was Mr. Walt Noerem. In Mr. Ray's absence, Mr. Borer called the meeting to order.
- DEPARTMENT OF EDUCATION
BOOK I
GENERAL ADMINISTRATION
- The Department of Education reflects an overall increase of 43.59% - from \$70,195,200 authorized for fiscal year 1969-70 to the Governor's allowance of \$100,796,700, an increase of \$30,601,500. Of this, \$28,715,100 are federal receipts, \$4,938,300 inter-agency receipts, \$1,500 special funds, and \$67,141,800 from the general fund.
- Board of Education
- The Board of Education is increased 13.70% - from \$27,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$30,700, an increase of \$3,700. Of this, \$18,500 are inter-agency receipts, and \$12,200 from the general fund.
- Code 100: Personal services is increased 11.58% - from \$9,500 authorized for fiscal year 1969-70 to the Governor's allowance of \$10,600, an increase of \$1,100. No questions.
- Code 200: Travel is increased 15.11% - from \$13,900 authorized

for fiscal year 1969-70 to the Governor's allowance of \$16,000, an increase of \$2,100.

Mr. Thomas said this generally reflects an increase for longer meetings. No questions.

Code 300: Contractual services is increased 15.15% - from \$3,300 authorized for fiscal year 1969-70 to the Governor's allowance of \$3,800, an increase of \$500. This increase is in printing and advertising, the rest remains the same. No questions.

Code 400: Commodities remains at the same level as fiscal year 1969-70, the Governor's allowance being \$300. No questions.

Office of Commissioner The Office of the Commissioner reflects an increase of 81.70% - from \$102,200 authorized for fiscal year 1969-70 to the Governor's allowance of \$185,700, an increase of \$83,500. Of this, \$5,000 are federal receipts, \$113,300 inter-agency receipts, and \$67,400 from the general fund.

Code 100: Personal services is increased 81.20% - from \$81,400 authorized for fiscal year 1969-70 to the Governor's allowance of \$147,500, an increase of \$66,100.

Mr. Thomas said they are requesting two new positions, a Deputy Commissioner and a Facilities Specialist.

Mr. Borer asked what the Facilities Specialist is,

and Mr. Thomas said this is for school construction, with increased construction the department is not in a position to advise school districts on plans.

Mr. Borer asked if he duplicates anything Public Works is doing now. Mr. Thomas replied no, Public Works does nothing for district schools. At present, he said, Robert Isaac, Special Assistant to the Commissioner, tries to keep up with this.

Code 200: Travel reflects an increase of 82.65% - from \$9,800 to \$17,900, an increase of \$8,100.

In answer to Mr. Borer's question, Mr. Thomas said this increase is primarily for the new positions.

Mr. Ray came in.

Code 300: Contractual services reflects a 153.13% increase - from \$3,200 authorized for fiscal year 1969-70 to the Governor's allowance of \$8,100, an increase of \$4,900.

Mr. Borer questioned the \$2,700 increase in Code 310, Communications. Mr. Thomas said that with two more positions it will require more communications.

Mr. Borer questioned the MTST in Code 360, Equipment Rental. Mr. Thomas said this isn't another MTST, but they are just starting to pay for half of one.

Mr. Ray noted that with five positions already in the Commissioner's office and two more requested, they

have requested a \$2,700 increase over their authorization of \$1,500 for fiscal year 1969-70, almost double.

Mr. Thomas felt the amount requested would be adequate since their actual expenditures for fiscal year 1968-69 were \$3,380 and were only authorized \$1,500 for fiscal year 1969-70. In addition there is increased work in all areas.

Code 400: Commodities is increased 71.43% - from \$3,500 authorized for fiscal year 1969-70 to the Governor's allowance of \$6,000, an increase of \$2,500.

Mr. Thomas said this increase was also due to the two new positions they have requested.

Code 500: Equipment indicates a Governor's allowance of \$1,200, which represents the increase as there was no authorization for fiscal year 1969-70.

Mr. Thomas said this is to provide the necessary equipment for the two new positions.

Code 900: Inter-agency charges is increased 16.28% - from \$4,300 authorized for fiscal year 1969-70 to the Governor's allowance of \$5,000, an increase of \$700.

Mr. Borer questioned the \$5,000 for publications prepared by the Division of Supply as they have requested \$1,200 in Code 320 for publications for the commissioner's office.

For the record, Mr. Ray said, under contractual services (Code 300) for fiscal year 1969-70 the department requested \$1,500 for communications, which reflected no increase over the previous year. The only items they asked for increases in at that time were equipment rental - \$900, and printing and advertising - \$300. The actual expenditures for fiscal year 1967-68 were \$1,907. Mr. Ray asked how they spent so much for fiscal year 1968-69 - \$7,301 actual expenditures, when they were only authorized \$2,000 for all contractual services for the Commissioner's Office.

Mr. Thomas said this probably did not reflect adequate funding originally. Mr. Ray asked if they were that far off in their request, and Mr. Thomas replied what was requested and what was budgeted may not necessarily have been the same; however, not having the information for that year available, really couldn't answer that question.

Advisory
Commission

Advisory Commissions reflects a 23.27% increase - from \$98,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$120,800, an increase of \$22,800. Of this, \$32,200 are federal receipts, \$67,000 inter-agency receipts, and \$21,600 from the

general fund.

Code 100: Personal services is increased 15.00% - from \$2,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$2,300, an increase of \$300.

In answer to Mr. Borer's question, Mr. Thomas said almost all federal programs require advisory commissions.

Mr. Borer asked if this new rural school board (SB 229) is ultimately signed and executed by the Governor, are they going to have to have all of these separate committees. Mr. Thomas replied the only one would be the Governor's Commission on Cross-Cultural Education.

Code 200: Travel is increased 63.13% - from \$32,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$52,200, an increase of \$20,200.

Mr. Borer noted that in three years their travel has increased almost five times as much as it was, and asked how many more commissions they have than they had three years ago. Mr. Thomas replied about twice as many.

Mr. Borer asked how adequate the travel budget is this year, and Mr. Thomas replied that it is adequate.

They are requesting two major increases -- a \$7,000 increase in Professional Teaching Practices Commission,

and a \$5,400 increase in the Governor's Commission on Cross-Cultural Education for Alaska.

Code 300:

Contractual services is increased 3.61% - from \$63,800 authorized for fiscal year 1969-70 to the Governor's allowance of \$66,100, an increase of \$2,300.

Mr. Borer questioned the \$32,000 under Code 380, Professional Fees and Services, and Mr. Thomas explained that is for the ESEA Advisory Council to contract with people to review Title III projects, and the commission is carried under contractual services rather than set up under personal services or travel.

Mr. Borer asked who these people are they will be contracting with, and Mr. Thomas said they will be people within the state, and one science supervisor for the State of Oregon.

Mr. Borer asked who does the work for the ESEA Advisory Council, and Mr. Thomas said they do that in the department.

Mr. Thomas admitted, however, that he frankly did not know why there is \$32,000 in that portion of the budget but would look it up.

Mr. Ray said the increase in contractual services of \$2,300 appears to be the \$600 they are requesting for attorney services, and the \$1,700 for secretarial

services. Mr. Thomas said he couldn't support the \$66,100 requested for contractual services at this point in time, which includes the \$32,000 for Title III, and would like to check this item out and bring that information back to the committee.

Code 400: Commodities remains at the same level as fiscal year 1969-70, the Governor's allowance being \$200.

Mr. Borer wondered how they can get by on only \$200 worth of stationery and supplies.

Scholarship Loans Scholarship Loans reflects a 50.00% increase - from \$100,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$150,000, an increase of \$50,000. This is all from the general fund, and is

Code 700: reflected in Code 700, Grants, Claims & Shared Revenue.

Mr. Thomas said this provides up to \$500 per student per year for scholarships, renewable each year and this year requires an additional \$50,000 for second year students and the new ones they pick up.

Mr. Borer said that if the legislation that has been introduced passes it will increase that. [HB 599]

Mr. Borer asked if the department keeps track of how they stand with students continuing on and the students that drop out -- how many first year students they have and how many second year students they have.

Mr. Thomas said the universities are keeping track of that. In answer to Mr. Borer's question, Mr. Thomas said they don't have any idea how many drop outs there are, that as long as they remain in the state it is forgiven anyway.

Mr. Borer asked if they have a larger demand for money than they have had in the past. Mr. Thomas said no, the current loans are \$49,000.

Mr. Hohman asked if the supply is greater than the demand, and Mr. Thomas said either that or the universities are holding it, they haven't had any requests for more. He said he was sure the students would like to see the loans increased to \$750.

Mr. Smith arrived.

Mr. Borer asked how long it would take to get a rundown on the program as long as it has been in effect.

Mr. Thomas said they have that data, but he didn't bring it with him. [Mr. Thomas subsequently provided the committee with this information. See pages 993-994]

Mr. Borer asked how many are refused because of non-availability of funds. Mr. Thomas said to his knowledge there have been none refused. As of December, he said, they had another \$50,000 for this semester, and the implication was there was still some available.

Mr. Borer asked who does the screening, and Mr. Thomas

said the universities do that, when the students apply their applications are forwarded to the universities.

Planning & Research

Planning and Research reflects a 1.87% increase - from \$139,300 authorized for fiscal year 1969-70 to the Governor's allowance of \$141,900, an increase of \$2,600. Of this, \$30,000 are federal receipts, \$94,000 inter-agency receipts, and \$17,900 from the general fund.

Mr. Borer asked what this unit does. Mr. Thomas replied they are trying to get a system going for pupil information so they will know who drops out, where the pupils are, what the status is and what the progress is.

Mr. Borer quoted from page 43, "The Office of Planning and Research will facilitate rational decision-making by providing the kinds, amounts, and quality of information pertinent to identifying and making a selection from the available alternatives for each decision."

Mr. Borer said this says absolutely nothing. Mr. Thomas said this was written by a planner. Mr. Ray added that this should have been researched a little better.

Mr. Thomas said planning and research is required by some federal programs -- 'it tells where the federal funds shall be spent.

Code 100: Personal services reflects a decrease of (15.74%) - from \$77,500 authorized for fiscal year 1969-70 to the Governor's allowance of \$75,300, a decrease of (\$12,200).

Mr. Borer referred to page 44, and asked what they have done as it indicates they now have a Coordinator of Planning and Research and got rid of the Director. Mr. Thomas said there were funds available from Vocational Education - \$100,000 available for research - so they put it in and got three positions approved under Executive Order No. 20 a year ago. Title III - Arctic Research Program - had three positions. Since they didn't need three positions in each group, they combined them and dropped two of the positions. Mr. Borer asked what the Arctic Research Program was, and Mr. Thomas said it was to develop culturally relevant programs for regional schools; however, they never got the program off the ground. It was put together by an employee who has since left the department and it never did get off the ground, but the federal funds were approved.

Code 200: Travel is increased 5.00% - from \$14,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$14,700, an increase of \$700.

Mr. Borer commented that they travel all over the

United States, but asked for nothing for inside travel.

