

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2501

Mr. Sackett asked what guarantee the Legislature would have that this overtime, if allowed, would not be abused.

Mr. Lahn said one of the best controls the Legislature has is Legislative Audit. Mr. Ray pointed out that the audits are post audits and the Legislature would not be aware of this until two years after it had happened.

Mr. Haugen gave an example of a Department of Fish and Game employee working 20 to 24 hours a day when the season opens and asked if that person would be entitled to overtime. There was a brief discussion on this.

HB 176 Mr. Lahn gave the committee an explanation of HOUSE BILL NO. 176 (compensation for accrued sick leave). He said that STATE AFFAIRS COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 176 provided that the current sick leave accrual rate would be split into two separate categories. The sick leave accrual rate is 1 1/4 days a month or 15 days a year and this bill would provide 7 1/2 days a year to the employee. On termination, death, or retirement this would be paid to the employee or accredited to his retirement. Mr. Lahn said that if the employee uses any sick leave it comes out of his sharing account first. Mr. Lahn said it had been proven in private industry that this type of program saves money, and the savings is in better attendance. Mr. Lahn said that sick leave is subject to abuse and that this program would provide the incentive necessary to get them on the job. Mr. Lahn said that he thought Commissioner Downes had adequately explained this in saying, "When you have an

employee off the job for sick leave, you are paying for it and this way even though you are still paying for it, you have him on the job."

Mr. Lahn said that sick leave as a benefit is degrading as it awards the people who have the worse record. Mr. Lahn said that this bill would provide incentive for not using sick leave. Mr. Hohman asked if there was any limitation on the amount of accrual and Mr. Lahn said no.

Mr. Bill McVay, Deputy Commissioner, and Mr. Pat Hunt, Director of the Division of Personnel, Department of Administration, entered the meeting.

HB 175 Mr. McVay said that he thought the federal government would eventually force the state to pay overtime.

Mr. McVay said that what HOUSE BILL NO. 175 would do is "put the monkey back on management's back" to make sure their employees are working and to cut down on overtime.

HB 176 The discussion went back to HOUSE BILL NO. 176 and Mr. Lahn noted that the City of Juneau has a new program whereby they have all annual leave and no sick leave.

Mr. Ray said that they would have the problem of people who are chronically ill coming to work anyway.

Mr. Lahn said that he had personal experience with this type of program. He noted that he had worked at Boeing when this type of program was implemented and that it had been very successful.

Mr. Ray asked if Mr. Lahn was saying that the employees

are receiving twice as much sick leave as they need.

Mr. Lahn said this is not what he was inferring. Mr. Lahn said there are many examples of where the sick leave is not adequate. In answer to Mr. Ray, Mr. Lahn said that this program has been his own personal project and he is convinced it will save the state money. Mr. Lahn noted that the Department of Administration does not have adequate sick leave records.

Mr. Croft asked about the effectiveness of the program being used by the City of Juneau. Mr. Lahn said it has been very successful and they have no sick leave problem.

In answer to Mr. Croft, Mr. Lahn said he had taken the suggestion of using 1/3 of the accrued sick leave as the sharing account to "his people" and they had said "to forget it" and they were not interested. They did not feel this would provide enough of an incentive to make the program worthwhile.

Mr. Croft questioned the possibility of raising the annual leave by 7 1/2 days and doing away with sick leave.

Mr. Lahn said one of the problems with this is that many of the employees do not use all of their annual leave now and that they lose days each year. There was a brief discussion on this. Mr. Lahn said he felt that employees should take maximum advantage of their benefits.

Mr. Ray moved and asked unanimous consent that the committee consider HOUSE BILL NO. 610 (personnel in the exempt service).

No objection, so ordered. Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 610 be reported out of committee without recommendation. So HOUSE BILL NO. 610 was reported out with 5 "no recommendation", Mr. Ray signing "do pass" and Mr. Borer being absent.

HB 418 Mr. Haugen took over the chair and asked for a brief explanation of HOUSE BILL NO. 418 (an act relating to pay increments for state employees). Mr. Lahn said that this bill is to provide longevity pay. He explained that 20% of the state employees are at the top step of their pay range with no place to go. He said the only thing these employees have to look forward to is a general salary increase. Mr. Lahn said that this bill would provide a 2% salary adjustment every two years that an employee was at the maximum step.

Mr. McVay's said he would like Mr. Hunt to explain the Department of Administration's position on this [also see page 1122]

Mr. Hunt referred to a letter from 30 employees of the Department of Highways in Kenai who said they were at step F and had no place to go. He said the Division of Personnel had checked this out and out of the 30 persons there was only one employee who was "at the end of the rope." He said the other employees could go on to higher jobs if they took a test to put them on a higher job eligibility list and if they were willing to transfer to another part of the state. He said two of these employees had been held back

because they had not gotten their professional engineer certificates. He gave a brief explanation of the merit system saying that the key is to have employees advance to higher jobs rather than remaining status quo. He said there is nothing magic about the 6-step pay ranges but that 6-steps is a good compromise. He said when a person reaches the sixth step is it questionable whether he is really more valuable in that particular job.

Mr. Croft asked if it wasn't true that there is a class of employees who reach the end of the line and the idea of having a system where everybody will advance is not realistic. Mr. Hunt said he was sure that everyone has their incompetent point. Mr. Croft said he thought there are a significant number of employees who are at the end of their jobs but are still competent. Mr. McVay said he thought there were two classes of employees - one class that had reached the end of the road and were not interested in obtaining a higher position and the other class that were interested and also eligible for higher jobs. He said there is a good possibility that some of these employees at the top step should be receiving some sort of compensation. Mr. McVay felt that the Division of Personnel should have the flexibility to make this determination.

Mr. Hunt pointed out that this bill would provide something for people who are willing to stay where they are but provides nothing for those people who are willing to take

the exams and try to better themselves. Mr. Hunt said that of the 30 employees in Kenai there was only one person who may have any merit in saying he was "at the end".

HB 617 Mr. Lahn said he wished to make clear the position of the Alaska State Employees' Association on HOUSE BILL NO. 617 (changing state's contribution to employee health insurance plan). [This bill had been reported out of committee on March 26, 1970.] Mr. Lahn said they did not feel it should be arbitrarily stated this insurance should go out to bid until the proposal is received from the current bidder. He said if they can be convinced that the current carrier is not competitive then they would very much expect that this go out to bid. In answer to Mr. Bradner, Mr. Lahn said that the state would not be absorbing all of the increased cost as the employees' contribution would also be increased.

Adjournment: The meeting adjourned at 3:35 p.m.

MEMORANDUM**State of Alaska**

DEPARTMENT OF ADMINISTRATION

TO: Honorable Bill Ray, Chairman
House Finance Committee
Alaska State Legislature

DATE : March 20, 1970

FROM: *T. K. Bowles*
T. K. Bowles, Commissioner
Department of Administration

SUBJECT: HB 418 - Longevity Pay

At the request of Representative Haugen, my comments on HB 418 are submitted. The present basic salary schedule is designed to increase compensation as a person remains in his position up through 4½ to 5 years. This is generally thought of as recognizing the increasing value that an employee has as he becomes more experienced in his work. This concept is however not equally true in all classes of positions. For example, a carpenter who comes to State employment as a journeyman will reach his plateau of value earlier than others. On the other hand there are certain positions which are quite dynamic and require continuing study to keep abreast of revolutionary new concepts and discoveries. Continuing increases may be justified for positions of this nature.

As we all know there are certain "dead end" positions which may present a strong case for longevity pay. Offering salary increases to all State employees who remain at step F of the pay plan may be detrimental to ambition and could be a reward for not advancing through self-improvement. In some "dead end" jobs a real advancement opportunity may not exist because of the incumbent's abilities or the nature of the position. In these cases it may be basically sound to provide an additional incentive to remain in State service.

We are not against longevity pay per se but we do believe the "shotgun" approach as contained in HB 418 will not provide us with the proper solution in most cases. Members of the department will be available to testify at your request. Cost information has not been provided because of the two-year requirement and the July 1, 1970 effective date.

HOUSE FINANCE COMMITTEE
April 1, 1970
9:05 a.m.

Present: All members of the committee were present. Also present from the Department of Health and Welfare were Mr. Robert Hall, Commissioner; Mr. V. L. Iverson, Director of the Division of Administrative Services; and Mr. James Anderegg, Environmental Health.

HB 806 Mr. Ray called the meeting to order and brought before the committee the act relating to coin operated devices. Mr. Ray moved and asked unanimous consent that this bill be reported out with a "do pass" recommendation. This bill was then reported out with the members voting as follows, and later becoming HOUSE BILL NO. 806 (an act relating to coin operated devices):

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

NO RECOMMENDATION: Messrs. Bradner, Hohman, Croft.

DEPARTMENT OF HEALTH & WELFARE The Division of Environmental Health, General Administration, reflects an increase of 111.28% - from \$429,000 to \$906,400.

DIVISION OF ENVIRONMENTAL HEALTH Of this, \$155,400 are federal receipts, \$17,900 are program receipts, and \$733,100 from the general fund. Personal services is increased 107.98% - from \$332,000 to \$690,500.

General

Code 100:

Mr. Ray noted that \$154,500 of this is for reclassification of positions, salary increases, transfer of positions

from Public Health Administration. He noted there were a total of 14 new permanent full-time positions and three permanent part-time positions, totaling \$204,000.

Mr. Ray asked how many positions there are presently in Kenai. Mr. Anderegg replied there is one Sanitarian II, and they are asking for a Clerk Typist II for him.

Mr. Anderegg said they do have a supervising sanitarian who goes down to Kenai from Anchorage periodically.

SB 536

Mr. Anderegg referred to SENATE BILL NO. 536 (prohibiting water pollution) which provides that no person may pollute or add to the pollution of waters of the state by discharging from any vessel untreated ballast or tank-cleaning waste water. He said that if this bill passes it would be expected to assist in covering sanitations.

DIVISION
OF ENVI-
RONMENTAL
HEALTH

Mr. Ray asked if this is the same outfit that checks seafood. Mr. Anderegg replied yes, it is. They have two men specifically on seafood and are backed up by others. These two men are located in Juneau and Anchorage, although the position for Anchorage shows up under Kodiak in the budget, as of today he is in Anchorage. Anchorage is a transportation hub, he said, and with only 15% of the work load in Kodiak and having to travel to Anchorage to get anywhere else, they transferred the position to Anchorage for better coverage.

Mr. Borer asked why they need so many positions in

Juneau, and also Anchorage, as it doesn't seem to be too well balanced, and questioned the number of positions in Anchorage as the narrative in the budget said that the Greater Anchorage Area Borough Health Department is the only independent local health service developed within the state. Mr. Anderegg said the Greater Anchorage Area Borough has its own Health Department, and that the reason for the number of positions in the Anchorage office is because the regional office is located there and they cover Bethel, up the highway, the Kenai Peninsula, etc.

Code 200: Travel is increased 153.95% - from \$38,000 to \$96,500.

Mr. Ray noted that travel has increased at least two-and-a-half times since last year, and in answer to his question, Mr. Hall said they have over 2,000 days of travel listed here.