Code 300: Contractual services is increased 34.45% - from \$35,700 authorized for fiscal year 1969-70 to the Governor's allowance of \$48,000, an increase of \$12,300.

Mr. Borer noted that, according to their narrative analysis on page 46, it was determined to be most effective to drop two positions and use these funds for short-term contracts with top professionals for research and planning in specialized areas, because of the varied nature of planning and research and because no small planning section has top skills in every area of knowledge. Workshops to train school administrators would be another area in which they would use consultants. Mr. Thomas said they now have a man from the Northwest Regional Laboratory setting up procedures. This kind of project would be more effective if specialists in some areas were brought in when needed rather than having someone on the staff all the time.

Code 400: Commodities reflects a decrease of (82.80%) - from \$9,300 authorized for fiscal year 1969-70 to the Governor's allowance of \$1,600, a decrease of (\$7,700).
No questions.

Code 500: Equipment reflects a decrease of (82.14%) - from \$2,800 authorized for fiscal year 1969-70 to the Governor's

allowance of \$500, a decrease of (\$2,300). No questions.

Code 900: Inter-agency charges reflects a Governor's allowance of \$11,800, which represents the increase as there was no authorization for fiscal year 1969-70.

Mr. Sackett arrived.

This is primarily for data processing. No questions.

Staff
Development

Staff Development remains at the same level as fiscal year 1969-70, the Governor's allowance being \$10,000.

These are all inter-agency receipts.

In answer to Mr. Borer's question, Mr. Thomas said this is a sort of sabbatical leave. Federal funds for the strengthening and improvement of the Department of Education have been made available under the provisions of Title V of the Elementary and Secondary Education Act. Part of the Grant Award was made for the purpose of supporting educational leave for staff members of the department for refresher training and upgrading of their skills. During the 1971 fiscal year it is expected that one staff member may attend a short course at the University of Alaska, and that either two persons may receive support for attendance at summer sessions; or, one person for a semester -- depending on the development and approval of a proposed program of studies which will benefit the department.

Recess: Meeting recessed 2:10 p.m.

After Recess
2:15 p.m.

**ADMINISTRATIVE
SERVICES**

**Director's
Office**

Administrative Services, Director's Office, reflects a decrease of (45.34%) - from \$234,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$127,900, a decrease of (\$106,100). Of this, \$5,000 are federal receipts, \$87,000 inter-agency receipts, and \$35,900 from the general fund.

Code 100: Personal services is increased 23.02% - from \$93,400 authorized for fiscal year 1969-70 to the Governor's allowance of \$114,900, an increase of \$21,500.

Mr. Ray asked if there was an increase in personnel.

Mr. Thomas said the Supply Clerk II was formerly budgeted in the purchasing and property section and transferred to the Director's office. The rest of the increase is due to salary increases.

Code 200: Travel is increased 22.64% - from \$5,300 authorized for fiscal year 1969-70 to the Governor's allowance of \$6,500, an increase of \$1,200.

Mr. Ray noted the increases in inside and outside travel, and asked if there are additional meetings. Mr. Thomas said they are requesting two additional trips, one inside and one outside.

Code 300: Contractual services is increased 9.09% - from \$5,500 authorized for fiscal year 1969-70 to the Governor's allowance of \$6,000, an increase of \$500.

Mr. Ray noted the increase is primarily in equipment

rental. Mr. Thomas said this partially supports the Xerox as they hadn't budgeted enough for it last year, and in addition, the air charter for school visitations. This represents a more realistic allocation.

- Code 400: Commodities remains the same as fiscal year 1969-70, the Governor's allowance being \$500. No questions.
- Code 500: Equipment is decreased (100.00%) - from \$600 authorized for fiscal year 1969-70 to -0-.
- Code 900: Inter-agency charges is also decreased (100.00%) - from \$128,700 authorized for fiscal year 1969-70 to -0-. This eliminates Lockheed MSC Contract, operational support, and ADIS.

Mr. Borer asked if Administration is going to get these monies, and Mr. Smith replied that the next full year's budget for the Department of Administration includes all data processing costs, except for special jobs which are not a part of the overall administration.

Budget &
Accounting

Budget and Accounting reflects a 14.41% increase - from \$163,800 authorized for fiscal year 1969-70 to the Governor's allowance of \$187,400, an increase of \$23,600. Of this, \$5,000 are federal receipts, \$150,300 inter-agency receipts, and \$32,100 from the general fund.

- Code 100: Personal services is increased 14.75% - from \$158,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$181,300, an increase of \$23,300. No questions.
- Code 200: Travel is increased 100.00% - from \$200 authorized for fiscal year 1969-70 to the Governor's allowance of \$400, an increase of \$200. No questions.
- Code 300: Contractual services is increased 3.13% - from \$3,200 authorized for fiscal year 1969-70 to the Governor's allowance of \$3,300, an increase of \$100. No questions.
- Code 400: Commodities remains at the same level as fiscal year 1969-70, the Governor's allowance being \$1,000. No questions.
- Code 500: Equipment also remains at the same level as fiscal year 1969-70, the Governor's allowance being \$1,400.
- Mr. Bradner came in.
- Mr. Ray questioned the calculator and typewriter requested, and Mr. Thomas said they have approximately 15 typewriters that should be replaced, and it is not feasible to repair them.
- Mr. Borer asked if this is budgeting and accounting for the whole department. Mr. Thomas replied yes.
- Mr. Borer then asked, if their budget is increasing from \$70 million to \$100 million and they are adding 50 new teachers, why they aren't going to require

additional budgeting and accounting. Mr. Thomas said they only have three payroll people now, and adding more people doesn't change the payroll.

Mr. Sackett commented that if SENATE BILL NO. 229 (providing for a representative board of directors for state-operated schools) is approved, they wouldn't have any room to put another six people in that building anyway.

Purchasing
& Property

Purchasing and Property reflects a (100.00%) decrease over fiscal year 1969-70, a decrease of \$71,100.

Mr. Ray asked if this was a complete program last year, and Mr. Thomas replied yes. The creation of the Division of State-Operated Schools, with direct responsibility for school operation from an Anchorage location, has made it feasible to consolidate the bulk of the purchasing responsibility in the Division of State-Operated Schools by transferring three of the five staff members in the section to Anchorage. The transferred staff positions are included in the budget for the Director's Office, State-Operated Schools Division. The positions of Supply Officer I and Supply Clerk II will be transferred to the Director's Office in the Division of Administrative Services to provide purchasing and property control functions for the remainder of the department in Juneau.

Mr. Ray asked why it costs so much to do business in Anchorage when it doesn't in Juneau. He then requested the staff to mark Purchasing and Property for close examination by the committee, as he said this may have to be moved back to Juneau.

Mr. Thomas said that the schools are getting better service.

Mr. Sackett asked if they have found that by having these headquarters in Anchorage they get the textbooks, etc., to the schools before the school year starts.

Mr. Thomas said he thought the service was better last year although handled differently, but said they would still hit high water in the rivers. He said this was a factor in their move, having a supply position up there; they were handling this from both ends for awhile.

Statistical Services

Statistical Services reflects a 15.80% increase - from \$53,800 authorized for fiscal year 1969-70 to the Governor's allowance of \$62,300, an increase of \$8,500. Of this, \$43,000 are inter-agency receipts and \$19,300 from the general fund.

Code 100:

Personal services is increased 18.79% - from \$43,100 authorized for fiscal year 1969-70 to the Governor's allowance of \$51,200, an increase of \$8,100. Mr. Ray noted that this increase is reflected in the salary

increases for the EDP Programmers, Assistant and Clerk, and also in the benefits, rounding and vacancy and turnover.

In answer to Mr. Borer's question, Mr. Thomas said it possibly would be simple to combine these people with the research people, but this program was set up under federal funds before the research program and remains separate because it gets confusing when programs are merged.

Code 200: Travel is increased 266.67% - from \$300 authorized for fiscal year 1969-70 to the Governor's allowance of \$1,100, an increase of \$800.

This increase is primarily for outside travel to an Annual Convention of Association for Educational Data Systems (AEDS), to be held on the East Coast. Mr. Haugen asked how many programmers are going back to attend this convention, and Mr. Ray answered that the Programmer IV will be doing all the traveling. Mr. Thomas said that the Programmer II position has been vacant for two years.

Code 300: Contractual services remains at the same level as fiscal year 1969-70, the Governor's allowance being \$9,500. No questions.

Code 400: Commodities also remains at the same level as fiscal year 1969-70, the Governor's allowance being \$500. No questions.

- Code 500: Equipment reflects a (100.00%) decrease - from \$400 to -0-. No questions.
- Steno Mail Pool The Steno Mail Pool reflects an 8.53% increase - from \$84,400 authorized for fiscal year 1969-70 to the Governor's allowance of \$91,600, an increase of \$7,200. Of this, \$62,200 are inter-agency receipts, and \$29,400 from the general fund.
- Code 100: Personal services is increased 9.09% - from \$74,800 authorized for fiscal year 1969-70 to the Governor's allowance of \$81,600, an increase of \$6,800. Mr. Ray noted that the increase is in salary and putting back \$1,500 in vacancy and turnover. No new positio. .
- Code 200: There is no request for travel again this year.
- Code 300: Contractual services remains at the same level as fiscal year 1969-70, the Governor's allowance being \$9,000. Mr. Ray asked why this remains at \$9,000, and Mr. Thomas said the rates haven't changed.
- Code 400: Commodities is increased 150.00% - from \$400 authorized for fiscal year 1969-70 to the Governor's allowance of \$1,000, an increase of \$600. This increase is for additional tapes and MTST supplies.
- Code 500: Equipment reflects a (100.00%) decrease - from \$200 authorized for fiscal year 1969-70 to -0-.

School Lunch The School Lunch Program reflects an increase of 2.38% - from \$462,400 authorized for fiscal year 1969-70 to the Governor's allowance of \$473,400, an increase of \$11,000. Of this, \$427,000 are federal receipts, \$25,000 inter-agency receipts, and \$21,400 from the general fund.

Code 100: Personal services is decreased (13.49%) - from \$46,700 authorized for fiscal year 1969-70 to the Governor's allowance of \$40,400, a decrease of (\$6,300).

Mr. Ray noted that they deleted the Nutritionist position. Mr. Borer asked how many children there are in the school systems. Mr. Thomas replied about 78,000. Mr. Borer referred to page 94-A, the School Breakfast Program, which says, "Several thousand children arrive at school each day hungry because, for various reasons, they have no breakfast. During 1968-69 five schools served approximately 69,000 breakfasts daily, and Mr. Thomas didn't think that was correct, but would check it out.

Code 200: Travel is increased 1.25% - from \$8,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$8,100, an increase of \$100.

Mr. Borer questioned the School Lunch Coordinator's traveling 140 days a year. Mr. Thomas said this is for supervision.

Code 300: Contractual Services is increased 73.33% - from \$1,500 authorized for fiscal year 1969-70 to the Governor's allowance of \$2,600, an increase of \$1,100.