Mr. Anderegg said they have had very minimal travel over the past 15-20 years as they were largely limited to correspondence. He said that their telephone expenses under contractual services are also getting out of hand, yet this is the way they have had to operate with the lack of personnel. This request is really just a start at getting environmental controls in hand and protecting the environment here in Alaska. Any place they have people stationed, he said, in addition to other places, it will involve travel. Also the air rates are continuing

to rise, and he thought probably the per diem rates would rise as well as the number of days they will need. In addition, the North Slope will require three additional positions; this will involve keeping one or two men in Prudhoe Bay almost constantly although they will probably have to be based in Anchorage because of living conditions, and this travel will be costly.

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

Mr. Borer referred to what they had heard yesterday from the delegation from Valdez [see page 1105-1114 of the minutes], and said that in looking at the areas for which they are responsible, there is no indication anyone is going to be stationed in Valdez. He said he thought that it is going to be a tremendous operation.

Mr. Anderegg again referred to SENATE BILL NO. 536, and the fiscal note they have furnished on this, and said that the one position they have asked for will be stationed there in Valdez; however, the operation for TAPS is about two or three years off.

Mr. Borer said that if there isn't anyone there now seeing what the situation is under present conditions, how will they know the extent of the pollution, etc., involved in this operation. Mr. Anderegg said they have talked with the TAPS people and have proposed the most stringent water pollution control in the world. They

are working extremely close with the Federal Water Pollution Control Board both in Anchorage and Portland. The Senate Bill requires the vessels to come ashore with a full load of ballast, he said.

Mr. Croft wondered how the Division can stay on top of the matter in Valdez without a man there, and asked when they are going to start. Mr. Anderegg said he didn't believe they would need a man there full-time in 1971, that they may need one for the next budget, but not this one.

Mr. Ray asked if they have anything to do with the Mendenhall Valley, and asked when they are going to clean it up. Mr. Anderegg said they have started to, and have asked that there be no more building there until the sewer system is complete.

Mr. Ray said that this department has been in operation for a good many years and he felt they could have prevented this. He asked if they couldn't foresee what was going to happen there, and questioned the value of the whole program at the level they have been operating.

Code 300: Contractual services is increased 59.39% - from \$52,700 to \$84,000.

Mr. Ray questioned Code 310, Communications, and asked what their heavy reliance is on the telephone. Mr. Anderegg said this is due to the shortage of personnel and having to get work accomplished by sitting at a desk.

Mr. Ray asked if they couldn't do it by mail, and Mr. Anderegg replied no, that the Administrative Code says they have plans to review and gives them 30 days to review them, but he couldn't remember a time when they have ever had that much time. Talking with consulting engineers in Fairbanks and giving them instructions on whether they are approved or not approved is often necessary. Mr. Ray requested the staff to mark this item also for close examination by the committee. Mr. Ray then questioned the \$5,000 in Code 390, Other Contractual Services, and Mr. Anderegg said they have a matching grants program with the Geological Survey where they put up a like amount of money for such things as the exploration for a water system in Petersburg. This is a chance to let the federal government pick up half of the cost for this project.

Code 400: Commodities is increased 77.78% - from \$4,500 to \$8,000.

Mr. Ray noted that this increase is essentially supporting the new positions.

Mr. Borer questioned Code 490, Other Supplies, Materials & Parts, which they indicate is for the recurring cost of replacement of media for use in field water test kits for shellfish bed surveys, film and lenses for cameras to take pictures and prepare pictures for special studies of shellfish digging areas, salmon cannery and food processing plant inspections, waste and pollution studies normally accomplished by present staff and increased

studies by increased staff and particular emphasis on studies and reports to be developed relative to the North Slope and water pollution control activities. He asked if the shellfish situation is opened up in one area now, and asked if they are planning on handling this, putting someone down there where the action is if this develops on a major commercial basis. Mr. Anderegg said if and when this action develops they may have to put a person in the Cordova area.

Mr. Borer asked how much testing needs to be done, and Mr. Anderegg said they have the help of the Fish and Game biologists, sending samples to them, and the Public Health Service also. In making these tests it involves sacrificing a mouse for each test. They intend to take as many samples as required to monitor the program.

Mr. Ray asked about the clam beds in the vicinity of Juneau and Auke Bay. Mr. Anderegg said they are certifying beaches for razor clams, but not butter clams. He didn't think they could afford this kind of effort at this time since most of the beaches here are for butter clams.

Mr. Haugen asked why people eat them if they are high in toxicity. In some cases, he said, people die from eating them, but usually because they don't take care of them. He couldn't understand why they are not commercialized.

Mr. Anderegg said it is a matter of clams for personal use, if a person has taken care of them for a long time then they know how to get rid of the likely toxicity. Mr. Croft said that butter clams are most of the British Columbia clam market. Mr. Anderegg said they have a major control program and can also drive to the beaches. The beaches in this area are extremely difficult to get to.

Mr. Haugen said he is interested in the commercial angle. Razor clams occupy the same area as butter clams, he said, and there is a tremendous market. He asked why they couldn't make an effort to get the beaches for butter clams certified as well as razor clams. This would also assist in winter employment.

Mr. Anderegg said he thought that if this were to be permitted with an extreme minimum amount of inspection, it would put the entire industry at a considerable risk -- one flare-up and people would stop buying clams for a long time.

Mr. Haugen again stated that people are eating them now and it couldn't be that difficult to properly process them. He said they have been trying to get this program off the ground for a long time.

Mr. Ray said it seems like an awful lot of studies have been conducted on the toxicity in clams, especially butter clams. Mr. Anderegg said that in terms of

commercial clamming, there is a deeper reason. In order to harvest the shellfish and ship them intrastate and to all 49 states, they would have to become part of the Health, Education and Welfare Shellfish Sanitation Program. Some states will accept clams for market that are not a part of this program, but not too many and those states could stop at any time. Other states look to the Public Health Service to see if these are from approved states, and there is no way they could get Southeastern Alaska into that program.

Mr. Ray commented he thought Mr. Haugen was talking about intrastate sale of butter clams, and wondered what that would entail. Mr. Anderegg said they would have to set up a different set of standards. Mr. Ray said no, they would just want to know where the beaches are that are safe to dig butter clams.

Mr. Anderegg said it is their judgment they are not going to get the control until they have more monitoring of the beaches that would enable them to be assured which beaches are safe.

Mr. Haugen said that during the war they had to live off the land and they had to eat them then.

Code 500: Equipment is increased 922.22% - from \$1,800 to \$18,400.

Mr. Ray asked the staff to mark item no. 1 - three automobiles - for close consideration by the committee.

Mr. Anderegg said the only automobiles they are permitted

to lease are for the two new sanitarians for the Fairbanks area and they picked up a new sanitarian position in Anchorage a year ago with no accompanying vehicle.

Mr. Ray asked why they don't continue renting from the motor pool. He noted that under Code 900 they are requesting \$8,000 for car rental from the Highway Motor Pool. Mr. Anderegg said that these cars become a part of the motor pool the minute they buy them. Mr. Freer said that they buy cars and turn around and pay rent on them.

Mr. Ray said he thought the whole concept of the departments' buying and turning around and renting will have to be changed. Mr. Freer said that for the first year of the car there is a double cost. Mr. Ray said there is from then on, too.

Code 900: Inter-agency charges is increased from -0- to \$9,000. This is a new request and includes \$1,000 for Central Duplicating Services, and the \$8,000 referred to earlier for car rental from the Highway Motor Pool.

[TB Control] On another subject, Mr. Sackett asked Mr. Hall who died on the Burgess Construction job from tuberculosis. Mr. Hall said it was a man hired by the firm from within Alaska, and he had not had a physical. He said that he didn't know the name yet, but would check on that. [This was discussed during an earlier meeting - see pages 847-848 of the minutes. Since this meeting,

Commissioner Hall furnished the committee the information requested on this case, and it may be found on page 1139 of the minutes.]

Water
Pollution
Control

Water Pollution Control is increased 137.99% - from \$56,600 to \$134,700. Of this, \$19,600 are federal receipts and \$115,100 from the general fund.

Code 100: Personal services is increased 122.48% - from \$42,700 to \$95,000. Mr. Ray noted that \$16,600 of the increase was the net change in Employee Benefit costs from 14% to 12%, salary increases and reclassification, and replacement of lapse built into the 1970 budget (vacancy and turnover). Mr. Ray requested the staff to mark this item (their cost analysis) for close consideration by the committee. Mr. Anderegg said the new positions requested here are all for engineering. He said that there is a difference between the Sanitary Engineers and Sanitarians. They are having a fair amount of luck in recruiting Sanitarians, but even so they have an occasional problem in recruiting for the supervising sanitarian positions. They recently had a man come to Alaska to accept a position. He stayed 36 hours when he discovered what the housing problems were. Mr. Anderegg said they have been looking for qualified engineers for some time and they are in extremely short supply. In November, he said, Personnel approved a substantial increase in the pay levels; however, these increases are still just to bring them up with

other competitors outside. When they have to attract scarce professionals, salary levels have to come up or they will not get qualified people.

Mr. Anderegg said that two of the three new positions requested are clerical, the program as developed two years ago had no clerical positions in it.

Code 200: Travel is increased 100% - from \$10,000 to \$20,000.

Mr. Ray noted that since the first year of operation they have doubled their travel, and asked the staff to mark this item for close consideration by the committee.

Code 300: Contractual services is increased 420% - from \$2,500 to \$13,000. Mr. Ray noted the heavy telephone use reflected in Code 310, Communications, which has doubled.

Code 400: Commodities is increased 177.78% - from \$900 to \$2,500.

Mr. Ray said their only justification is additional employees. Mr. Anderegg said they are just beginning to hold more Water Pollution Control hearings for permits for waste discharges. They had two in the last year which involved a substantial amount of time. Tosoro was one, Phillips Petroleum, and there will be others. Previously, he said, these were not held at all, hence the relatively low figure in the past.

Code 500: Equipment is increased 640% - from \$500 to \$3,700. This is for the new positions.

Code 900: Inter-agency charges is increased from -0- to \$500. This \$500 is for car rental from the Highway Equipment Pool.

Grants -
Water and
Sewer

SB 377

Grants - Water and Sewer is increased from -0- to \$2,000,000. This is all from the general fund.

Mr. Anderegg referred to SENATE BILL NO. 377 (concerning grants and loans for water supply and sewerage systems) and said that this would provide that the department may pay, as funds are available, 25 percent of the estimated reasonable cost, as determined by the Secretary of the Interior, of each waste treatment works project approved for a federal grant by the Federal Water Pollution Control Administration and on which construction was initiated after June 30, 1966. As funds are available, the department may lend on an interest free basis for a project approved after June 30, 1970, any part of an anticipated federal grant. Any money received from the Federal Water Pollution Control Administration for the project after the loan is given must be used to repay the loan, but the loan need be repaid only to the extent of such federal assistance. Also, the department may pay to any municipality, as funds are available, up to the lesser of 25 percent of the estimated cost or 50 percent of the estimated cost not borne by the federal government, if there is federal assistance, of water systems and of those portions of sewerage systems not covered by (a) of this section. The estimated cost of any part of a system will be as determined by the federal agency, if any, which gives the most monetary assistance, or if none, by the

department.