Mr. Ray asked why they pay a consultant at training workshops. Mr. Thomas said they are running school lunch workshops now and bring in people occasionally from one of the institutes to talk about nutrition and lunch planning.

Mr. Ray asked why they talk about nutrition when they don't have a nutritionist any longer. Mr. Thomas said they can't keep a person on all year for a workshop lasting only three days.

Code 400: Commodities reflects a decrease of (57.14%) - from \$700 authorized for fiscal year 1969-70 to the Governor's allowance of \$300, a decrease of (\$400). No questions.

Code 500: Equipment shows a (100.00%) decrease - from \$500 authorized for fiscal year 1969-70 to -0-. No questions.

Code 700: Grants, claims and shared revenue reflects a (1.23%) decrease - from \$405,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$400,000, a decrease of (\$5,000). No questions.

Mr. Bradner left.

Code 900: Inter-agency charges indicates a Governor's allowance of \$22,000 - as there was no authorization for fiscal year 1969-70 this represents the increase. This

\$22,000 is for State-Operated Schools.

Mr. Borer asked for a breakdown on federal reimbursement, and following the meeting, Mr. Thomas submitted this breakdown to the committee:

"PROJECTED DISTRIBUTION OF FUNDS IN 1970-71
SCHOOL LUNCH - SPECIAL MILK -
BREAKFAST & CHILD NUTRITION ACT PROGRAMS

<u>School District</u>	<u>Reimbursement (Estimate)</u>
Anchorage S.D.	\$161,000
Craig S.D.	3,500
Division State-Operated Schools	25,000
Dillingham S.D.	10,000
Fairbanks S.D.	48,000
Hoonah Schools	5,100
Juneau S.D.	18,000
Kenai S.D.	19,000
Ketchikan S.D.	24,000
Kodiak S.D.	11,000
Matanuska-Susitna S.D.	9,500
Sitka S.D.	10,000
Willow School	3,200

To schools and institutions for assistance in purchasing food service equipment and to reimburse schools newly opened

	75,000
	<u>\$422,300</u>

Mr. Ray asked what the "Oatmeal Club" is, and Mr. Thomas said that is a program under the Department of Agriculture and added that he is sure they get a little for this too. School lunch, he said, is usually a non-profit making organization.

Mr. Ray asked if that is in cooperation with the local districts. Mr. Thomas said he is not sure whether it is separate, by OEO, or the districts.

Federal
Programs

This program was set up after the budget was approved last year and the figures authorized for fiscal year 1969-70 were by memo only. Therefore, this is shown as a new program in the fiscal year 1970-71 budget request, with the figures requested representing the increase.

The total amount authorized by memo last year is \$3,555,900, and the Governor's allowance for fiscal year 1970-71 is \$3,559,300. Of this, \$3,461,000 are federal receipts, and \$98,300 from the general fund. Mr. Ray asked what PL 85-926 is, and Mr. Thomas said this is teacher training for teachers of the handicapped. Mr. Borer asked if any of that goes back into the Special Education program discussed that morning on page 333.

Mr. Thomas referred to page 180, Special Education under Instructional Services, and said that \$37,900 is going into Special Education.

Mr. Ray questioned the \$98,300 from the general fund, and Mr. Thomas said \$50,000 of that is for the Special Education program, sending people outside where there is no provision in the state.

Mr. Ray referred to HOUSE BILL NO. 520 (relating to special education outside the state for exceptional children), and said if this bill passes they will

need some more money. He asked the staff to mark that item for close consideration by the committee. Mr. Borer questioned the figures on page 112 - the \$1,670,200 for Code 700, and the \$1,685,700 for inter-agency charges. Mr. Thomas passed out copies of the distribution of federal funds for the various programs. [see page 992]

Mr. Ray referred to page 102, the \$300,000 authorized by memo only for fiscal year 1969-70 for Adult Basic Education is not requested for fiscal year 1970-71.

Mr. Thomas said this has been combined with Vocational Education. He added that they can't win on this - if they don't combine the little programs they are ineffective, and if they do combine them they are accused of hiding them.

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

INSTRUCTIONAL SERVICES The Director's Office is increased 62.90% - from \$53,100 authorized for fiscal year 1969-70 to the Governor's allowance of \$86,500, an increase of \$33,400. Of this, \$15,000 are inter-agency receipts, and \$71,500 from the general fund.

Director's Office

Code 100: Personal services is increased 90.06% - from \$31,200 authorized for fiscal year 1969-70 to the Governor's allowance of \$59,300, an increase of \$28,100.

Mr. Thomas said this increase is due to transferring a position, the Principal Education Specialist under Pre-School and Adult Basic Education, to the Director's Office, now the Assistant Director of Instructional Services.

Mr. Ray asked that the staff mark this transfer for close consideration by the committee.

Code 200: Travel is increased 70.49% - from \$6,100 authorized for fiscal year 1969-70 to the Governor's allowance of \$10,400, an increase of \$4,300.

Mr. Ray asked that this item also be marked for close consideration by the committee.

Code 300: Contractual services remains the same as fiscal year 1969-70, the Governor's allowance being \$10,000.

Mr. Sackett asked, referring to Code 380, Professional Fees and Services, whether they hire people inside or outside the state for this. Mr. Thomas said it may be either, that quite often they get someone from one of the universities.

Mr. Sackett asked why they can't just get a person full-time. Mr. Thomas said their needs vary and it wouldn't be practical.

Code 400: Commodities is increased 26.32% - from \$1,900 authorized for fiscal year 1969-70 to the Governor's allowance of \$2,400, an increase of \$500.

Mr. Ray noted that this increase is for stationery supplies for two professionals and increased work load.

Code 500: Equipment is increased 166.67% - from \$300 authorized for fiscal year 1969-70 to the Governor's allowance of \$800, an increase of \$500.

Mr. Ray noted their request for a calculator and a synchronized cassette tape recorder and filmstrip, totaling the requested \$800.

Code 900: Inter-agency charges remains the same as fiscal year 1969-70, the Governor's allowance being \$3,600.

No questions.

Federal Programs

Mr. Ray said this was discussed earlier under Federal Programs under Administrative Services. There is no request for a Federal Program under Instructional Services this year.

Adult and Pre-School

As mentioned earlier, this program has been transferred in part to the Division of Vocational Education, other elements have been incorporated into the office of the Director of Instructional Services and into Consultant Services.

Consultative Services

Consultative Services is increased 108.10% - from \$200,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$416,200, an increase of \$216,200. Of this, \$173,800 are inter-agency receipts, and \$242,400 from the general fund.

Code 100: Personal services is increased 92.47% - from \$138,200 authorized for fiscal year 1969-70 to the Governor's allowance of \$266,000, an increase of \$127,800.

They are requesting eight new positions and this primarily accounts for the increase.

Mr. Borer questioned their Senior Education Specialist, Health and Safety Consultant, on page 149, and quoted from the narrative justification, "An additional state consultant is necessary to assist school districts in formulating curriculum that encompasses both the physical and mental aspects of good health and safety. The high incidences of drug abuse, venereal diseases, malnutrition, lethargy, child abuse, unwanted births, alcoholism, accidents involving cars, boats and small planes, mental illness, hearing losses, drownings, severe body burns, contaminated water and littering, indicate a lack of knowledge and knowhow to effectively resolve these problems. We must begin to attack our health and safety programs with imagination and vigor. This responsibility cannot be shared by the present consultants with any expectation of building a sound, long-range, successful educational program."

Mr. Thomas said that driver training is another program no one is handling. These kinds of programs are being handled piecemeal by the existing staff as there isn't

anyone to work on them.

Mr. Ray commented that the local district here in Juneau is using a Volkswagen they have either leased or bought, and asked why they would have a Volkswagen with inexperienced drivers. Mr. Borer said that normally auto dealers donate the vehicles and possibly the Volkswagen dealer here is the only one who would do it.

Code 200: Travel is increased 85.33% - from \$30,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$55,600, an increase of \$25,600.

Mr. Ray noted the various trips to be made by the consultants.

Code 300: Contractual services is increased 245.97% - from \$21,100 authorized for fiscal year 1969-70 to the Governor's allowance of \$73,000, an increase of \$51,900.

Mr. Ray referred to the large increases in Code 380, Professional Fees and Services, and Code 390, Other Contractual Services, for which they have indicated sixteen workshops are budgeted for fiscal year 1970-71 for which some expertise other than the Department of Education staff is usually needed. In addition, advisors and writers from throughout the state assist in the development of guides or help in providing in-service training. The use of "local" instructors for

in-service workshops by contracting with them to run or assist in the workshop. Also, contractual obligations other than professional, etc., above such as assistance with programs of a non-professional nature, spare needs for a program, travel to specific workshops on contract, etc., are included. Mr. Ray said this is where they get their cushion.

Mr. Thomas said some of the workshops are contracted with the universities to provide training.

Mr. Ray asked if they are giving the University of Alaska money to come around and set up workshops.

Mr. Thomas said they don't necessarily set them up.

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

Code 400: Commodities is increased 112.12% - from \$3,300 authorized for fiscal year 1969-70 to the Governor's allowance of \$7,000, an increase of \$3,700.

Mr. Ray noted the request of \$1,600 for Code 490, Other Supplies, Materials & Parts, for which they indicate this is for non-professional and supplies other than office supplies, averaging \$125.00 per consultant and clerical support person. These supplies can include special boards for displays, photographic papers, and film, etc.

Code 500: Equipment is increased 271.43% - from \$1,400 authorized

for fiscal year 1969-70 to the Governor's allowance of \$5,200, an increase of \$3,800.

Mr. Ray noted the request for equipment for the Creative Arts Consultant - a cassette tape recorder, a Super "8" loop projector, a language master, and a tachiscope. Mr. Thomas indicated that the word "tachiscope" is misspelled in the budget book and gave this correct spelling.

Code 900: Inter-agency charges is increased 56.67% - from \$6,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$9,400, an increase of \$3,400.

Mr. Ray noted that this increase is for anticipated development of guides and required increased activity in the dissemination of information about the programs of the division.

Teacher Education & Certification Teacher Education and Certification reflects a 97.37% increase - from \$38,000 authorized for fiscal year 1969-70 to the Governor's allowance of \$75,000, an increase of \$37,000. Of this, \$15,500 are inter-agency receipts, and \$59,500 from the general fund.

Code 100: Personal services is increased 83.39% - from \$31,300 authorized for fiscal year 1969-70 to the Governor's allowance of \$57,400, an increase of \$26,100. This reflects one additional position, a Certification Analyst, which Mr. Thomas said was approved during

the current year by Executive Order No. 20.

Mr. Sackett asked if the entire department would go through reevaluation in terms of personnel, and Mr. Thomas replied that some of the positions have been audited and reevaluated, but the consultant level positions have not.

Mr. Sackett noted that the Senior Education Specialist's salary went from \$12,876 to \$16,944. Mr. Thomas said that was the reclassification action carried out during the prior year, he went from a Grade 18 to a Grade 20.

Code 200: Travel is increased 642.86% - from \$1,400 authorized for fiscal year 1969-70 to the Governor's allowance of \$10,400, an increase of \$9,000.