Mr. Anderegg said that in the case of sewage treatment, this will enable from 30 percent to 55 percent. Twenty-five percent state - 55 percent Federal; for example, the citizens of Juneau would pay 20 percent if the Federal allocation of \$1.6 million is released by the President. He said they have asked for \$10 million to support this 25 percent state matching funds. Two million dollars is here in the budget and \$8 million is in the bond issue bill, SENATE BILL NO. 441, to be voted on next November, if it passes the Legislature. The \$2 million would help get this program off the ground and carry it until the November election.

SB 441

[SENATE BILL NO. 441 is an act relating to a debt of the state; providing for the issuance of general obligation bonds in the amount of \$8,000,000, for the purpose of paying the cost of acquiring, constructing and equipping and making other capital improvements for water supply and sewerage system.]

Mr. Ray asked what would happen if SENATE BILL NO. 377 or SENATE BILL NO. 441 would not pass. Mr. Anderegg said in either case there would be no state grants until one of the bills passes. Mr. Croft asked about the bill to remove the exemption that presently

exists under the Federal Water Pollution Act. He wanted to know if that exemption was removed, would that increase the action. Mr. Anderegg said if it is not removed there will be no federal grants for sewage treatment. The Federal Water Pollution Control Administration administers grants for sewage treatment. Mr. Anderegg discussed the types of sewage systems, and said an interceptor sewage is needed and that is part of the sewage treatment plant. Those things are subject to 25 percent state grant, others, e.g., sewer collection system might be financed by Housing and Urban Development, Farmers Home Administration or some other agency. If the federal grant is 50 percent or less those will get full 25 percent.

Mr. Croft asked if the state doesn't pay that exemption will they lose the treatment part of it. Mr. Anderegg said the Department of Interior expects the state to see that this exemption is removed. Mr. Croft asked if it is removed, will that necessitate more people in the division. Mr. Anderegg said no, the budget before the committee is predicated on it being removed.

SB 192

Mr. Croft referred to SENATE BILL NO. 192 (relating to registration of qualified sanitarians), and asked what is the need for that bill. Mr. Anderegg said this bill was introduced by professional sanitarians and

is a professionalism measure, just as for professional engineers, lawyers, etc. This is a bill to inspire well qualified people to come to Alaska, to improve the status of the sanitarians in Alaska, and he felt that a bill to provide for this is desirable.

Mr. Croft asked Mr. Anderegg to review SENATE BILL NO. 192, and report to the committee on it.

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

STATE OF ALASKA

KEITH N. MILLER, GOVERNOR

DEPARTMENT OF HEALTH AND WELFARE

OFFICE OF THE COMMISSIONER

POUCH H - JUNEAU 99001

MEMORANDUM

TO: The Honorable Bill Ray
Chairman, House Finance Committee

FROM: Robert A. (Bert) Hall *Hall*
Deputy Commissioner
Department of Health and Welfare

SUBJECT: Requested Information on TB Death at Livengood

DATE: March 31, 1970

During the hearing on the Public Health budget, a Committee member requested information relative to a recent death of a construction worker at the Burgess Construction Company, Livengood. Information was requested as to whether this man had been previously examined, was from out of State, or had a chest x-ray prior to employment.

At the time of the hearing, preliminary information suggested the likelihood of tuberculosis being the cause of death. Microscopic studies have not yet confirmed the presence of tubercle bacilli in this man's lung tissue. Consequently, the material is being cultured and will take up to six weeks to determine whether or not tuberculosis was the cause of death.

This individual was new to the Fairbanks area. He previously worked out of Anchorage or Juneau. He did not have a pre-employment x-ray or medical examination. He commenced work on October 12, 1969 at Livengood and bunked with one roommate. There were ten other associates in the work crew. All of the men have now been skin tested for tuberculosis and x-rayed if indicated.

This death, however, underscores the need for strict enforcement of the requirement that importees from other states be examined for communicable disease prior to employment in Alaska.

RAH/DKF/be

cc: Division of Public Health

After Recess
10:15 a.m.

Mr. Borer was excused for a meeting of the House Special Monetary Committee.

HB 584 Mr. Ray moved and asked unanimous consent that the committee consider HB 584 (Appropriation \$25,000 - Alaska State Museum). No objection, so ordered. Mr. Ray read the recommendations [see page 1148] from Jane Wallen, Director of the Museum. The staff was asked to incorporate this in a committee substitute and they would work on the bill later in the day.

Bill
Assign-
ments

Mr. Ray gave out the following bill assignments:

HOUSE BILL NO. 492 (Women in the Alaska Militia) Mr. Croft

SENATE BILL NO. 463 (Public employees' retirement system) Mr. Ray

SB 72am Mr. Croft moved and asked unanimous consent that the committee consider SENATE BILL NO. 72 am (Construction of Public Libraries). No objection, so ordered. Mr. Croft said he had prepared a HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 72 that would allow the Director of State Libraries to administer these funds and also to change the matching amount from 40% to 25%. Mr. Ray wanted to know why he wanted to change the matching ratio and Mr. Croft said that since this covered all libraries in the state it would help in the rural areas where they only

4/1

have to provide 10 percent. Mr. Ray requested that the HCS for SB 72 be changed back to the 40% ratio in matching funds and there was no objection.

Mr. Ray wondered if they should consider SB 199 which was the funding measure for SB 72 am, and Mr. Croft felt it could be funded in the budget. When queried on HB 601 and HB 602, Mr. Croft said they would only help rural libraries but HCSSB 72 am would help all areas in the state.

Mr. Croft then moved and asked unanimous consent that the committee report out HOUSE CS FOR SB 72 with individual recommendations. HCS FOR SB 72 was reported out with all members [except Messrs. Borer and Bradner who were absent] signing that SB 72 am be replaced with HCS FOR SB 72 and that it be reported back without recommendation.

HB 175 Mr. Ray moved and asked unanimous consent that HOUSE BILL 175 (Overtime pay for state employees) be brought before the committee for consideration. No objection, so ordered. The committee discussed several points that had been brought out in yesterday's meeting on HB 175 and it was decided to report this out in committee substitute form. Mr. Ray moved and asked unanimous consent that CSHB 175 be adopted in lieu of HB 175 and that it do pass. Mr. Haugen objected and signed "do not pass," with the rest of the committee signing "do pass."

4/1

HB 176 Mr. Ray asked the committee if they wanted to consider HB 176 (compensation for accrued sick leave) and it was decided that it was impractical at this time, so it was returned to files.

Mr. Croft moved and asked unanimous consent that the committee consider introducing a HOUSE CONCURRENT RESOLUTION [later numbered HCR 59] to commend Chief Justice Buell Nesbett for his many years of service to the state. The committee decided to sponsor the resolution and it was reported out with a unanimous do pass.

HB 760 Mr. Croft moved and asked unanimous consent that the committee consider HOUSE BILL NO. 760 (disabled veterans - free license plates). No objection, so ordered. Mr. Ray thought allowing this for a veteran with only a 50% disability was a bit low, and suggested it be changed to 75% disability and that it also be limited to one free set per year. The staff was requested to call Mr. Snow and get a new fiscal note on how much revenue would be lost to the state. Mr. Croft then requested that a committee substitute be drafted with Mr. Ray's suggestions incorporated into the substitute and that the committee adopt CSHB 760 in lieu of HB 760 and report it out with a "do pass" recommendation. No objection so ordered.

HCR 40 Mr. Croft requested that the committee consider HCR 40 (development of training programs in oil drilling operations for people of Alaska's Arctic). Mr. Ray asked that

4/1

it be held in abeyance until later in the day.

Mr. Dale Wallington, Deputy Commissioner of the Department of Natural Resources arrived in the committee to testify on the various "park" bills now in the committee.

Mr. Ray suggested that the first bill to be considered
SB263am should be SB 263 am (Battery Point State Recreation Area).

Mr. Wallington told the committee that his department was presently working on an expansion of the Chilkoot Lake area just out of Haines and that they would like to see this other area (Battery Point) set aside for future development not only for tourists but with the thought of a recreational area for people of Haines.

Mr. Ray inquired about the cost and Mr. Wallington said that right now it wouldn't cost anything but in future expansion it will cost about \$50,000 the first year to develop the plan. He said they have a five-year plan laid out with bond money and federal money and this area is not on the program for another six years, even if the area is established via SB 263 am. It is the only area in Haines that is available for this kind of development and the people understand that it will be six years unless the department were to juggle priorities. Mr. Ray wondered about the possibility of doing that, and Mr. Wallington said that they have a statewide comprehensive plan for the next five years where all the money is allotted and he

aidn't think it would be likely that this plan would be changed; however, if the legislature so deemed it, Mr. Wallington said it could be done by a letter of legislative intent. Otherwise, the plan stays the same. He said the only park they have presently developed is the Nancy Lake area.

LEGIS.
INTENT

Mr. Ray requested that the staff note for the official letter of LEGISLATIVE INTENT that priorities on the state parks shall remain the same as the Department of Natural Resources has outlined in its five-year plan. No objection so ordered.

It was then moved and unanimous consent was asked that SB 263am be reported out of committee with a "do pass" recommendation. No objection, so ordered.

SB 388am It was moved and unanimous consent was asked that SENATE BILL 388 am (creating the Chugach State Park) be considered by the committee. No objection so ordered. Mr. Wallington said the department did not oppose this bill, per se, but they would like to see it amended in Sec. 41.20.190. At the end of the section on DESIGNATION OF MANAGEMENT RESPONSIBILITY, he would like to see the following amendment added:

If, in the exercise of management responsibility under this section, conflicts of land ownership, jurisdiction, or authority are unreconcilable or unmanageable other than an unreasonable cost and expense to the state, the commissioner after public

hearing in accordance with AS 44.62 may modify the boundaries of the Chugach State Park not to exceed 20 percent of the total acreage described in sec. 180 of this chapter.

Mr. Wallington said this amendment would give his department the authority, when they run into management problems or private problems, to modify boundaries of the park up to 20 percent.

Mr. Wallington told the committee that he felt they should give some consideration to the fact that the state only has 5 million acres, and this park is approximately 600,000 acres. What with the land that very likely will be taken by Native land claims, and 30,000 acres for Kachemak Bay state park, the state could find itself in the position of tying up a good portion of its lands. Mr. Bradner thought this might force the federal government into loosening up some of the federal land, but Mr. Ray thought this was a weak argument. Mr. Wallington pointed out that the federal government has already tied up many millions of acres in Alaska in park areas, e.g., Mt. McKinley, Glacier Bay, Arctic Wildlife range, etc. Mr. Bradner argued that that was all well and good but it was not accessible to people unless they were rich. He thought these parks should be closer to the urban areas, and Mr. Croft concurred. He said it would be nice to be able to go to a park without having to drive 200 miles.