Mr. Thomas said they are changing the certification procedure and setting up an advisory group on this to assist in making evaluations. The primary increase is for the advisory group on certification. He said they are going to what is called a program review, where they look at the university program. If a person graduates from a credited university they are automatically certified. Program certification as opposed to the licensing they have now.

Code 300: Contractual services is increased 36.96% - from \$4,600 authorized for fiscal year 1969-70 to the Governor's allowance of \$6,300, an increase of \$1,700.

Mr. Ray noted the increase of \$800 in equipment rental, Code 360, for working out rules and regulations and guidelines for program approval of teacher education programs, making it necessary to rent such equipment as overhead projectors, xeroxing equipment, etc.

Mr. Sackett noted the increase of \$2,000 for professional fees and services, Code 380, and stated that there is no backup for this item in the budget at all. Mr. Thomas said this is for consultants to work with advisory groups.

Mr. Ray asked if their consultant will consult on teacher certification, and stated that with all their experts they have to get a consultant to consult with them.

Mr. Thomas said that last year they brought up a doctor from California to set up the program and give them direction on how to change this procedure. This will be a transition period. They will review for the first time teacher training at the Alaska Methodist University and University of Alaska, and they want some outside help when they come up against the professors at the universities. They should know what is going on in certain states in certification and reciprocity.

Code 400: Commodities is increased 50.00% - from \$400 authorized

for fiscal year 1969-70 to the Governor's allowance of \$600, an increase of \$200. No questions.

Code 500: Equipment remains at the same level as fiscal year 1969-70, the Governor's allowance being \$300. No questions.

Correspondence Courses Correspondence Courses reflects a 36.46% increase - from \$80,900 authorized for fiscal year 1969-70 to the Governor's allowance of \$110,400, an increase of \$29,500. This is all from the general fund.

Code 100: Personal services is increased 36.45% - from \$41,700 authorized for fiscal year 1969-70 to the Governor's allowance of \$56,900, an increase of \$15,200.

Mr. Thomas said they have requested one additional position, an Administrative Assistant I. He said they had an additional position several years ago that they did not fill, and then dropped it, but they feel they need it again.

Code 200: Travel remains the same as fiscal year 1969-70, the Governor's allowance being \$2,200. No questions.

Code 300: Contractual services is increased 55.21% - from \$16,300 authorized for fiscal year 1969-70 to the Governor's allowance of \$25,300, an increase of \$9,000.

Mr. Ray noted the increase of \$7,000 in Code 380, Professional fees and Services, for which they indicate they need to hire professional people to update their courses.

Mr. Thomas said this is geared to updating the textbooks, as they change they have to revise the textbooks to keep them current. Mr. Ray suggested hiring some of the unemployed teachers to do some of this work.

Code 400: Commodities is increased 20.48% - from \$16,600 authorized for fiscal year 1969-70 to the Governor's allowance of \$20,000, an increase of \$3,400.

This is primarily for materials for elementary correspondence courses including books, science materials, etc. Mr. Ray said there is no problem there, if they need additional textbooks for courses they should have them.

Code 500: Equipment is increased 100.00% - from \$500 authorized for fiscal year 1969-70 to the Governor's allowance of \$1,000, an increase of \$500. No questions.

Code 900: Inter-agency charges is increased 38.89% - from \$3,600 authorized for fiscal year 1969-70 to the Governor's allowance of \$5,000, an increase of \$1,400. No questions.

Special
Education

Special Education reflects a 61.90% increase - from \$66,400 authorized for fiscal year 1969-70 to the Governor's allowance of \$107,500, an increase of \$41,100. Of this, \$37,900 are inter-agency receipts, and \$69,600 from the general fund.

Code 100: Personal services is increased 49.89% - from \$47,500 authorized for fiscal year 1969-70 to the Governor's allowance of \$71,200, an increase of \$23,700.

Mr. Ray noted that they have requested one new position, a Senior Education Specialist, which accounts for most of the increase, and the increase in salaries takes care of the rest of it.

Mr. Borer asked if these are disadvantaged children, and what the state is paying for. Mr. Thomas said this is for supervision of special education programs and passing on requests of the districts for approval of sending children outside.

Mr. Borer asked if they are supervising state-operated schools, and Mr. Thomas said yes, on a state level. He said their relationship of state-operated schools is the same as the rest of the districts.

Code 200: Travel is increased 90.27% - from \$11,300 authorized for fiscal year 1969-70 to the Governor's allowance of \$21,500, an increase of \$10,200.

Mr. Ray noted that in two years travel has increased from \$5,300 to \$21,500. Mr. Thomas said that \$9,000 of that increase is due to new positions.

Code 300: Contractual services is increased 111.36% - from \$4,400 authorized for fiscal year 1969-70 to the Governor's allowance of \$9,300, an increase of \$4,900.

Mr. Ray noted that \$4,000 of this increase is in Code 380, Professional Fees and Services, for which they indicate this is for consultation with staff Council for Exceptional Children, the University of

Oregon Research Center Staff, consultation and planning with USOE staff (Manpower Survey and State Plan Revision, Regional Center Development).

Mr. Ray added that he thought they consult too much and don't have time to do any of the work.

Code 400: Commodities is increased 25.00% - from \$1,200 authorized for fiscal year 1969-70 to the Governor's allowance of \$1,500, an increase of \$300. No questions.

Code 500: Equipment is increased 212.50% - from \$800 authorized for fiscal year 1969-70 to the Governor's allowance of \$2,500, an increase of \$1,700. No questions.

Code 900: Inter-agency charges is increased 25.00% - from \$1,200 authorized for fiscal year 1969-70 to the Governor's allowance of \$1,500, an increase of \$300. No questions.

Technical
Service

Mr. Thomas said this program is combined with the Federal Programs.

Recess: Meeting recessed 3:25 p.m.

1971 - Federal Programs: Expe . Distribution: All Objects

	ESEA					NDEA		EPD/A	85-92C	Sub Tot	Gen. Fd.
	I	II	III	V	VI	III	VA		TT H/C	Fed.	
0 Gen. Admin											
01 Board of Ed.											
02 Office/Com.			4 300	44 000						48 300	
03 Advis.Com.			12 000					2 000		14 000	
04 Schol.Loan											
05 Res.&Plan.			30 000		4 000					34 000	
06 Staff Dev.				10 000						10 000	
1 Admin.Ser.											
11 Dir.Off.				27 000						27 000	
12 Bud.& Acctg.	13 000	2 000	8 000	4 800	2 200	3 000			2 000	35 000	3 000
14 Data Proc.	5 900		6 000	13 100	2 000	2 000	1 000			30 000	3 000
15 Sec. Serv.	2 000		2 000	2 000	1 200					7 200	
16 School Lnch.											
17 Fed. Prog.	87 400	4 000	57 700	10 100	8 000	9 000	1 500	500	400	173 600	24,600
2 Instr.Serv.											
21 Dir.Off.				10 000						10 000	
22 Consul.Ser.	36 000	4 000	30 000	73 800			17 500			161 300	17 500
23 Certif.				15 000				500		15 500	
24 Corres. -											
25 Spec. Ed.	5 700			8 000	22 600				1 600	37 900	
3 S.O.S											
30 Dir.Off.											
31 Rural Sch.											
32 On-Base											
33 Fed.Prog.	1 200 000	13 000				19 000				1 232 000	
34 PERCY											
35 Spec. Ed.											
36 Supp.Prog.											
4 Dist.Sch.	818 000	43 000	400 000	24 200	60 000	86 000	30 000	110 000	49 000	1 620 200	50 000
5 Voc. Ed.											
6 Fed. Sch.											
7 State Lib.											
8 Voc. Rehab.											
Totals 900	1 262 600	19 000	92 300	207 700	32 000	24 000	18 500	2 500	3 600	1 662 200	23 500
Grand Total	2 168 000	66 000	550 000	242 000	100 000	119 000	50 000	113 000	53 000	3 461 000	98 300

100 - 500 items

-992-

700 Totals
900 Totals
Grand total

1,670,200
1,685,700
3 559,300

MEMORANDUM**State of Alaska**

TO: Mrs. Madine Williams
House Finance Committee Staff
Finance Committee Room
Capitol Building

DATE: March 23, 1970

FROM: Robert L. Thomas, Director
Administrative Services
Department of Education

SUBJECT: Scholarship Loans

In the budget hearings of the Department of Education, on Thursday, March 19, members of the Finance Committee requested a status report on the Scholarship Loan Program for the current year.

The attached sheet gives the status by institution and amount at this time. It also indicates whether the loan represents a renewal of a previously existing commitment, or represents loans to students new to the system this year.

As noted, not all second semester reports are in; however we expect that the total of our available amount of \$100,000 for this year will be nearly all committed.

...L.T.

RLT:br

Attachment

File. 623.1
459

State of Alaska
 Department of Education
 STATE SCHOLARSHIP LOANS

3-23-70

Institution	New Loan	Loan Renewal	Amount Loaned
Anchorage Community College	5		\$ 798.70
Kenai Peninsula Community College	1		154.30
Ketchikan Community College	1		150.80
University of Alaska	53	23	15,246.45
Sheldon Jackson Jr. College	3	1	1,000.00
Alaska Methodist University 1st Sem	16	29	11,250.00
Alaska Methodist University 2nd Sem	55	89	36,000.00
TOTAL	134	142	\$64,600.25

6178

-466-

University of Alaska will submit 2nd Semester report
 this week totaling approximately \$30,000.00

HOUSE FINANCE COMMITTEE
March 20, 1970
9:00 a.m.

Present: All members.

HB 619 Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 619 (an act relating to marine pilots) be considered by the committee. No objection, so ordered.

Mr. Ray quoted from the fiscal note that this bill would cost \$8,000, but as Mr. Ray pointed out to the committee, the annual license fee of \$100 should cover the cost.

Mr. Ray then moved and asked unanimous consent that HOUSE BILL NO. 619 be reported out with "no recommendation".

HOUSE BILL NO. 619 was reported out with "no recommendation" except for Mr. Sackett who signed "do pass".

HB 647 Mr. Sackett moved and asked unanimous consent that HOUSE BILL NO. 647 (creating Kachemak Bay State Park) be considered by the committee. No objection so ordered. Mr. Sackett quoted from a letter from Mr. Dale Wallington, Deputy Commissioner of Natural Resources, "...would require no funding in the near future from the State's general fund..." Mr. Sackett displayed a map showing the boundaries for the proposed park and Mr. Borer made note of the fact that Halibut Cove was not included. Mr. Croft felt Halibut Cove would not be much of a park area anyway because it is too highly populated.

Mr. Sackett, again reading from Mr. Wallington's letter said, "Our Parks and Recreation bond fund money which is used to match the Bureau of Outdoor Recreation funds, has been

allocated for the next five years and so this State park would be delegated to a very minor position on the priority list."

Mr. Ray wanted to know how much land was involved and no one knew specifically. Mr. Croft commented that this was one of the most scenic areas in Alaska and that by leaving out Halibut Cove, there would be very little land in the park that would be under private ownership.