Mr. Croft emphasized that the people in Anchorage would

like a state park and Mr. Ray said he had no objection. Mr. Wallington assured the committee he did not either; he did feel, however, that it should be on a planned basis. Mr. Croft said they asked in 1958 for a park in Anchorage and it took until 1969 to get any kind of plan on board so he felt if they waited for a plan, they would wait forever.

Mr. Wallington said he had no objection; he was simply telling the committee the facts as they see it in his department.

There being no further discussion it was moved and unanimous consent was asked that SB 388 am be reported out with the amendment as shown on page 1144 and be signed with individual recommendations. SB 388 am by House was reported out as follows:

Do Pass: Messrs. Hohman, Croft, Bradner, Sackett

No Recommendation: Messrs. Ray and Haugen.

[See pages 1149 and 1150 for letter dated April 1, 1970, from Mr. Wallington setting forth his views on SB 388.]

HB 647 Mr. Ray moved and asked unanimous consent that the committee consider HB 647 (Creating Kachemak Bay State Park). No objection so ordered. Before acting upon HB 647 the committee had various comments to make about the progress of the Nancy Lake area. Mr. Ray wanted to know how much HB 647 would cost, and Mr. Wallington said there was no money involved. It was then moved and unanimous

consent was asked that HB 647 be reported out with a "do pass" recommendation. There was objection and Mr. Ray signed: "Do not pass unless multiple-use" and Mr. Haugen signed "do not pass." Messrs. Hohman, Croft, Bradner and Sackett signed "do pass."

SB 457 It was moved and unanimous consent was asked that the committee consider SENATE BILL NO. 457 (changing the description of certain state-owned lands and waters presently in use as a public recreation area). No objection, so ordered. Mr. Wallington said this was a personal interest bill for a man named Mr. Teuer and in order to make a compromise with him the House Resources committee had come out with a committee substitute that would take care of Mr. Teuer's problem and still protect the Department of Natural Resources. Mr. Ray asked if this involved any money and Mr. Wallington said no. Thereupon, Mr. Ray moved and asked unanimous consent that the committee recommend adopting Resources HCS FOR SB 457 in lieu of SB 457 and that it be reported out with a "do pass" recommendation. No objection so ordered.

SB 461 It was moved and unanimous consent was asked that the committee consider SB 461 (making certain appropriations - Skagway and Kotzebue - for claims arising from prior years). Mr. Hohman said this was identical to HB 612 [see pages 402, 659, 661-663, and 1087-1088 of the minutes for discussions on HB 612] Mr. Hohman then moved and asked unanimous consent that SB 461 be reported out of committee with a "do pass" recommendation. No objection so ordered.

Recess: Meeting recessed until 1:30 p.m.

from John Willson

Recommendations on \$50,000 requested by Frank Peratrovich (HB 584) for work on totem parks in Saxman, Klawock and Hydaburg, as well as for Wrangell.

Initially HB 584 was introduced with a request for \$25,000 for Hydaburg, Klawock and Saxman. It was then amended to a \$50,000 request with Wrangell included as an area to be covered by the bill.

Essentially there are two kinds of material which would be affected by this bill.

1. The majority of the material is relatively new and was produced during the CCC work projects which were undertaken in all of the four communities in the late '30's and early '40's. Generally speaking the quality of the work produced (mainly totem poles) is not exceptional; however, the totem parks definitely have a strong recreational and tourism value, and should be recognized as such.
2. At Wrangell there are three original totem poles, and four original house posts which are of historical and esthetic significance. The house posts are some of the oldest documented totemic art now in Alaska and as such require the careful handling which is inherent in an effective museum program. (This material has an historical, as well as recreational and tourism value).

It is my recommendation that \$25,000 be appropriated to the Division of Parks and Recreation, Dept. of Natural Resources, for the work necessary to effectively care for the poles in the totem parks at Hydaburg, Saxman and Klawock. Essentially this will involve treating the poles with pentachlorophenol and perhaps reinforcing the bases for the poles. It will not include the painting of the poles as painting has significantly speeded up the decay of the poles in many instances.

It is my recommendation that \$25,000 be appropriated to the State Museum, Office of the Governor, for the work necessary for the long range preservation of the original totemic art in Wrangell. The four house posts mentioned above are housed in the Community House at Shakes Island. Dr. Joe Clark, woods pathologist with the U. S. Forest Products Laboratory in Madison, Wis., and Wilson Duff, Assistant Prof. at the University of British Columbia have both made the following recommendations concerning the long range preservation of the material at Shakes Island:

1. A moisture barrier should be installed under the floor to prevent deterioration of wood by condensation from the ground.
2. A new roof should be installed, and the entire building then equipped with a sprinkler system.
3. The four supporting houseposts and main members of the building should be intensively treated with pentachlorophenol.
4. Barriers should be installed in the house so that the four original houseposts from Wrangell will be effectively protected from the viewing public.

STATE OF ALASKA

KEITH B. HILLEN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

POUCH 11—JUNEAU 99601

April 1, 1970

The Honorable Bill Ray
Chairman, House Finance Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. Ray:

It is impossible to prepare the conventional fiscal note on the Chugach National Forest legislation, Senate Bill 388, because there has been no development plan presented on this Act. The bill simply delineates the area of the park based on the available State land selections in the area, however, I can give you some estimated costs based on the State's planning for a Chugach Mountain recreation area. Prior to the submission of legislation creating this park, the State had put in their 70-71 fiscal year budget a sum of \$50,000 for developing a master plan for the area. We have planned for a sum of \$1 million for the time period 73-75 for the construction of access roads, parking, and campground areas. The time gap between the planning and construction represents the period in which we would have submitted a request for legislation creating this park.

Our concept of the use of the area was primarily for trail related activities including hiking, bicycling, snowmobiling, horseback riding, and cross-country skiing. We had hoped to develop in the near future under the National Trails Act the Iditarod Trail which is located in a portion of this proposed Chugach Park. Our plans include \$100,000 for the development of 20 miles of trails in this recreation area under the National Trails Act.

For your information and consideration, if you so desire, I submit some horseback guesses on the ultimate cost of developing the Chugach Park Area. The sponsors have testified that the area contains approximately 500,000 acres, a portion of which would be set aside as a wilderness area and a portion of the park as a scenic area. Only the peripheral areas of this dedicated area would be developed for recreation.

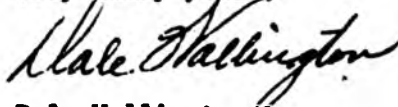
The Honorable Bill Ray
Page 2
April 1, 1970

If we make the assumption that only a quarter of this area of 500,000 acres will be developed for recreation, we are talking in terms of developing 125,000 acres. Since we have no plan of development, we can perhaps assume that the Chugach area would be developed similar to our Nancy Lake State recreation area. This area contains 21,000 acres, or approximately 1/6 of the Chugach Park.

The Nancy Lake Recreation area is planned for a total expenditure of some \$14,000,000 over a 15-year period. These figures were prognosticated some five years ago on cost developed at that time. Since then the cost of developing one campsite has jumped from around \$400 per unit to \$1500 per unit. Therefore, we can estimate that the ultimate development cost of the Chugach State Park area would be in the vicinity of \$100,000,000 over a 10-15 year period.

I am sorry that I cannot furnish you definite figures on development costs but without at least the preliminary plan such estimates are impossible.

Very truly yours,



Dale Wallington
Deputy Commissioner

After Recess
1:30 p.m.

Present: All members with exception of Messrs. Borer, Bradner and Sackett. Also present were Dr. Hartman, Commissioner of Education, Mr. Craft, Director of Vocational Rehabilitation, Mr. James, Assistant Director of Vocational Rehabilitation, Mr. Preimo, Deputy Director of State Operated Schools,

and Messrs. Noerem and Freer of Budget and Management.

DEPT.
OF
EDUC.

Mr. Ray read a letter describing the school in Tenakee and giving certain figures about the number of students, the

VOC.
REHAB.

people working there, etcetera. Dr. Hartman said that he had been in Tenakee recently and did not perceive the

General
Program

situation the same way that the person writing the letter had, but he agreed to look into the matter further and

100:

give the Chairman a report on it.

Turning then to the budget for the Department of Education, Mr. Ray said the committee would start with Vocational Rehabilitation.

The 1969-70 authorization for Personal Services in the General Program in Vocational Rehabilitation was \$528,900. The Governor's request is \$943,500, which is an increase of \$414,600 or 78.39%. Looking at the cost analysis for the increases, Mr. Ray noted that \$102,170 is due to a two range salary reclassification for all professional positions, plus salary increases per CH. 101, SLA 1969. Mr. Craft said that about two years ago they requested the Division of Personnel to give consideration to bringing the professional positions into alignment to help meet the problem of staffing. About a year and a half ago they

launched a formal
reclassification and salary survey of the agency. It did result in most of the professional positions being upgraded two grades. There were a few exceptions. This budget reflects these reclassifications, he continued. This puts Alaska in a competitive position with other states and they are now able to maintain most of their positions full strength with competent rehabilitation counsellors, he said. They had been having tremendous turnover. Mr. Ray asked if they are now in a competitive position with the rest of the labor pools, and Mr. Craft said yes. He said that as a matter of fact many of the states are coming to Alaska now for a copy of the results of this study in terms of the Division's having created a current level which enables them to bring people in below the Baccalaureate level^{in trainee positions} and move their counsellors eventually into full counsellor status. They have counsellors I to IV which maintains an adequate ladder for current employment.

Mr. Ray noted the difference between a counselling position in Ketchikan and one in Tacoma, the Ketchikan position being much higher, and Mr. Craft explained that is due to the 25% difference set up by the federal government.

There was some discussion on the additional \$1,000,000 they are requesting from the federal government. The present minimum for each state is \$1,000,000 and they

are trying to get it increased to \$2,000,000.

The 17 new positions they have requested for the five branch offices in Bethel, Nome, Kodiak, Kenai and Sitka are dependent on this additional money. Mr. Craft said that obviously if they don't get the extra money from the federal government they will be unable to bring services to these areas; they will have to continue to serve them transiently. Mr. Croft asked when they expect to know about the increased federal funding, and Mr. Craft said not before July. He said that he was in Washington D.C. five weeks ago and the Congressional committee with whom he has been working suggested that they consider the \$1,000,000 only as a "stop gap" minimum and he said that it was also suggested to him that he solicit endorsement of the other state directors because if they change the minimum from \$1,000,000 to \$2,000,000 it will take some \$3,000,000 to \$5,000,000 off the top for the states involved. On the 25th of February he was asked to meet with the the public policy committee of the Council of State Directors. He was dubious about their acceptance of his rationale in this matter, since some of the states were at more of an advantage under the present formula, but he was surprised by their acceptance and the fact that they even moved and seconded to adopt \$2,000,000 as a minimum. Mr. Croft felt that if they didn't hear until July at

the earliest, it would be several months before they would be able to have the positions on the line, and he indicated that he felt perhaps the state should fund Vocational Rehabilitation with whatever they felt would be a reasonable amount for a good program, and then the state money would lapse if the federal money came through. This way the Division can plan for the coming fiscal year instead of not knowing. Mr. Craft said that this does make it a rather tricky, difficult way to run a program.

Mr. Thomas came in at this time. Dr.

Hartman said, however, that this is the way that federal programs in many agencies and divisions must operate. Mr. Croft said that it seems to him, however, that this is a year in which the question of federal funding is really in a turmoil. Mr. Craft mentioned that they were actually cut a couple months ago about \$90,000 of their allotment. He said that if the \$1,000,000 doesn't go through it will be difficult to maintain even the same level of program without additional monies. Mr. Craft mentioned, too, that he has been asked why Alaska, with its \$900,000,000 doesn't assume the cost of these programs itself. He said that he has responded that the state's attitude is the same as Texas and Oklahoma when they struck oil that they would not withdraw from

federal support funds just because they had funds of their own.

200: The 1969-70 authorization for Travel was \$30,200.

The Governor's request is \$44,100 which is an increase of \$13,900 or 46.03%. Mr. Ray asked if this is to carry out the program, and Mr. Craft said yes.

300: The 1969-70 authorization for Contractual Services was \$64,500. The Governor's request is \$267,500, which is an increase of \$203,000 or 314.73%. Mr. Ray asked about Code 390, Other Contractual Services, which is \$150,300 for facility establishment grants. Mr. Craft said that they have made a strong beginning in this fiscal year in terms of basic program support of their first workshop effort in Anchorage which is the Vocational Rehabilitation Clinic which is an incorporated body which runs the workshop which is really an arm of Vocational Rehabilitation. He emphasized the importance of workshops and facilities to any rehabilitation program, and also stated that there is a dearth of such facilities or workshops. The Hope Center was launched under the Fairbanks Rehabilitation Association and they are pretty well "squared" off now. Vocational Rehabilitation is providing some support this year in terms of staffing. Vocational Rehabilitation has just made a staffing grant to the Ketchikan Habilitation House. He said that these all are modest beginnings. He said that they had hoped that they would be able to get a \$1,000,000

facility this year with a federal grant but the federal administration this year knocked out that section of the grant and so the project couldn't go on. He said that the rehabilitation facility program they are trying to get operating in Alaska is no where near what is needed, but it is a beginning. Mr. Croft asked how it happens that there are any funds authorized in this section for the current fiscal year. Mr. Ray said this is a new program. Mr. Craft explained that they didn't have this authorization when they drew up the budget one and a half years ago. They were permitted to utilize up to 10% of their \$1,000,000. The Chugach Association Grant is a different section of the grant and they got that in lieu of their plan to go for a large facility this year. When they learned of their cutback he [Mr. Craft] went to Washington, D.C. and talked to officials there who tentatively committed themselves to ^a \$75,000 grant from the Chugach Vocational Association, and that just became operational in January.

Mr. Croft asked if the Alaska Retarded Childrens Association mentioned under facility establishment grants has anything to do with the Department of Health and Welfare program, and Mr. Craft said that it is an entirely different program.

- 400: The 1969-70 authorization for Commodities was \$4,600. The Governor's request is \$7,100, which is an increase of \$2,500 or 54.35%. Mr. Craft said that this reflects the absorption of two special projects and Statewide Planning by the General Program and the increase reflects new positions. Mr. Craft explained that a couple years ago they were unable to fund some of their programs because of a basic inadequacy of funds, and they went to the Commissioner of Rehabilitation Service Administration and got separate funding of \$77,000 in one case and \$93,000 in another on a three-year expansion grant. These grants have now run out and so are being absorbed into the General Program.
- 500: The 1969-70 authorization for Equipment was \$11,300. The Governor's request is \$21,300 which is an increase of \$10,000 or 88.5%. The majority of this is for new positions, Mr. Ray noted.
- 700: The 1969-70 authorization for Grants, Claims and Shared Revenue was \$609,000. The Governor's request is \$1,261,200 which is an increase of \$652,200 or 107.09%. This is for direct case services to clients, and Mr. Craft said there are many new clients.
- 900: The 1969-70 authorization for Inter-Agency Charges was \$4,000. The Governor's request is \$105,000 which is an increase of \$101,000 or 2,525%.

Rehab. Mr. Ray asked who selected the Ketchikan project, the
Facilities

300: Administration or Vocational Rehabilitation. Mr. Craft
said that they have a branch office in Ketchikan, and
the community has attempted to develop a habilitation
house there. They have had only reasonable success
until recently. OVR called in at federal expense a
technical assistance man and he came up for two or three
days and made some firm recommendations on what might
be done there. OVR has helped out the habilitation
house with staffing grants to actually get this started.
Mr. Ray asked what the city itself puts in. Mr.
James said that in the first year they are not asked to
contribute. Each year from then on they are to take over
an increasing amount of the funding. Mr. Ray expressed
the feeling that in Juneau where the community has taken
an interest and developed a habilitation house perhaps
the money could be utilized better than starting a new
house somewhere. Mr. Craft explained that the Ketchikan
habilitation house has also been going for a while and
was started by the community who has had to struggle to
keep it going - that the Ketchikan facility is not new
but is just new to OVR.

700: The 1969-70 authorization for Grants, Claims and
Shared Revenues was \$12,100. The Governor's request
is \$18,300 which is an increase of \$6,200 or 51.24%.
This again is direct services to clients, Mr. Ray noted.

He further noted that he has run across this Ketchikan facility three or four times in the budget, and Mr. James explained that he was referring to the mental health facility apparently, because he said this habilitation house is not in the budget in three or four different places.

South-central Project

This has been eliminated, Mr. Craft said. Mr. Croft asked for an explanation of this, and Mr. Craft said that this was a five-year project which was referred to as the "Earthquake Project" by the people at OVR. He said this has been the project out of which they have developed their whole program. Most of these other things like special aid projects, psychiatric hospital project, public defender, and refinement of the total program and statewide planning have all come out of resources made available to OVR on this five year basis. They are just now writing a final report on this.

Mr. Bradner came in at this time.

Dr. Hartman said that most of the aspects are now woven into the total general program. Mr. Craft said that they have not abandoned any programs that developed from this.

Training Grants

Mr. Craft explained that this is a special grant made to Alaska by the region to help assist in professional training of their staff. Some of it involves travel.

200: There is a \$2100 authorization by the Governor for Travel. There was no authorization last year.

300: The 1969-70 authorization for Contractual Services was \$2,000. The Governor's allowance is \$1700 which is a decrease of (\$300) or (15%).

OVR or request
Special There is no allowance/for this program for 1970-71.
Ed Mr. Craft explained that this is one of the programs which has been absorbed.

Comp. There is no request for Comprehensive State Planning
State
Planning for 1970-71.

Disability
Rehab. Mr. Craft said that this \$25,000 program is 100% federally funded, by the Social Security Administration.

Disability
Determina- The 1969-70 authorization for Personal Services in
tion Disability Determination was \$26,300. The Governor's
100: request is \$35,000, which is an increase of \$8,700 or 33.08%. Mr. Craft said this is for one additional staff member, 10% of which is charged to this program. \$7700 of the increase is charged to reclassifications and salary increases.

200: The 1969-70 authorization for travel was \$2,300. The Governor's request is \$2,200 which is a decrease of (\$100) or (4.35%).

300: The 1969-70 authorization for Contractual Services was \$8,100. The Governor's request was \$8,800 which is an increase of \$700 or 8.64%.

400: The 1969-70 authorization for Commodities was \$300. The Governor's request is \$300, also.

500: The 1969-70 authorization for Equipment was \$300.

There is no authorization for 1970-71.

700: The 1969-70 authorization for Grants, Claims and Shared Revenue was \$17,000. The Governor's request is \$23,200, which is an increase of \$6,200 or 36.47.

Recess: Meeting recessed at 2:30 p.m. for five minutes.

AFTER RECESS
2:45 p.m.

VOCATIONAL EDUCATION

General Program The 1969-70 Authorized is \$2,241,300 and the Governor's Request is \$2,279,900 which is an increase of \$38,600 or 1.72%.

100: The 1969-70 Authorized is \$245,000 and the Governor's Request is \$209,600 which is a decrease of (\$35,400) or (14.45%).

Mr. Preimo explained that the reduction in personnel is due to the transfer of three positions in Research Coordinating Unit which have been transferred to General Administration.

Mr. Ray said then they are actually not saving money -- just transferring. Mr. Thomas said they have actually dropped two of these positions.

200: The 1969-70 Authorized is \$50,000 and the Governor's Request is \$35,200 which is a decrease of (\$14,800) or (29.60%).

Dr. Hartman explained that they had a shift of positions and these positions were now shown in their specific programs.

300: The 1969-70 Authorized is \$75,500 and the Governor's Request is \$16,500 which is a decrease of (\$59,000) or (78.15%).

400: The 1969-70 Authorized is \$8,600 and the Governor's Request is \$5,500 which is a decrease of (\$3,100) or (36.05%).

500: The 1969-70 Authorized is \$2,000 and the Governor's Request is \$2,600 which is an increase of \$600 or 30%.

700: The 1969-70 Authorized is \$1,805,600 and the Governor's Request is \$1,913,700 which is an increase of \$108,100 or 5.99%. In answer to Mr. Ray, Dr. Hartman said they had been over estimating the federal amount and this year they had tried to put in a more realistic figure.

Mr. Ray pointed out that the 1968-69 amount for the total budget, including federal funds, was \$1,727,632 and this year although the program has only increased approximately \$500,000 the general fund portion has increased by \$750,000.

900: The 1969-70 Authorized is \$54,600 and the Governor's Request is \$96,800 which is an increase of \$42,200 or 77.29.

Community College This is shown under code 700, grants, claims and shared revenue. The Governor's Request is \$559,000.

Mr. Preimo explained that in the past they have only had a token reimbursement to community college and that they felt they should have their own budget. Mr. Preimo said that this represents only the program in the general budget and that they had included a professional person to work with these community colleges.

There was an error on page 414 and Mr. Freer explained that the totals at the bottom of the page should be \$376,400 and \$559,000 in all three columns.

M.D.T.A. The Governor's Request is \$690,000.

Mr. Preimo said this is the same proposal as last year's budget and is fundamentally the same budget with no increase.

100: He said there is one new position requested. The Governor's Request is \$67,200 for personal services, code 100. He said the new position, Education Specialist, was established for the purpose of providing coordination of CAMPS programs between state and federal agencies.

Mr. Ray asked if this was a 10 to 1 match program and Mr. Preimo answered yes.

200: There is \$12,800 in the Governor's Request for travel.

300: The Governor's Request is \$6,200 for contractual services.

400: The Governor's Request is \$4,300 for commodities.

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

700: The Governor's Request is \$591,300 for grants, claims and shared revenue.

900: The Governor's Request is \$5,000 for inter-agency charges.

Community Program The Governor's Request is \$237,200.

Mr. Preimo said this was formerly under the Instructional

100: Services area. He said one new section was the Title III NDEA Industrial Arts. There are three new positions requested and Mr. Preimo said that the Industrial Arts Supervisor is established for the purpose of giving direction to the Industrial Arts area in elementary, junior high and high school. Mr. Ray asked where this position will

be located. Mr. Preimo said this person will go all over the state.