Mr. Hohman was concerned about hunting in the park and Mr. Sackett quoted from the bill on page 4: "Hunting with a firearm in Kachemak Bay State Park, when authorized by the Board of Fish and Game under AS 16.05, is not subject to the provisions of AS 11.55.050 which prohibit the discharge of a firearm in a public park." Pursuing this line of questioning, Mr. Hohman queried Mr. Sackett on the attitude of Fish and Game, and Mr. Sackett assured him he had discussed this section with Mr. Noerenberg and that he had no objection to it.

At this point, Mr. Ray suggested that the Commissioner of Natural Resources, Tom Kelly, be called in to meet with the committee for questioning on this bill. While awaiting his arrival the committee continued on with other business.

HB 348 Mr. Ray moved and asked unanimous consent that the committee consider HOUSE BILL NO. 348 (relating to transportation allowance of legislators -- increasing baggage allowance from 100 to 500 pounds). No objection, so ordered.

Mr. Ray said this would call for an increase in the appropriation for this category from \$1,800 to approximately \$9,000

a year. He then moved and asked unanimous consent that HOUSE BILL NO. 348 be reported out of committee with individual recommendations. All members signed "no recommendation" except for Mr. Sackett who signed "do pass."

HCR 19 It was moved and unanimous consent was asked that the committee consider HOUSE CONCURRENT RESOLUTION 19 (relating to the construction of a new airfield at Wales). No objection, so ordered.

Mr. Sackett moved and asked unanimous consent to include Shageluk and Crooked Creek. Mr. Ray objected, motion failed. Mr. Hohman wished to add: Eek, Tututulik, Napaskiak, and Mr. Ray asked that Tee Harbor and Thane be included. Thereupon, HOUSE CONCURRENT RESOLUTION NO. 19 was returned to files for consideration at a later date.

HCR 18 It was moved and unanimous consent was asked that HOUSE CONCURRENT RESOLUTION NO. 18 (requesting future sea otter fur sales to be held in Alaska) be considered. No objection, so ordered. Mr. Ray quoted the following information from the fiscal note as prepared by Fish and Game: "The Department of Fish and Game has in the past had the auction of sea otter pelts handled by personnel from the Governor's Office. This Department can only speculate as to the fiscal impact of holding the auction in Alaska. Our best estimate is that the costs would be approximately the same." Mr. Borer then moved and asked unanimous consent that HOUSE CONCURRENT RESOLUTION NO. 18 be reported out with a "do not pass" recommendation. Mr. Ray objected and it was reported out

with the following recommendations:

"no recommendation": Messrs. Hohman, Croft, Bradner
and Haugen
"do pass": Messrs. Ray and Sackett
"do not pass": Mr. Borer

Representative Moses Pauken arrived in the committee.

Mr. Ray welcomed him and asked him if he cared to appear before the committee for any reason. He said he had only come to observe.

HCR 1 Mr. Ray moved and asked unanimous consent that the committee consider HOUSE CONCURRENT RESOLUTION NO. 1 (relating to jurors' fees under Rule 17(a), Rules Governing the Administration of all Courts). No objection, so ordered. Mr. Haugen quoted from a letter from Mr. Reynolds, Administrative Director, saying this increase from \$10 to \$35 per day would cost \$482,125 a year, or from the amount currently requested of \$192,850 to \$674,975. Mr. Ray suggested the \$35 a day be amended to \$20 and there being no objection this amendment was adopted. Mr. Haugen then moved and asked unanimous consent that HOUSE CONCURRENT RESOLUTION NO. 1 as amended be reported out with a "do pass" recommendation. No objection, so ordered.

Mr. Hillstrand appeared briefly and made an appointment to return to the committee at 2:00 p.m. to testify on HOUSE BILL NO. 373 (relating to political campaigns).

HB 647 At this point Mr. Tom Kelly arrived and the committee reverted to the consideration of HOUSE BILL NO. 647 (creating Kachemak State Park). Mr. Kelly felt there could be some problems here that should be considered and since this was on their

(Natural Resources) low priority list they did not have a study done on the particular area that this bill will encompass. They had done a study on the upper part with plans of ultimately taking that for a park, but he felt that until his department could gather more information on the new area included in HOUSE BILL NO. 647, he could not give a statement. Mr. Ray asked how long it would take to put a study together and Mr. Kelly felt that it could be done in 5 or 6 days since it had few of the complications they had encountered in the proposed Chugiak (university-owned lands, etc.). He said if there were no complications it could be done with very little problem and he would attempt to have the information back to the committee in a week. Mr. Kelly then left the meeting.

HB 765 Mr. Borer moved and asked unanimous consent that the committee consider HOUSE BILL NO. 765 (relating to costs of burial of indigent persons). No objection, so ordered. Mr. Ray noted that on page 1 of the bill, line 19, that the maximum allowable would be \$525. In the Health and Welfare budget for Harborview, he pointed out that they budgeted for \$495, that at API it was \$500 and under public welfare, it was \$450. In noting this variance he wondered why, and Mr. Borer felt that though these departments budget for this amount, it does not mean they spend it if it can be done for less. Mr. Borer felt the figure in HOUSE BILL NO. 765 could be \$500 and that should also include cemetery costs and that if there is any money such as Veterans, Social Security, etc.,

this would be deducted from that amount. Mr. Ray instructed Mr. Borer to draft a committee substitute that would encompass his thinking on this. Mr. Borer said that he would do this.

HCR 51 Mr. Croft moved and asked unanimous consent that HOUSE CONCURRENT RESOLUTION NO. 51 (identification of slow moving vehicles on public highways) be considered by the committee. No objection, so ordered.

Mr. Croft observed that this was already a regulation of the Department of Public Safety and that all that the resolution does is request the Governor to direct Public Safety to furnish emblems, at cost, for these slow moving vehicles. Mr. Croft thereupon moved and asked unanimous consent that HOUSE CONCURRENT RESOLUTION NO. 51 be reported out with individual recommendations. The committee recommended "do pass" except Mr. Borer who signed "no recommendation."

SB 351 am Mr. Hohman moved and asked unanimous consent that the committee consider SENATE BILL NO. 351 am (relating to vehicle registration plates). No objection, so ordered. Mr. Hohman explained that, if this bill should pass, "...all vehicle registration plates issued after January 1, 1972, shall be treated with reflective material..." Mr. Hohman said the additional cost would be 50¢ per plate or \$100,000 per year. In the bill's present form, the state would pick up the tab for this; however, there was some sentiment in the committee that this 50¢ should be passed on to the citizens. Mr. Bradner felt this would not solve anything for the Fairbanks area since mud, dust and

snow covered up the license plates about 10 months out of each year. The committee wrangled for some time on who should pick up the additional cost and it was finally agreed to go back to the original SENATE BILL NO. 351 which levied an additional annual license tax of 50¢, thereby passing it on to the vehicle owners. The vote on adopting a HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 351 which would revert to the original SENATE BILL NO. 351 was defeated by a 3-3-1 vote, so it was decided the committee would consider this bill again in its afternoon session.

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

AFTER RECESS
2:00 p.m.

All members present except Mr. Bradner.

HB 299 Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 299 (control of cigarette vending machines) be considered by the committee. No objection, so ordered. With a notable lack of enthusiasm the committee agreed to pass HOUSE BILL NO. 299 out of the committee. All members signed "no recommendation" except Mr. Bradner who was absent.

HB 373 Mr. Hillstrand arrived in the committee room to testify on HOUSE BILL NO. 373 (political campaigns). He explained the purpose of HOUSE BILL NO. 373 was to limit the campaign expenditure of candidates seeking a house seat to \$2,500 and a senate seat to \$5,000. This limit would apply only to advertising on radio, TV and newspapers. This would not include transportation, pamphlets, posters, etc.

Mr. Hillstrand felt this would be very effective in the large metropolitan areas where, as he put it, "A drunk can stay in bed and be elected." Mr. Hillstrand was distressed because of the huge sums that have been spent in the past to win elections and he felt the election in 1970 was of prime importance because the oil people in particular would be interested in "assisting" certain people to win. He felt HOUSE BILL NO. 373 would place most of the campaigns on an equal basis.

He said this bill was sent to Judiciary and this committee came out with a committee substitute. They incorporated a whole new chapter, taken from the Oregon statutes which would have the state providing pamphlets for all candidates. He explained to the committee how this would work and said it had been very successful in Oregon. Judiciary also added a section that would allow political contributions to be used as a tax credit.

Mr. Borer asked how much it costs to advertise on radio and TV in Anchorage.

Mr. Croft said that it varies from station to station but the most expensive prime time runs between \$40 and \$70 a minute on TV and about \$5 to \$6 a minute on radio.

Mr. Ray quoted various sections from the bill that he felt were unconstitutional, e.g., "No nominee may submit a photograph showing the uniform or insignia of an organization which advocates or teaches racial or religious intolerance."

Mr. Ray said that following the veto by Governor Miller

of HOUSE BILL NO. 1 (restricting political advertising on election day), much research had been done and he would conclude that most any type of restriction put upon a candidate's campaigning would be ruled unconstitutional. Mr. Hillstrand reminded the committee that the part Mr. Ray was quoting from was the Judiciary committee substitute, and that the only part he was responsible for was the original HOUSE BILL NO. 373. He reiterated his sentiments that he felt the oil companies would soon own the state (by buying the next election) if something isn't done to slow them down.

On a personal note, he said his total cost for advertising in the last election came to \$1,387 and that included his \$30 filing fee. Mr. Ray returned to the subject of constitutionality and felt that even the original HOUSE BILL NO. 373 would be considered unconstitutional. Mr. Hillstrand stressed that this bill is designed only to keep special interests out of Alaska and he had made no attempt to include statewide candidates since he was well aware that many members of the state Senate would be candidates in this next election for statewide office, would not take kindly to a bill that included them, so therefore he had drafted a bill that he thought would be acceptable to both houses.

Mr. Bradner arrived.

In reply to Mr. Ray's question whether he would support the Judiciary version, Mr. Hillstrand said he preferred not to but did feel the pamphlet idea was a good one. His main

concern, however, was limiting the money spent on advertisements via the news media.

Mr. Hillstrand was asked what the thinking was on allowing the Senate candidates \$5,000 and only \$2,500 for House candidates.

Mr. Hillstrand said it was his personal opinion that to run for a Senate seat is much more expensive, that it would cost him, for example, at least \$20,000 in his area to seek a Senate seat. He said that the incumbent has a definite advantage and in the House race, many of the candidates, especially the incumbent, have to spend very little to win, but in the Senate more territory is usually involved, and further, since fewer people are running, it is just a tougher race. Mr. Bradner felt this was also true in Fairbanks; however, Mr. Ray did not feel this applied to Southeastern. Concluding this discussion, Mr. Hillstrand told the committee he was considering an amendment that would preclude advertising such as the kind Senator C. R. Lewis runs every day of the year in the Anchorage newspapers that could be construed as political. His advertising is charged against his business account, and he felt this created an unfair advantage. Under his amendment, 60 days before the election it would be considered political and therefore charged to his \$2500 or \$5,000 limit. Mr. Ray thanked Mr. Hillstrand for his assistance on HB 373 and Mr. Hillstrand left the meeting.