Mr. Preimo said that the Adult Basic Education program is identical to last year's budget.

Mr. Haugen asked if in order to have industrial arts they needed to have facilities to provide this. Mr. Preimo said that most of the schools have industrial arts but not industrial education.

Of the three requested new positions, one is for an Assistant Fire Marshal, which is a position that was mandated by the legislature for 1970 and has been on a contractual basis. This should be brought into the classified service for more continuity of programming. A Clerk Typist II is also requested as a secretary back-up position for the Assistant Fire Marshal.

The Governor's Request for personal services is \$65,600.

200: The Governor's Request for travel is \$12,500.

300: The Governor's Request for contractual services is \$4,000.

400: The Governor's Request for commodities is \$1,800.

500: The Governor's Request for equipment is \$1,200.

700: The Governor's Request is \$132,200.

900: The Governor's Request is \$20,200.

Skill Center The Governor's Request is \$1,090,500.

In answer to Mr. Ray, Mr. Preimo said that most of this program is 10 to 1 matching, although some of it is 100% federal funds.

In answer to Mr. Haugen, Dr. Hartman said the students are selected for the Skill Center by various methods and this selection is done primarily by the Department of Labor. He said that Vocational Education is merely operating the center.

100: The Governor's Request is \$339,200.

200: The Governor's Request is \$9,400.

300: The Governor's Request is \$269,800.

400: The Governor's Request is \$421,300.

500: The Governor's Request is \$39,500.

900: The Governor's Request is \$12,300.

REGIONAL SCHOOLS

Director's Office The Governor's Request is \$50,200.

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

Mr. Thomas explained that this program has been in the State Operated Schools for the last two years but it has been broken out and is shown as a new program.

100: The Governor's Request is \$34,800 for personal service.

200: The Governor's Request is \$6,500 for travel.

300: The Governor's Request is \$2,900 for contractual services.

400: The Governor's Request is \$400 for commodities.

500: The Governor's Request is \$600 for equipment.

Boarding Home The 1969-70 Authorized was \$1,107,700 and the Governor's Request is \$1,824,800 which is an increase of \$717,100 or 64.74%.

Mr. Thomas said there are dormitories opened at Kodiak and Nome and in addition there are about 600 to 650 boarding home students which takes a lot of coordination.

[According to the budget, the Boarding Home Program will expand from 620 students to 980 students in 1970-71.]

Mr. Haugen asked about the possibility of having students from Kake, where they do not have a high school, go to Petersburg on a boarding home arrangement. There was a brief discussion on this and Mr. Thomas pointed out the district would have to pay for this unless the legislation was changed.

100: The 1969-70 Authorized is \$93,100 and the Governor's Request is \$182,900 which is an increase of \$89,800 or 96.46%. There were 9 new positions requestested and 7 allowed. Dr. Hartman said they are requesting five new Home-School Coordinators which would increase the number of Coordinators to ten. Dr. Hartman said they need to do a better job of placement. There was a brief discussion on the location of these boarding homes.

Mr. Haugen requested that the staff check out the students under this Boarding Home program who come from logging camps, fish camps etc. He asked if the state pays all of

this tuition and Mr. Thomas said yes. Mr. Thomas pointed out that almost all of these sites are on federal property and so the state is collecting P.L. 874 funds for these students. Dr. Hartman said that the tuition Mr. Thomas was talking about is about 50% but does not compensate for the state funds. There was a brief discussion on this and Dr. Hartman said his figure of 50% was not correct -- about 75% would come from the federal government and 25% from the state. There was a brief discussion on this and Mr. Bradner said that regarding people on federal property when there is a lease on the property there is an owner's possessory interest. He gave examples of this in Fairbanks noting they would have to pay taxes on the building and on the land they would pay a possessory interest which would be close to two-thirds of the taxes they would pay if it were not federal land.

Mr. Thomas said they had proposed that Boarding Homes be supported by the parents according to their ability to pay; and that one possibility would be this amount would be twice what the parents paid for state income tax. If the parents were paying \$400 a year for state income tax, then they would pay \$800 for Boarding Homes. In this way the poor people would not get hurt, yet the people who were

making \$20,000 a year would pay their share, Mr. Thomas said. Dr. Hartman said at the next legislative session this problem would have to be "opened wide up" but they can slide along one more year. Mr. Bradner asked if Dr. Hartman would be willing to submit what proposals they have pending and Dr. Hartman said yes. Mr. Thomas said regarding the possibility of using state income tax as a means of determining parent's ability to pay, the Department of Revenue had been approached with this but they had not made a study of the taxes.

Dr. Hartman pointed out that boarding homes and dormitories are a negotiable item each year with the federal government and that so far they have always been favorable.

Mr. Hohman asked how many students were in Dillingham and Mr. Thomas answered 46. Mr. Hohman asked how many students were in Bethel. Mr. Thomas said they anticipate 65. Mr. Hohman questioned why Dillingham was allowed a Clerk Typist.

Dr. Hartman said they have the area superintendent there that takes care of the dormitory program.

- 200: The 1969-70 Authorized is \$67,000 and the Governor's Request is \$171,100 which is an increase of \$104,100 or 155.37%.
- 300: The 1969-70 Authorized is \$912,900 and the Governor's Request is \$1,447,600 which is an increase of \$534,700 or 58.57%.

Mr. Thomas said that most of this increase is in code 390, other contractual services, which is \$1,372,000 for payments to boarding parents for 980 students @ \$1,400 per year. This code is increased \$491,600 over last year.

400: The 1969-70 Authorized is \$32,200 and the Governor's Request is \$10,500 which is a decrease of (\$21,700) or (67.39%).

Mr. Thomas said this is due to the removal of Tok cottage from code 430, food for human consumption.

Mr. Haugen asked if the Department buys clothes for these students. Mr. Thomas said they do if the children need clothes and quite a few of them do.

500: The 1969-70 Authorized is \$2,500 and the Governor's Request is \$2,700 which is an increase of \$200 or 8%.

900: The Governor's Request is \$10,000.

Dormitories The 1969-70 Authorized is \$1,052,500 and the Governor's Request is \$1,090,300 which is an increase of \$37,800 or 3.59%.

Mr. Thomas explained that this represents a full year for the Kodiak facility.

There was a discussion on the Tok Dormitory and some of the problems there. Dr. Hartman said there are two duplexes and they had 14 girls in one and 14 boys in the other. At one time they had a family supervising in each duplex but now they have only one family supervising. Mr. Hohman

said then the boys do not have a supervisor in the building they are living in. Dr. Hartman said this is correct; however, these duplexes are right together.

100: The 1969-70 Authorized was \$545,100 and the Governor's Request is \$483,800 which is a decrease of (\$61,300) or (11.25%).

200: The 1969-70 Authorized is \$21,500 and the Governor's Request is \$66,000 which is an increase of \$44,500 and the percentage increase is 206.98%.

300: The 1969-70 Authorized is \$175,600 and the Governor's Request is \$216,100 which is an increase of \$40,500 or 23.06%.

400: The 1969-70 Authorized is \$195,800 and the Governor's Request is \$228,500 which is an increase of \$32,700 or 16.70%.

500: The 1969-70 Authorized is \$24,400 and the Governor's Request is \$20,900 or a decrease of (\$3,500) or (14.34%).

900: The 1969-70 Authorized is \$90,100 and the Governor's Request is \$75,000 which is a decrease of (\$15,100) or (16.76%).

Mr. Thomas explained that the Division of Buildings inter-agency charge is just maintenance and not custodial.

STATE LIBRARY Mr. Richard Engen, Director of the Division of State Libraries, entered the meeting.

Mr. Engen said the increase in this division to the general fund would only be \$1.15 per capita. Mr. Engen said that the state libraries serve rural residents who do not have

rural libraries available. He said they perform mail out service to these areas.

- 100: The 1969-70 Authorized is \$137,000 and the Governor's Request is \$278,100 which is an increase of \$141,100 or 102.99%. There are 8 new positions requested and three of these positions are consultants to assist in the establishment of the first phase of a state wide library plan. He said one of these persons will work from Juneau, one from Anchorage and one from Fairbanks and they will tie together all types of library services. Mr. Engen said these consultants would also go out and assist the local rural libraries.
- 200: The 1969-70 Authorized is \$9,000 and the Governor's Request is \$16,200 which is an increase of \$7,200 or 80%. Mr. Engen said most of the travel is assigned to the regional consultants. He said a portion of the travel is taken up by the Advisory Council.
- 300: The 1969-70 Authorized is \$10,400 and the Governor's Request is \$22,600 which is an increase of \$12,200 or 117.31%. Mr. Engen said part of this will be rental of additional space in Juneau to carry on the operations of the State Library. There is a xerox charge under code 360, equipment rental, and Mr. Engen explained this is for catalog card duplication and will improve work flow now delayed by purchasing cards.
- 400: The 1969-70 Authorized is \$40,000 and the Governor's Request

is \$58,000 which is an increase of \$18,000 or 45%.

Mr. Engen said this increase reflects increasing the number of backfile periodicals on microfilm. This also reflects an increase in average costs of books and periodicals.

500: The 1969-70 Authorized is \$3,000 and the Governor's Request is \$13,200 which is an increase of \$10,200 or 340%.

Mr. Engen said a portion of this increase would be for the new staff members. He said they also have a card catalog for a cost of \$1,500. He said this is necessary as they are at a point where they cannot get more cards in their present equipment. There is also \$1,800 requested for library shelving.

700: The 1969-70 Authorized is \$170,100 and the Governor's Request is \$109,800 which is a decrease of (\$60,300) or (35.45%).

Mr. Engen explained there is \$250 available under AS 14.56 to each non-profit library corporation. He said if a library is supported by the city then it would not be eligible.

Mr. Engen felt this should be changed as it is not realistic.

Archives Mr. Engen explained that HOUSE BILL NO. 743 (an act relating to the management of public records) will place the Archives in the Department of Administration. If this is done, this \$51,500 requested would not be in this budget. Mr. Engen explained briefly this program noting the largest

cost would be \$40,700 in personal services, code 100. He said this would be for the hiring of the three positions and that the first year would be basically a planning year. Mr. Engen noted that RCA had donated 35,000 records and they are sending these out to different libraries. He said they will have a catalog to know where these records are in case they should be requested they would be able to borrow them back.

Book Cataloging and Processing Center The Governor's Request is \$41,600. Mr. Engen said this is to establish a centralized service where all books would be cataloged and processed and then sent out to the various libraries. He said many of the volunteer workers spend their time cataloging and getting the books ready and are not able to assist the public in finding books. This would free these individuals and they would be able to spent their time in aiding the public. [The Processing Center qualifies as an interlibrary cooperation project as it will provide serve to all kinds of libraries.]

100: The Governor's Request is \$29,100.

300: The Governor's Request is \$4,400.

400: The Governor's Request is \$5,100.

500: The Governor's Request is \$3,000.

Adjournment: The meeting adjourned at 4:00 p.m.

HOUSE FINANCE COMMITTEE
Wednesday, April 2, 1970
9:00 a.m.