Mr. Ray told the committee he thought the bill had definite constitutional problems. Mr. Dean agreed and said that with adoption of HB 373 the state would be prohibiting a person from appearing on radio or television through this limitation of

of expenditure and thereby creating what he considered a serious constitutional question.

Mr. Ray requested Mr. Bradner, subcommittee chairman, to do further work and study and be ready to present this to the committee on Monday.

HB 527: Mr. Croft moved and asked unanimous consent that the committee consider HB 527 (appropriating \$298,200 from the International Airport Revenue Fund to the Department of Public Works, Division of Aviation - International Airport bus system and unfunded costs at Fairbanks and Anchorage). No objection, so ordered.

Mr. Croft referred to earlier discussion of the bill and the reasons for the International Airport passenger bus system (see pages 786-787 of House minutes) as presented by Mr. Strandberg. He then moved and asked unanimous consent that HB 527 be reported out with individual recommendations. The report was signed as follows:

Do pass: Messrs. Hohman, Croft, Bradner & Sackett

No recommendation: Messrs. Ray, Borer and Haugen

HB 654: Mr. Ray moved and asked unanimous consent that HB 654 (Alaska 1970 Tax Reform Act) be considered by the committee. No objection, so ordered. Mr. Ray noted that enactment of HB 654 would decrease income tax revenue per year by \$10,000,000. He related this decrease to an attempt to increase severance tax. Mr. Ray felt they could not cut taxes for one segment

and raise them for another. He told the committee that he would spend the weekend reviewing and studying this bill if they were interested in reporting it out of committee. Mr. Sackett was interested; Messrs. Croft and Bradner were not.

Marine
Facility in
Douglas
University
of Alaska

Mr. Ray distributed copies of a letter from Dr. D. W. Hood, Director of Institute of Marine Science at the University of Alaska, dated March 16, 1970 (see pages 1009 - 1011 for copy of this letter). Mr. Ray felt the letter effectively told the committee that the Douglas Marine Facility is being eliminated. Mr. Sackett wondered what they would do if they did stay. Mr. Ray said if any grants were renewed some work would go on. He expressed strong disapproval of the University taking \$28,000 for overhead from Dr. Nayadu's National Science Foundation grant and then putting in on the University campus. He told how the University will send three or four people down here to do research from one of the boats, then they don't even use this facility, they return to the University and charge it against the Douglas facility. Mr. Bradner felt the only answer was to have the marine research done by the state instead of working through the University. He said the reason the state uses the University is because it is possible to get such grants as Ford Foundation, etc., that otherwise would not be available to the state but

that obviously this system is not working out for the benefit of the state as far as marine research is concerned.

Mr. Croft expressed grave doubt on his part as to the University budget and its system of priorities. He felt he was forced to go along with the program priorities last year in order to get what he felt was needed for the Anchorage Community College. Mr. Croft did not feel, however, that by cutting the budget for the University this would accomplish what Mr. Ray and other members of the committee wanted to do. Mr. Haugen voiced his disapproval of the fact that the University "sold" the Juneau area on this marine facility, and Juneau proceeded to provide them with space in Douglas, then built their community college 14 miles out the road so it would be near the Bureau of Commercial Fisheries Lab and Forest Service facilities. After all of the time and expense the University now proposes to move out at a time when Southeastern desperately needs this kind of research. Mr. Croft re-emphasized his agreement on this problem but still did not think they could solve it by cutting the budget.

Mr. Bradner told the committee of the problems encountered in Fairbanks with the University and because Fairbanks had been devoting so much time and energy towards the University, other problems of a statewide nature had been neglected. Now that the

campus is being diffused throughout the state, he said that Fairbanks could no longer be counted on to do battle for the University. They had other priorities. He concurred with Mr. Croft on the theory that cutting the budget would accomplish nothing; as a matter of fact, he surmised, they would probably just take the cut in such places as Anchorage Community College. The committee was in agreement in their bitterness of the highhanded methods of the University administration. They felt they must find a way to solve this research problem without being continually "hamstrung" by the University.

HJR 108 Mr. Ray proposed that the committee try to get HOUSE JOINT RESOLUTION NO. 108 (requesting the establishment of an estuarine research center at Douglas) out of Resources Committee and then the committee could introduce an appropriation measure that could cover it and in that way get research going on this most important problem in Southeastern.

Adjourned: Meeting adjourned at 3:15 p.m.

Institute of Marine Science



UNIVERSITY OF ALASKA
COLLEGE, ALASKA 99701

March 16, 1970

Bill Ray, Chairman
House Finance Committee
Alaska State Legislature
Juneau, Alaska

Dear Mr. Ray:

In the absence of Dr. Kenneth M. Rae I am taking this opportunity to answer your letter of March 3, 1970, as it is not clear to us whether the hearing we had with the House Finance Committee on March 10, 1970 adequately covered the material asked for in the above mentioned letter. While each of the items requested were covered in the discussions, we are hereby supplying confirming statements on these matters.

During fiscal year 1969-1970 two research projects are funded at our Douglas facility. The first is from the National Science Foundation, entitled "Marine Geology of the Sub-Antarctic Pacific Region" and is under the direction of Dr. Y.R. Nayudu. This project was originally funded in February 1968 for a period of one year. The expiration date of this grant has been extended from February 1, 1969 to May 1, 1970 without additional funds. During the present fiscal year a total of \$12,966.77 has been expended leaving all the funds expended on this grant.

The other research project at Douglas is funded by the Office of Naval Research under contract N00014-67-A-0317-002. This project is a continuation of contract 3010(05) which terminated on December 15, 1969. The portion of this contract undertaken at our Douglas facility is under the direction of Dr. Nayudu and is entitled "Sediments and Submarine Volcanics, their Alteration Products and Manganese Nodules in the North-east and Sub-Antarctic Pacific Ocean." Spent under the terminated contract is \$48,508.26 during this fiscal year. The new contract, which runs from October 1, 1969 to October 31, 1970 is budgeted for a total of \$98,784.00. Categories of expenditures are as follows:

UNIVERSITY OF ALASKA

Bill Ray, Chairman
House Finance Committee

- 2 -

March 16, 1970

Salaries	\$ 40,300.00
Travel	4,000.00
Supplies	7,900.00
Services	11,300.00
Other	550.00
Equipment	4,710.00
Overhead	27,102.00
Staff Benefits	2,922.00

Actual projects funded at the Douglas facility during the fiscal year 1970-1971 are to date very limited. The only project funded as of the date of this letter is that under ONR contract N00014-67-A-317-002 which will be subject to renewal on October 31, 1970. The status of this project depends totally on the Office of Naval Research funds for FY71 and on the Navy's review committee concerning this project. We have every reason to believe it will be favorable.

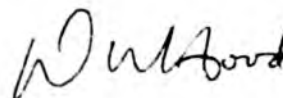
Projected studies for our Douglas facility to date include the continuation of Dr. Nayudu's National Science Foundation grant. The status of this is unknown at this time.

To repeat our point of emphasis at the recent hearing, the importance of the Institute of Marine Science activities in the understanding of the oceanographic phenomenon that is most critical for marine resource and economic development compatible with environmental quality, is more related to the scientific effort expended in the region than to the actual dollars or projects locally involved in that region. For this information I hope you will refer again to our earlier documentation of our research efforts based on expenditures in a region of Alaska, which shows that Southeast Alaska is receiving nearly 40% of our total research emphasis. In summary, I feel it is safe to say that more is known on the oceanography of Southeast Alaska inside waters than on any other region of Alaska. Certainly even this knowledge is extremely limited and needs additional detailed studies, particularly as related to local areas.

Attached you will find the itemized account of the budget expenditures for our Douglas Station.

Sincerely yours,

-1010-



3/20

DWH/wr
Encl.

D. W. Hood
Director

Itemized Expenditures
Douglas Station
1969-1970

Source: Working Budget, University of Alaska

Title	Total	Salaries	Travel	Supplies	Service	Other	Equipment
Douglas Station	21,244	18,744	500	1,000	200	300	500
Public							
Relation (D)	600			200	400		
Technical (D)	4,100		600	2,000	1,000		500
Repair &							
Maintenance (D)	9,500			3,000	4,000	500	2,000
Utilities (D)	9,000			9,000			
Janitorial (D)	10,024	9,324		200	300		200
Vehicle							
Operation (D)	5,000			500	500		4,000
Marine Research							
(D)	<u>10,500</u>	<u>10,000</u>	<u>500</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	69,968	38,068	1,600	15,900	6,400	800	7,200

Portions of Institute of Marine Science Budgets spent on Douglas but not separately budgeted.

- 1) From Director's office, unknown amount-administrative costs-i.e., purchasing-account payable-payroll-grant administration.
- 2) From IMS Matching Funds-approximately \$4,500 were reserved for matching Dr. Nayudu's NSF grant which to date has not been renewed.
- 3) From IMS Library Funds-\$500 of the Institute, \$2,500 for book and periodicals is budgeted for Douglas.
- 4) Boat Operation (MAYBESO), (vessel owned by Office of Naval Research) a total of \$19,300 is budgeted for operation of this vessel in S.E. Alaska (salaries \$12,500 - supplies \$3,000 - services \$3,000 - other \$300 - equipment \$500). The Institute budgets an income of \$15,000 from federal and nonfederal use of the vessel (\$200 per day). Due to lack of these federal and nonfederal funds only limited operation has been possible this year.
- 5) Staff benefits are budgeted as one account for FY 69-70. Douglas Station share (salaries \$38,068) is approximately \$2,970.00

HOUSE FINANCE COMMITTEE
March 23, 1970
9:20 a.m.

Present: All members with the exception of Messrs. Borer and Sackett.

Bill Assign. Mr. Ray made the following bill assignments:

SB 309 SENATE BILL 309 [Approp. Matanuska Susitna Borough for reimbursement of expenses incurred as a result of defective inclusion of the Gantwell area within borough boundaries] Mr. Hohman

HB 693 HOUSE BILL 693 [Authorizing state grants-in-aid to nonprofit corporations providing group home services] Mr. Ray

HB 779 HOUSE BILL 779 [\$125,000 appropriation to Public Works] Mr. Haugen

HB 505 Mr. Ray brought up HOUSE BILL 505 [Establishing the Village Safe Water Act] for discussion. He said that this bill provides a minimum of a watering point for 150 villages in the state. The preliminary cost is \$3,000,000. He said that at this time in the U. S. Senate there is an amendment which is practically the same as this one. The report from Health and Welfare, he said, while encouraging this legislation suggested waiting until Congress has acted. Mr. Ray said that as far as he is concerned the main idea is good. He said that he sees some inconsistencies that need working out - for instance, he said, the bill provides that after the first year the villages must take over the maintenance of the facilities constructed and he asked what the state intends to do if they refuse.

Mr. Croft said that the federal Congress has authorized this but there has been no appropriation, and the authorization was only for \$1,000,000 so that even if there is an appropriation it will not satisfy the need of the 150 villages this state bill is trying to meet. Mr. Ray said that the only consideration he would have is if there is going to be a Native Land Settlement then he feels the Safe Water Act for the villages would be a good place to use some of their money. Mr. Croft said that unless the state does something difference instead of just waiting, the federal Congress will dictate the entire terms. Mr. Ray said that the federal Congress cannot tell the state what to do in this matter.

Mr. Bradner said that he feels the last place the state should contribute to is home rule cities. Mr. Ray agreed. Mr. Bradner said that is what has been done in revenue sharing.

There followed a lengthy discussion on the state going in and constructing these watering points, shower facilities, and washing and drying facilities. Mr. Haugen said that Petersburg got its water system through revenue bonds and taxing itself. They never got help from anyone. Mr. Ray said that Juneau got its water system initially through private industry which the city then bought. Mr. Croft explained that these communities can not bond anything and secondly they have no tax base because

the federal government owns all their land. Mr. Hohman later reemphasized this point. Mr. Haugen expressed the feeling that there are many cases where some of the Indian people have more advantages and benefits than other people - for example, the coop canneries where they do not even have to pay salmon taxes, and so he didn't see why this should all be done for them. After further discussion, the bill was returned to the

Recess: file and the meeting recessed at 10:00.

AFTER RECESS

1:45 p.m.

Present: All members except Mr. Bradner and Mr. Borer.

Bert Hall, Deputy Commissioner; Charles Adams, Director, Division of Corrections; and Dick Branton, Administrative Officer, Division of Corrections, from the Department of Health and Welfare, were also present.

DEPT. OF HEALTH AND WELFARE

CORRECTIONS The 1969-70 Authorized is \$6,166,800 and the Governor's Request is \$7,659,400 which is an increase of \$1,492,600 or 24.20%.

Administration The 1969-70 Authorized is \$838,200 and the Governor's Request is \$1,104,000 which is an increase of \$265,800 or 31.71%.

100: The 1969-70 Authorized is \$680,000 and the Governor's Request is \$885,400 which is an increase of \$205,400 or 30.21%.

Mr. Adams noted that two Probation Officer II's had been transferred out of this budget into the Court System.

Mr. Ray noted the analysis of increase and decrease in personal services on page 25 of the budget. Mr. Branton said the figure of \$21,900 should be a decrease -- (\$21,900).

Mr. Ray noted the department had been allowed 19 new positions and had added in \$82,600 for vacancy and turnover. Mr. Adams said this is to provide for delayed recruitment in some of the new positions.

200: The 1969-70 Authorized is \$27,600 and the Governor's Request is \$40,800 which is an increase of \$13,200 or 47.83%.

3/23

In answer to Mr. Ray, Mr. Branton noted that the \$3,000 requested under code 240, which does not have a code number is for outside recruitment. Mr. Ray noted that the department was requesting a contingency fund for cabs, limo fares, and other related expenses. Mr. Ray said this contingency has never been allowed by the Finance Committee and he could see no reason for setting this precedent.

Mr. Ray noted that \$1,500 had been allowed under code 250, transportation of new professional hire, for two new hires for a total of \$3,000. Mr. Ray requested that the staff find out from the Department of Administration just what is allowed for new hires as some departments have been budgeting for \$1,000 and some for \$1,500.

300: The 1969-70 Authorized is \$80,900 and the Governor's Request is \$96,600 or an increase of \$15,700 or 19.41%.

Mr. Ray noted the large increase under code 330, rents and utilities. Mr. Branton said "The average annual rental cost per square foot of office space to the Division is \$4.56. To provide minimum 12 x 12 office space for new hires will cost \$657 per year. This request is for eleven professional staff only with clerical positions sharing space prorated." Mr. Ray noted the difference in rents listed on page 64 (this ranged from 1,383 sq. feet @ \$7.87 annually in Fairbanks to 420 sq. feet @ \$1.91 annually in Kodiak). In answer to Mr. Haugen, Mr. Branton said some of this is private rental and some is reimbursement of ASHA buildings.

400: The Governor's Allowance is \$10,200 and the Governor's Request is \$20,000 which is an increase of \$9,800 or 96.08%. Mr. Ray asked where the Central Office is that is noted in code 450. Mr. Branton said this is the existing office in the Health and Welfare building. Mr. Branton said the \$2,500 requested for the Central Office is based upon the cost received from the Division of Buildings to provide additional office and a more workable floor plan. Materials cost include sound-board, tile for high traffic areas, and movable partitions. Mr. Hall added that they are, on a department level, doing a complete review of all the six divisions with the idea in mind of providing a long range plan in regards to these needs.

Mr. Borer entered the meeting.

Mr. Ray referred to the statement the "Juneau Regional Office must be renovated to accommodate two more persons, currently using donated space belonging to the court system."

Mr. Branton explained that this is space that is already occupied by the Court System with superior court records.

Mr. Walt Norem, Budget and Management, entered the meeting.

Mr. Bradner entered the meeting.

Mr. Ray referred to the professional publications under code 470, professional and scientific supplies. Mr. Branton said this is the function of the probation staff to make out professional reports for the Court System.

500: The 1969-70 Authorized is \$12,500 and the Governor's Request is \$29,700 which is an increase of \$17,200 or 137.60%.

In answer to Mr. Ray, Mr. Adams said most of this increase is for the new positions. Mr. Ray asked what the bucket-type file is and Mr. Branton explained this is a file mounted on casters so the probation officer can keep "active" files for which he is responsible at his desk.

Mr. Ray said that the 69-70 Authorized was \$12,500 and this year they were requested \$29,700. Mr. Branton called the committee's attention to the fact that last year they had new positions which did not have new equipment and this year they are trying to equip these offices.

900: The 1969-70 Authorized is \$27,000 and the Governor's Request is \$31,500 which is an increase of \$4,500 or 16.67%.

Care of Prisoners

Adult Conservation Camp The 1969-70 Authorized is \$496,200 and the Governor's Request is \$632,200 which is an increase of \$136,000 or 27.41%.

100: The 1969-70 Authorized is \$278,000 and the Governor's Request is \$320,500 which is an increase of \$42,500 or 15.29%.

Mr. Ray noted the following cost analysis:

net change in employee benefit costs from 14% & 12%	(\$ 1,834)
salary increase per Ch. 101, SLA 1969	26,319
vacancy and turnover	6,600
rounding factor	15
	<u>\$31,100</u>

Mr. Ray asked where the overtime was shown. Mr. Branton said the overtime was budgeted last year and is shown in detail on page 86 of the budget. This is also shown on line

13, page 85 of the budget. Mr. Ray noted they had requested two new positions but the Psycho. Counselor I had been disallowed by the Budget Review Committee.

200: The 1969-70 Authorized is \$14,300 and the Governor's Request is \$15,300 which is an increase of \$1,000 or 6.99%.

Mr. Ray noted the 5% contingency requested and said, again, the Finance Committee does not have contingencies in the budget.

300: The 1969-70 Authorized is \$65,000 and the Governor's Request is \$59,600 which is a decrease of (\$5,400) or (8.31%).

Mr. Ray questioned the increase in code 380, professional fees and services. Mr. Branton said this is an increase in medical services to be provided within the institutions. He said they have recently experienced a marked increase in medical care. Mr. Branton said psychiatric services are also provided in code 380 which previously have not been provided in this particular part of the budget.

Mr. Ray asked about the religious group mentioned in code 380 and Mr. Branton explained this is a program carried on with the Council of Churches. He said they provide a resident chaplain on a rotation basis.

Mr. Ray asked that the \$3,000 request for psychiatric fees in code 380 be noted in the minutes. Mr. Hall explained that in the past the psychiatric services had been provided by Vocational Rehabilitation. Mr. Branton added that this had originally been funded as part of a three-year program

by Vocational Rehabilitation but they were no longer able to provide this; therefore, it was being added to Corrections' budget.

400: The 1969-70 Authorized is \$109,900 and the Governor's Request is \$151,200 which is an increase of \$41,300 or 37.58%.

Mr. Ray noted the increase in clothing and food. He said that last year they had a comprehensive plan drawn up by the Director and had given the division everything they asked for. He asked if there were more inmates.

Mr. Branton said this is based upon the inmate population of 100. He said this does provide for an increase over last year's food costs. Mr. Ray asked about the food they were going to grow at the institution. Mr. Branton said they are growing their food and are still utilizing their potatoe crop of last year. Mr. Branton said they are using this at the other institutions also. Mr. Ray asked if they are not paid back and Mr. Branton said the state facilities within the Division of Corrections are merely required to keep this on their accounting sheets. He said the Division of Corrections had an exchange program with the Division of Mental Health whereby they use their fertilizer, etc. in exchange for their potatoes.

Mr. Ray noted the produce storage building that is requested under code 450. Mr. Branton said this building is a storage facility and that API is no longer able to handle these products and they have to be commercially graded and handled.

Mr. Ray said they need farm equipment then they need money to store this equipment.

Mr. Branton pointed out that this year for the first year they will find an item [code 430] providing for the purchase of the food costs for meals which are being served to the staff and which, in turn, are reimbursed back into the general fund. He said they have always charged for these meals but they have to delineate between staff meals and inmate meals. Mr. Branton said approximately \$2,000 of this request will be returned to the general fund in accordance to instruction from the Department of Administration.

Mr. Ray asked why the school supplies under code 470 had been disallowed. Mr. Branton explained this is something they hope to be able to receive from the Department of Education, Adult Basic Education program. Mr. Ray said if they did not receive this they would be out and Mr. Branton said this is correct. Mr. Ray asked that this be marked in the minutes.

Mr. Ray asked if the Division had walkie-talkies.

Mr. Branton said no. Mr. Ray said that the Finance Committee had specially told the Division not to purchase these last year. Mr. Branton said they did not buy them.

Mr. Ray referred to the fertilizer, insecticides, sprays and seeds requested in code 490. He said this does not make too much of a pattern.

Mr. Branton said this is the first time in three years they have requested a food cost increase.

500: The 1969-70 Authorized is \$5,000 and the Governor's Request is \$15,900 which is an increase of \$10,900 or 218%.

Mr. Ray asked if the meat saw purchased last year was successful. Mr. Branton said this was for the Alcantra Youth Camp and had not been delivered yet but was on order.

Mr. Hall referred back to the cost of food saying that raising this food is a form of rehabilitation and they do benefit from the rehabilitation and also from the food.

Mr. Ray said he felt that the Alcantra Youth Camp is a good model of what can be done in the line of corrections.

Mr. Adams said Alcantra provides an excellent service and is an effective tool in getting people back into the community.

700: The 1969-70 Authorized is \$24,000 and the Governor's Request is \$32,000 which is an increase of \$8,000 or 33.33%.

Mr. Branton said they had a problem with the reimbursement program for fighting fires and had been told by the federal government they could not use inmate labor to suppress fires.