Present: All members were present. Also present was Representative Peter Deveau from Kodiak.

HB 779 Mr. Ray told the committee that Mr. Deveau was present to testify on HB 779 (appropriating \$125,000 to Public Works for repair and renovation and installation of fire protection equipment in Erskine House, Kodiak).

Mr. Deveau said that following the rebuilding of Kodiak after the 1964 tidal wave, the Erskine House was the only original building left in downtown Kodiak. Through much research it was finally decided that Erskine House was the first capitol in Alaska. The original Governor's Mansion was torn down along with the stable in the early 1940's. The original Russian Church burned in 1943. The land that these buildings were on was purchased through the urban renewal program by ASHA and was set aside as a park. Mr. Deveau said that ASHA could have sold this property for about \$200,000 but they chose to rent it to the City of Kodiak for \$1 a year so that Kodiak could have this for a park site. The people of Kodiak spent a lot of money and it was designated as a historical monument site by the National Survey of Historic Sites and Buildings. He said the city of Kodiak, if it were financially able, would restore it but they have had to build a new hospital, two docks, library, etc., and they have \$3,000,000 at this time

in unsold bonds. For this reason Kodiak has come to the state for financial assistance. Mr. Deveau stressed the historical significance of this building and said it was, to his knowledge, the only Russian building of note still standing on the West Coast. Many people, including himself, have valuable icons that they would put in this museum, but without fire protection, he and others feel that the building is not safe.

Mr. Croft asked him where the estimate for the renovation and installation of fire equipment came from, and Mr. Deveau told him that they had contractors make estimates; however, he personally felt these figures were padded. Therefore, he felt the Department of Public Works through the Division of Buildings should handle this and put it out to bid. In that way, everyone would be assured that the price would be the lowest possible. Mr. Croft asked about ASHA's ownership of the land, and Mr. Deveau said that the lease arrangement for \$1 a year was most beneficial to Kodiak because they would have to pay ASHA the full value of the property if they were to buy it. He further explained how the whole area has been ^{set} aside to back up the park. The Park Service has laid out certain stipulations that include a certain amount of area that must surround the museum. He cited the example of how Standard Oil cooperated when rebuilding their dock and storage facility after the tidal wave. They rebuilt their warehouse so it looks like the old Russian storehouse; they used blueprints

supplied by the city. This building is immediately below the museum so it fits in well with the surroundings. The ferry dock is just 500 feet away from the museum so when the tourists arrive on the ferry one of the first things they see is the first capitol of Alaska. Mr. Deveau felt this was probably Kodiak's only claim to fame; therefore, the townspeople have devoted a great deal of time and effort in maintaining the Erskine House and in summing up his testimony before the committee, explained this was why he was requesting approval of HB 779.

SB 351 Mr. Deveau then left the meeting, and Messrs. Vern Smith and Don Larsen of Minnesota Mining and Manufacturing Company appeared and asked to testify on SENATE BILL NO. 351 (reflector license plates). Mr. Smith and Mr. Larsen launched into a demonstration of the type of license plate that they are interested in selling to the state of Alaska. By turning out the lights and flashing a flashlight onto the plate, the committee could see how it was illuminated through special reflectorized laminated paint. Mr. Smith told the committee that 33 states now have this plate and that Maine was the first state to initiate it - 10 years ago - and on the basis of the experience in Maine they estimate that the incidence of rear end collisions of cars being parked has been cut by 57%. The State of Washington made a study for the state legislature and they recommended this plate on the basis of the record of other

states.

Mr. Larson emphasized the point that these plates are an accident-preventing device and not like seatbelts which only reduce the severity of the accident.

Mr. Ray quoted the following figures from a letter from Mr. George Morrison, Commissioner of Department of Revenue:

"We estimate that in 1972 we will require 60,000 single license plates and 200,000 sets of license plates. We estimate that the cost including freight of these license plates, if manufactured to existing specification, will be:

60,000 singles at \$.32 =	\$ 19,200.
200,000 sets at \$.58 =	116,000.
Total	<u>\$ 135,200</u>

We estimate the cost including freight for the fully reflectorized laminated plate using reflectorized sheeting to be:

60,000 singles at \$.75 =	\$ 45,000.
200,000 sets at \$1.50 =	300,000.
Total	<u>\$ 345,000.</u>

The total cost of \$345,000 for the fully reflectorized plates will exceed the cost of the present specification by \$209,800."

Mr. Larsen said the members should keep in mind that this has to go out to bid and this could be much lower. He said that the State of Hawaii paid \$1.01 for these plates and that included the freight. He said the State of Washington makes their own in the Walla Walla penitentiary and they also figure \$1.01. He pointed out that another consideration was that these license plates were meant to last for five years and that during the life of the plate, tabs would be issued each year. This would cut the overall price considerably.

Mr. Larsen, in answer to a question by Mr. Croft, said his company does not make the plates, they only supply the material to the companies, or penal institutions, whichever the case may be. He thought there were only five states that did not have the plates made in penal institutions.

Mr. Hohman brought up the subject of having them made in Alaska by prisoners but Mr. Larsen took a dim view of this. He said the relatively low population did not warrant the investment. The Walla Walla institution, for example, makes 18,000 plates a day. In Alaska there are less than 200,000 plates sold in an entire year.

Mr. Ray thanked the gentlemen for their presentation and they left the meeting.

Bill

Assign. The Chairman then made the following bill assignment:

HR 12 (construction of a road from Council to
Bornite) Mr. Bradner

Adjourn- Meeting adjourned at 10:00 a.m.
ment:

HOUSE FINANCE COMMITTEE

April 3, 1970

2:20 p.m.

Bill

Assignment: The following bills were assigned by Chairman Ray.

CSSB 150	relating to preferential hire for Alaska residents	Mr. Ray
SB 385	Approp. Dept. of Public Works - \$45,000	Mr. Sackett
HB 417	Relating to state employees' and state officials' per diem	Mr. Ray
HB 792	Approp. to the Dept. of Education - \$1,250,000	Mr. Haugen
HB 493	Relating to welfare residency requirements	Mr. Bradner

HB 614

There was a brief discussion on HOUSE BILL NO. 614 (roads to areas rich in mineral resources) and HOUSE BILL NO. 615

HB 615

(appropriation to the Dept. of Natural Resources). Mr. Croft explained he had written to the Department of Natural Resources requesting more information on these two bills. Mr. Ray suggested that Mr. Croft contact the Department of Natural Resources again and that both of these bills would be brought up for consideration on April 6.

HR 4

There was an informal discussion on HOUSE RESOLUTION NO. 4 (resurfacing Hooper Bay airfield). The committee decided this bill would be discussed with the Department of Public Works when their budget was reviewed [this was to begin on April 6, 9:00 a.m.].

HB 753 The committee informally discussed HOUSE BILL NO. 753
HB 754
HB 755 (an act relating to pay and allowances of Alaska
HB 756
HB 757 National Guardsmen), HOUSE BILL NO. 754 (retirement
HB 758 and death benefits for members of the National Guard),
HOUSE BILL NO. 755 (educational assistance for members of
the Alaska National Guard), HOUSE BILL NO. 756 (creating
the Division of Recruitment and Retention with the Department
of Military Affairs, HOUSE BILL NO. 757 (establishing re-
enlistment bonus for members of the Alaska National Guard),
HOUSE BILL NO. 758 (uniform and maintenance allowances for
national guardsmen). Mr. Ray said that HOUSE BILL NO. 758
would allow \$100 per year for officers for uniform and
maintenance allowance and \$50 per year for enlisted men.
Mr. Ray questioned the necessity of this.
Mr. Haugen said that most of these bills relate to fringe
benefits for the National Guard.
Mr. Hohman said they must determine if the National Guard
is of some worth. He said it provides the best and possibly
the only adult basic education program that has been effective
in rural Alaska.
Mr. Hohman said that the re-enlistment bonus tends to strengthen
the program and maintain the troops. He said they are
trying to coordinate training of these troops with civilian
jobs and smoke jumping is one of the possibilities.

Mr. Ray said he thought the idea of an Administrative Officer III made sense and he would be receptive to this. There was more discussion and the committee decided to have Colonel Byington appear before the committee on April 8, at 2:00 p.m. to further discuss these bills.

Adjournment: The meeting adjourned at 3:00 p.m.

HOUSE FINANCE COMMITTEE

April 6, 1970

9:05 a.m.

Present: All committee members were present with the exception of Mr. Borer. Also present from the Department of Public Works were Commissioner Strandberg; Mr. Harry A. Wakefield, Director of the Division of Aviation; Mr. Tracy D. Kaldor, Administrative Director; Mr. Ed Granger, Chief Planning Engineer for the Division of Aviation; and Mr. Lars Johnson, Chief of Aviations Operations. Present from the Division of Budget and Management were Mr. Gene Smith and Mr. Korhonen.

DEPARTMENT OF PUBLIC WORKS The Division of Aviation reflects an overall increase of approximately 206% - from \$6,388,100 to \$13,180,800.

DIVISION OF AVIATION Commissioner Strandberg referred to his letter of February 20, 1970 to Chairman Vance Phillips of the Senate Finance Committee and Chairman Bill Ray of the House Finance Committee. This letter provided an analysis of funding for the fiscal year 1970-71 budget request for the department. [See pages 1209-1211] Mr. Strandberg said that he appreciated the opportunity to begin with the Division of Aviation, and his staff had prepared charts to assist in their presentation. First, was an organizational chart for the division reflecting a budget request of \$9,574,200 (Governor's allowance). According to their charts, anticipated

revenues from the various programs are as follows:

Aviation Fuel Tax	\$ 2,925,000
Anchorage International Airport	8,567,291
Fairbanks International Airport	2,509,300
State Airports	1,653,800
	<u>\$15,655,391</u>

Mr. Ray asked what the criteria is to be an "international" airport, and Mr. Wakefield said that Congress has named a few airports as "international." All it has to be is declared as such and they also must provide custom facilities. It must also be capable of handling international flights.

Among the items listed on the charts as their critical responsibilities were: Economic studies, preliminary engineering studies, survey cost estimates for development of capital improvement program; capital improvement program design; continuing program to verify land interest; development and compilation of statistical data; orientation of personnel to computer as they will need more computer work; research into new construction methods, material and design concepts; landing strips -- keeping up with the latest techniques.

Mr. Wakefield said they are requesting \$3,233,300 for Airport Operations. This money is required to maintain 218 airfields and seaplane facilities, 748 pieces of equipment, 139 buildings and quarters, and 75 employees. Maintenance and operations funds are needed in areas of

runway maintenance and operation of new fields.

The anticipated operations revenues are as follows:

Fuel Tax	\$2,925,000
Airport Operations Revenue	1,653,800
	<u>\$4,578,800</u>

Operation revenues are gained from landing fees, parking fees, gas and oil fees and concession fees.

Mr. Strandberg again referred to his February 20 letter, and quoted the section under State Airports, "Chapter 216, SLA 1968, increased the aviation fuel tax by one cent, and it was the intent of the Legislature that this increase was in lieu of landing fees. The estimated revenue for fiscal year 1971 for aviation fuel tax is \$3,205,000 of which \$1,282,000 is due to the one cent increase. Without considering the \$2,118,500 increase requested for equipment, the balance of the budget increase of \$679,500 is well within the \$1,282,000 increase in aviation fuel tax revenue."

Mr. Croft asked why the state couldn't account for 85,000 tons of cargo, and Mr. Wakefield said they don't keep a record in the department of the amount of cargo -- it is kept only with FAA, and he didn't believe those figures are absolutely accurate. Mr. Croft asked if they didn't feel they needed to know the exact figures. Mr. Wakefield said it would be impossible to have exact

figures, this is the best anyone can come up with.

Mr. Ray asked what the feeling was of their department of turning this over to the City of Anchorage.

Mr. Wakefield said he wouldn't want to take a position one way or the other, but felt it would be an economical mistake.

Mr. Ray asked if this were turned over would it have a tendency to hold down development. Mr. Wakefield thought it would have an affect on the overall bonding capabilities in Anchorage, either in the area of bonding for airports, schools, or whatever. He knew of no covenant where it could be turned over without them paying it off at about 102%. He said what worries him the most is some of the things they have seen in press releases whether they are true or not. He was referring to how Anchorage would use the profits from the airports for downtown improvements. Mr. Ray said they have reason to believe that Senator Vance Phillips is very interested in this, and that the City of Anchorage should look very carefully into the proposition of taking this over. Mr. Wakefield said it could only do one thing -- hurt the airport which would thereby hurt the whole state.

Mr. Ray commented that when a city needs money, it takes it from any source and cited the example in Juneau, parking meters were originally put in to make parking improvements; however, he doesn't know what they are supporting with this money since they haven't made any improvements on the parking situation.

Mr. Strandberg said that the statutes on the books allow a 60-40 split on aviation fuel tax. The majority of that money is collected at Anchorage International Airport. The bill originally passed, he said, was to help Merrill Field and Juneau Airport. The money that comes in at the Anchorage International Airport isn't all credited to that airport, the outlying airports are now supported with that tax money. He felt if the Anchorage Airport was transferred to the city they would have to review this because Anchorage should not get all this tax money.

Mr. Ray asked why they are "fooling around" at Cold Bay. Mr. Strandberg said they are getting a net off of Cold Bay. Mr. Ray said that every dime they get is given back to them. Mr. Wakefield said that Cold Bay is a valuable place for the state as it is ideally located.

Mr. Ray said it is easy and possibly worthwhile to say it is a good operation, but as an advantage to the state per se he could see no advantage, and asked who is really gaining.

He felt it is only a stopover for trans-Pacific planes. Mr. Wakefield said the big advantage is that it is the major airport in that area and it is being maintained without any real expense to the state. Cold Bay could be a real valuable airport, he said, if any of these economic resources develop out in that area. He also pointed out that it is a valuable alternate if anyone gets in trouble.

Mr. Strandberg pointed out the added attraction of having major airlines going through. Mr. Ray was pleased to hear this and said now he could understand.

General
Adminis-
tration

General Administration of the Division of Aviation is increased 52.70% - from \$300,000 to \$458,100. Of this, \$180,900 are special funds, and \$277,200 from the general fund.

Code 100: Personal services is increased 50.99% - from \$171,200 to \$258,500. Mr. Ray referred to the analysis of increase on page 54 of the budget book, and noted the increase of \$23,200 in the current positions. The majority of this increase is for salary increases, and increases on the three new positions budgeted last year at Step A and this year at Step D.

Mr. Ray also noted that they have requested five new positions. Mr. Wakefield said that they are requesting one Deputy Director for him simply because there is not enough time to ^{do} what needs to be done due to the increase in every phase of activity. He said this is one of the things they need very badly.

They are requesting an Information Specialist II, not to publicize what they are going to do, but to meet some of their charged responsibilities in publishing a few things. They want to publish a map of Alaska which they feel would be almost self-supporting because they would sell them. He passed out copies of maps from other states as an example of what they would like to do.

Mr. Wakefield said they would also like to publish an airport directory, and passed out copies of directories from other states.

For this position, they are requesting the support of a Clerk Typist II. They would like to publish an inexpensive publication -- people write in and want to know how to come to Alaska and fly in Alaska.

They are also requesting a Realty Officer I and a Clerk Typist II for the Leasing Section. They receive hundreds of applications to lease property, and this is one of their functions.

Mr. Ray asked what percentage of time these people put in at/^{Anchorage}Fairbanks International Airports. Mr. Wakefield replied considerable time.

Mr. Ray asked if they shouldn't be funded from the revenue fund airport/ then, and Mr. Wakefield referred to their request of \$152,500 from the International Airport Revenue fund, on page 48 of the budget book, and the Governor's allowance of \$180,900 from this fund. That is what that is for, he said. Those jobs give considerable engineering support in addition to capital improvements on a day-to-day basis.

Mr. Ray asked what if it is city owned, and Mr. Wakefield replied if it was city owned they would have to have

quite a staff and legal counsel.

Code 200: Travel is increased 70% - from \$8,000 to \$13,600.

Mr. Wakefield said this is their best estimate. They are required to travel, there are too many jobs they couldn't do sitting in the office in Anchorage. He said they don't waste travel, and it is getting more and more technical all the time. With the type of international airport and type of traffic they have, it takes travel to keep up on the latest techniques.

Code 300: Contractual services is increased 100.72% - from \$69,400 to \$139,300. Mr. Wakefield said this is mainly for the maps referred to earlier, and he believed this will be very close to self-supporting. The other increases are fairly nominal.

Mr. Ray requested the staff mark Code 320, their request for maps, for close consideration by the committee.

Mr. Granger said that many state maps use the whole back side of the map to give terrain flying, etc., which is not given on most commercial maps. It is a very useful tool.

Code 400: Commodities is increased 35.19% - from \$5,400 to \$7,300.

Mr. Wakefield said the big increase here is due to the fact that this program now budgets for all central office supplies. In fiscal year 1969-70 they budgeted and

paid for only 40 percent of the office supplies. This also includes stationery and office supplies for five new positions. In addition they have more and more work in their regional headquarters, and more writing to keep them better posted on what is going on.

Code 500: Equipment is increased 146.67% - from \$3,000 to \$7,400. Mr. Ray noted their request for \$3,000 for a station wagon, and requested the staff mark that item for close consideration by the committee.

He also noted the request for office equipment for the new position of Deputy Director. Mr. Smith arrived.

Code 900: Inter-agency charges is decreased (25.58%) - from \$43,000 to \$32,000. They are requesting \$3,600 for equipment rental from the Department of Highways. Mr. Smith explained that the request for \$28,400 for data processing services is to be paid for out of the International Airport Revenues -- special funds are still being handled under inter-agency charges. The rest of the data processing is being budgeted for by the Department of Administration, thus the decrease of (\$43,000). Mr. Ray questioned the vehicle rent. Mr. Wakefield said that vehicle rent went up, and they would have to pay rent on the station wagon they are requesting of \$1,800, plus the rental of one sedan for the Director

of Aviation amounting to \$1,800.

Mr. Ray said that the previous year makes no mention of this rental, and Mr. Wakefield said that this is an error then, as there was rental for the previous year. Mr. Smith said that \$1,200 was budgeted in contractual services in fiscal year 1970 under Code 360 for one vehicle.

Mr. Ray and Mr. Bradner left to go to the floor and take care of bills on the calendar, and Mr. Ray turned the chair over to Mr. Haugen.

Airport
Operations

Airport Operations reflects an overall increase of 26.76%, from \$2,550,800 to \$3,233,300. Of this, \$201,000 are program receipts and \$3,032,300 from the general fund.

Code 100: Personal services is increased 38.82% - from \$840,300 to \$1,166,500.

Mr. Wakefield said they are requesting 11 new positions, totaling \$159,000. Over a year ago, he said, they divided the supervisory functions into the northern and southern areas, they took the key places where they had qualified people and gave them additional responsibility. By assigning these localized responsibilities people could get around. However, maintenance has increased so a northern and southern supervisor is no longer enough -- they need a western supervisor also.

In addition, they are requesting an Electrician II for Anchorage because there are getting to be more and more electrical systems and it is cheaper to have an electrician go around and check these systems. They also need an extra maintenance man at Anchorage, and additional people scattered around to maintain the airports.

Mr. Strandberg again referred to his letter of February 20, State Airports, and said the intent of that one cent increase was that it be used on state operated airports, and that the general aviation program is coming very close to supporting itself.

Mr. Haugen noticed they are paying overtime as indicated on pages 89 and 90 of the budget book. Mr. Strandberg said the only place they are paying overtime is where they have contracts. State regulations say they cannot pay time-and-a-half, and they were in conflict with the Air Force. He said they had to get a ruling to pay time-and-a-half.

Mr. Wakefield said they have considerable overtime in the budget, budgeted at straight-time. He said if the legislation introduced passes this request would have to be increased to time-and-a-half.

Mr. Croft left.

Code 200: Travel is increased 68.13% - from \$32,000 to \$53,800.

Mr. Wakefield said they don't have the equipment or people to do any major construction work, but they do have the capability of moving around and doing quite a bit of improvement. This is what travel is for, to enable people to inspect airports and get people in to fix equipment. Mr. Wakefield said they have to keep the airports open somehow, and where the system they have is not working they are going to have to try something else.

Mr. Strandberg said their request for travel is very little over their actual expenditures for fiscal year 1969-70 as they had to make several transfers to meet their travel needs.

Code 300: Contractual services is increased 9.11% - from \$827,400 to \$902,800. The major increase is in Code 390, Other Contractual Services where it shows an increase of \$128,330 - from \$401,670 to \$530,000. This is for maintenance or maintenance and operation of airports/ seaplane facilities through contracts with City Councils, Village Councils, Private Contractors or by Letters of Authorization to the Department of Highways. Current level shows about a 4% increase over last year to provide higher level of service. A program increase is included to provide noticeably higher level of service at airports

at key points along projected oil pipeline or connected with the North Slope activity (Namely: Valdez, Gulkana, and Tanacross) \$92,730 increase. New airports providing a new service account for additional \$20,400.

Code 350 is increased \$27,912 - from \$82,488 to \$110,400. This Transportation of Things is for shipment of routine commodities. Mr. Wakefield said they are trying to move equipment around and do a more effective job of maintaining these outlying strips.

Code 400: Commodities is increased 23.27% - from \$233,800 to \$288,200. A large part of this increase is in Code 460, Motor Vehicle Parts, Supplies & Accessories, for which they have requested a \$19,850 increase - from \$144,950 to \$164,800. Their budgeted figure supports their current level. The increase over last fiscal year's budget is based on an approximately 10% increase in the cost of parts, fuel and oil for state vehicles (\$600/unit) and a 10% increase in the cost of parts for vehicles which are maintained on a reimbursable basis for other agencies (\$400/unit).

Code 500: Equipment is increased only 2% - from \$150,000 to \$153,000. The department request, however, was \$2,268,500, but \$2.1 million was transferred to the capital improvement program.