Mr. Branton said they felt it only right that the inmates should be kept at the same scale whether it was a reimbursement of federal money or not.

900: The Governor's Request is \$37,700. Mr. Ray asked that

code 930 be noted:

vehicle and equipment rental	\$21,700
land lease	1,000
Dept. of Educ. Voc Rehab	5,000
Surplus Commodities	5,000
Surplus Equipment	5,000
	<u>37,700</u>

Recess: There was a recess at 2:30 p.m.

AFTER RECESS
2:35 p.m.

Anchorage State Jail

The 1969-70 Authorized is \$416,600 and the Governor's Request is \$532,200 which is an increase of \$115,600 or 27.75%.

100: The 1969-70 is \$294,000 and the Governor's Request is \$338,700 which is an increase of \$44,700 or 15.20%.

Mr. Ray noted the \$2,400 requested for overtime and added that this gets "stronger and stronger." Mr. Branton said that every request for overtime is sent through the Central Office and must be substantiated before it is paid. He added this is also reviewed on the Commissioner's Office level. Mr. Ray pointed out there are less man-days, less inmates and less daily count and yet the total cost of operation went up. Mr. Branton said \$27,883 is the result of the legislative salary increase.

200: The 1969-70 Authorized is \$6,000 and the Governor's Request is \$7,700 which is an increase of \$1,700 or 28.33%.

In answer to Mr. Ray, Mr. Branton said the projected budget is based upon the population of 100 inmates and this seems realistic. Mr. Branton said the present population is 113 inmates.

300: The 1969-70 Authorized is \$38,500 and the Governor's Request is \$77,200 which is an increase of \$38,700 or 100.52%.

This increase is in code 390, other contractual services.

Mr. Branton explained that \$32,000 of this is requested for

the adult female prisoners who are held at the Anchorage City Jail by contractual agreement. Mr. Branton said this has been increased from \$7.00 to \$12.50 per day effective July 1, 1970.

Mr. Ray asked why the request for funds to contract with the Anchorage Community College had been cut from \$5,000 to \$3,000. Mr. Hall said this was cut by the Department of Health and Welfare because they felt this had a lower priority than some of the others. Mr. Ray asked that this be noted in the minutes.

400: The 1969-70 Authorized is \$72,000 and the Governor's Request is \$93,400 which is an increase of \$21,400 or 29.72%. There is an increase of \$12,100 in code 430, food for human consumption.

There was a brief discussion on the Cost Analysis which had been prepared for code 400. Mr. Ray said they would disregard this analysis and use the figures above.

500: The 1969-70 Authorized is \$1,900 and the Governor's Request is \$3,400 which is an increase of \$1,500 or 78.95%.

700: The Governor's Request is \$4,200 for code 730, support and care of prisoners.

900: The Governor's Request is \$7,600 and Mr. Ray asked that the Dept. of Highways charge of \$4,600 and the Dept. of Education, Vocational Rehabilitation, charge of \$3,000 be checked.

S.E. Regional Correctional Institution

The 1969-70 Authorized is \$766,400 and the Governor's Request is \$850,800 which is an increase of \$84,400 or 11.01%.

100: The 1969-70 Authorized is \$363,000 and the Governor's Request is \$434,300 which is an increase of \$71,300 or 19.64%.

Mr. Ray asked why there was additional overtime.

Mr. Branton said the additional overtime was brought about by the necessity of paying staff when they have to cover the institution on a holiday. He said they had reached the point in their staffing pattern where they could not afford to keep extra staff to have someone available as a standby staff.

Mr. Ray asked that the vacancy and turnover factor of \$10,600 be noted in the minutes.

200: The 1969-70 Authorized is the same as the Governor's Request of \$4,300.

In answer to Mr. Ray, Mr. Branton said the present population is 76 and the capacity is 125.

300: The 1969-70 Authorized is \$279,500 and the Governor's Request is \$266,000 which is a decrease of (\$13,500) or (4.83%). There is a decrease of (\$20,900) in code 330, rents and utilities.

Mr. Ray noted the \$30 per hour for physicians contractual services under code 380, professional fees and services.

Mr. Branton explained this is based on 3 visits per day, and that the Doctor is probably charging portal-to-portal.

There was a brief discussion on the burial fees of \$250 under code 380. Mr. Hall said the Department is currently doing a study on burial fees. He said Fairbanks has a

problem in that they have to pay \$500 to \$550. Mr. Hall said most of the people who they have discussed this with will be glad to receive \$450 for a burial.

In answer to Mr. Ray, Mr. Branton said an inquiry had reached their office about the possibility of using the land above the hill for a cemetery. He said their immediate reaction had been no because they use the water flow from the hill and this might be a problem.

Mr. Ray asked about the elephant hut and Mr. Branton said there is provision for material to finish the interior but they can't use this for anything more than storage until they get it enclosed.

There is \$2,000 requested under code 380 for chaplain services.

400: The 1969-70 Authorized is \$100,000 and the Governor's Request is \$121,600 which is an increase of \$21,600 or 21.60%.

Mr. Ray noted the big increase is in code 450. This shows an increase of \$14,600 which is for maintenance and construction material. Mr. Ray felt the idea of keeping the inmates busy doing something constructive is a "good deal."

Mr. Adams added that the Division of Vocational Rehabilitation is also interested in developing a program with this institution.

Mr. Ray said there was no money on craft supplies last year as this was such a new facility there was no way to project this. Mr. Branton noted there was \$500 for this last year.

500: The 1969-70 Authorized is \$1,000 and the Governor's Request is \$10,500 which is an increase of \$9,500 or 950%.

Mr. Branton said that the washing machine requested is to be used as a replacement item on a stand-by basis. They are also requesting electrical motors and pumps as replacement units.

700: The 1969-70 Authorized is \$6,600 and the Governor's Request is \$10,000 which is an increase of \$3,400 or 51.52%.

Mr. Ray asked that the 313 days per year per man be noted on page 155. He felt the number of days was a little high.

900: The 1969-70 Authorized is \$12,000 and the Governor's Request is \$4,100 which is an increase of (\$7,900) or (65.83%).

Mr. Ray questioned the flatbed truck to Anchorage that is under code 900.

Mr. Branton explained that they pick up and deliver supplies when a trip is warranted to Anchorage. He noted an example was when the old jail in Juneau was torn down they took the steel from it up to Anchorage to use for reinforcement in the jail there.

Northern Regional Correction Center

The 1969-70 Authorized is \$608,100 and the Governor's Request is \$781,900 which is an increase of \$173,800 or 28.58%.

100: The 1969-70 Authorized is \$417,000 and the Governor's Request is \$534,800 which is an increase of \$117,800 or 28.25%.

Mr. Ray noted that the vacancy and turnover factor is \$11,900. There were no new positions. Mr. Ray noted there is \$16,337 for overtime and perhaps if they put the vacancy and turnover back this would take care of the overtime.

Mr. Adams said there are two new positions -- an Education Specialist and a Correction Officer I.

200: The 1969-70 Authorized is \$5,700 and the Governor's Request is \$5,100 which is a decrease of (\$600) or (10.53%).

There was a contingency request in travel and Mr. Ray noted that the committee does not give any contingency to anyone. Mr. Branton said it had been the practice in their budget development to allow this as administrative cost on outside travel and this was their reason for putting this in.

300: The 1969-70 Authorized is \$67,200 and the Governor's Request is \$82,700 which is an increase of \$15,500 or 23.07%.

Mr. Ray noted the \$50 per day for hospitalization under code 380, professional fees and services. Mr. Branton said they are currently paying \$100 a day in Fairbanks. He said he had paid over \$7,000 in hospital costs in the last month. Mr. Branton said the reason for requesting \$8,000 for chaplain services [this had been disallowed] was that they had received an offer from the Fairbanks Hospital Association that they would bring an institutional chaplain in to be 1/2 time for N.R.C.I. and 1/2 time for the Fairbanks Community Hospital and this position would be paid on a 50-50 basis.

400: The 1969-70 Authorized is \$107,400 and the Governor's Request is \$144,700 which is an increase of \$37,300 or 34.73%.

Mr. Ray asked that the clothing costs be noted. He requested the staff to compare clothing costs last year with this year. He requested this also be done on food cost. Mr. Branton said the clothing cost is projected at 13¢ last year and 20¢ this year.

Mr. Branton said the food is based on an increase of 10¢ per man day in all institutions.

500: The 1969-70 Authorized is \$4,800 and the Governor's Request is \$3,100 which is a decrease of (\$1,700) or (35.42%).

In answer to Mr. Ray, Mr. Branton said that half of their requested radio equipment had been cut. Their instructional aids, Cutaletter and some of the equipment requested for the classrooms had also been cut. Mr. Ray asked why the Cutaletter was not allowed. Mr. Branton said the Division of Lands has one that they might be able to use and therefore Budget Review had deleted this.

700: The 1969-70 Authorized is \$6,000 and the Governor's Request is \$7,900 which is an increase of \$1,900 or 31.67%.

900: The Governor's Request is \$3,600. Mr. Ray asked that the \$3,600 for Dept. of Highway vehicle rental be noted in the minutes.

Mr. Croft asked what the average daily number of inmates is in the Juneau facility. Mr. Branton said he could not give him an average. He explained they are holding Juneau as an over-flow facility. Mr. Adams said on February 1, there were 67 in the Juneau facility and on March 18 they moved 13 inmates from the Anchorage facility. Mr. Adams said they try to hold Juneau as the one place where they have "some breathing room."

Ketchikan State Jail and Detention Home

The 1969-70 Authorized is \$232,700 and the Governor's Request is \$319,200 which is an increase of \$86,500 or 37.17%.

100: The 1969-70 Authorized is \$167,000 and the Governor's Request is \$239,600 which is an increase of \$72,600 or 43.47%.

Mr. Ray noted there is \$3,100 for vacancy and turnover.

The Division requested five new positions and were allowed four. Mr. Adams said the need is there and that on some of the shifts they only have one correctional officer.

200: The 1969-70 Authorized is \$1,800 and the Governor's Request is \$2,500 which is an increase of \$700 or 38.89%.

300: The 1969-70 Authorized is \$27,700 and the Governor's Request is \$32,300 which is an increase of \$4,600 or 16.61%.

Mr. Ray questioned the \$1,000 allowed for two employees for transfer under code 350, transportation of things.

Mr. Branton said the Division has historically been moving staff between Ketchikan and Juneau and this is not an expensive move.

Mr. Ray asked how many people are at the institution and

Mr. Branton said the last population figure was 31.

Mr. Ray questioned the physician's fees under code 380, professional fees and services, for such a small population.

Mr. Branton explained there are two facilities in Ketchikan -- the detention home and the jail and the physician has to make separate calls. Mr. Ray said he felt this was too much.

400: The 1969-70 Authorized is \$29,500 and the Governor's Request is \$35,500 which is an increase of \$6,000 or 20.34%.

Mr. Ray requested that the staff check code 470.

500: The 1969-70 Authorized is \$4,400 and the Governor's Request