

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967 - 1982 2506

Dr Wood said there was a provision for forgiveness of a portion of the loan for each 6 months after graduation the student stays in Alaska. He said they felt this should be a minimum of one full calendar year. [COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 599 does read " for each one-year period the student remains thereafter in Alaska."]

Mr. McGinnis said they urged the committee to give consideration to looking at the merits of SENATE BILL NO. 545.

HB 801 Dr. McGinnis spoke on HOUSE BILL NO. 801 (an act relating to the powers of the Department of Education). He said this gives the Department of Education the power to contract with private institutions for certain provisions of educational services. Dr. McGinnis said that the University of Alaska is convinced that the Board of Regents should administer this. [See pages 1525-1530 for detailed explanation of the University of Alaska's reasons for this.] Dr. McGinnis said they would prefer to see this channelled through the Board of Regents than not at all; however, they felt it would be much better if an individual agency would be the authority for this. Dr. McGinnis presented a proposal for changing this bill. [See page 1531.] Representative Hensley had entered the meeting earlier and Dr. McGinnis said he would present this proposal to Representative Hensley also.

Mr. Stratton spoke briefly to the committee. He pointed out that it cost the same to educate a student in every institution -- private or public. He said that every student is subsidized. He said it would be his hope that students would have an option to chose the college of their choice not on the basis of economics but on the program the student wants.

The gentlemen from the universities left the meeting.

Mr. Van Houte entered the meeting.

CSSB 378 am Mr. Ray said if there was no objection from the committee the staff would have a HOUSE FINANCE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 378 (an act relating to the public school foundation program) prepared. Mr. Van Houte said they objected on page 5, CSSB 378 am to the use of "The base instructional unit shall be 1.45 times the Greater Anchorage Borough school district salary average for the preceding year." They would rather see this a set amount. Mr. Ray said it was the intent of the committee to make it a fixed figure and delete the "1.45 times..." There was no objection from the committee so the staff was instructed to prepare a Committee Substitute with the following changes: Delete Sec. 14.17.056 and add the following, "Sec. 14.17.056. BASE INSTRUCTIONAL UNIT. (a) The base instructional unit shall be \$18,000."

Mr. Van Houte left the meeting.

ALASKA METHODIST UNIVERSITY

April 14, 1970

Representative William L. Hensley, Chairman
Health, Welfare and Education Committee
House of Representatives
Alaska State Legislature
Juneau, Alaska

RE: House Bill 801

Dear Representative Hensley:

Thank you for your letter of April 7, 1970, inviting comments on House Bill 801. It is my understanding that comments are being invited from President William Wood of the University of Alaska.

For a long time all the colleges and universities in Alaska have been searching for ways to encourage a public policy on higher education which would take into consideration both the public sector and the privately-supported sector. During the past few years public policy has seen the substantial extension of state-sponsored higher educational programs in the communities served by privately-supported and sponsored institutions.

Alaska needs both strong public university programs and strong privately-sponsored and supported programs. I do not know of any important segment of Alaskan life which would have it otherwise. It is essential that the dual system of higher education be preserved and strengthened in Alaska as well as in other parts of the nation. The unity in the welfare for all higher education currently felt by all leaders in higher education in Alaska should provide leadership and encouragement to the legislature to make desired and needed adjustments as soon as possible.

The recommendations I would make are as follows:

(1) That Senate Bill 545 be enacted: This would help in the areas of loans and scholarship grants for some Alaskan students although the assistance would be limited to the number of students the appropriation made annually would assist.

(2) That House Bill 801 be enacted: This would empower the Commissioner of Education of the State of Alaska to contract for educational services at privately-supported educational institutions in much the same way as he now does with Bureau of Indian Affairs, private secondary schools, school districts, and others as listed in subsections (1) through (11) in AS 14.07.030.

April 14, 1970

(3) That hearings on House Bill 801 and Senate Bill 545 be provided with special effort given to providing joint hearings with the Senate and House Finance Committees on the measures. President Wood, President Orin Stratton of Sheldon Jackson, and I have agreed to meet in Juneau with the committees on these measures if such hearings are provided. At the hearings the merits of the proposals could be explored with the leaders of the higher educational institutions of Alaska.

Essentially, the reasons for the above recommendations are these:

1. Additional strength in both sectors of higher education in Alaska will be required if we are to meet successfully the needs and problems the immediate and long-range future holds for Alaska.

2. The private institutions must retain the maximum degree of independence in decision-making. The contributions these institutions can make in helping to serve the total need will be enhanced by continuing maximum flexibility.

3. The range of educational opportunity available to Alaskans must be preserved and extended along with the freedom of each student to choose the institution with the program best suited to his needs. Diversity of institutional sponsorship, objectives, programs, environment, and size is a major element in insuring freedom of choice so essential in maintaining a free society.

4. It is possible that Alaska's privately-supported and sponsored institutions can continue to make vital contributions to Alaska's development if an appropriate plan of reasonable, limited assistance can be developed, consistent with constitutional provisions. It is felt that House Bill 801 would meet this test, would grant some assistance to the private colleges serving public purposes, and would make possible their survival in the presence of growing public institutional programs.

5. Most, if not all private colleges and universities of the nation face insecurities in the presence of changing public policies. At least 36 states of the nation have worked out arrangements to deal realistically with such problems. Alaska should move immediately to take appropriate steps, in this session if at all possible, to enact the legislation deemed necessary and desirable.

I am sure that my colleagues at the University of Alaska and at Sheldon Jackson College will be pleased to participate in hearings on these matters. We will await your recommendations as to a convenient time if hearings are possible.

Cordially yours,

Frederick P. McGinnis
Frederick P. McGinnis
President

cc: President William R. Wood
President Orin R. Stratton

Encl: 12 extra copies for committee use

File

HUGHES, THORSNESS, LOWE, GANTZ & CLARK

ATTORNEYS AT LAW

807 G STREET

ANCHORAGE, ALASKA 99501

AREA CODE 907
TELEPHONE 279-4522

April 16, 1970

JOHN C. HUGHES
DAVID H. THORSNESS
ROBERT C. LOWE
RICHARD O. GANTZ
MURPHY L. CLARK
ROBERT C. ERWIN

JAMES M. POWELL
BRIAN J. BRUNDIN
JAMES D. C. MOORE
GARY W. GANTZ
MARCUS R. CLAPP

Representative William L. Hensley
Chairman, Health, Welfare & Education
Committee
House of Representatives
Juneau, Alaska 99801

RE: House Bill No. 801

Dear Willie:

The provisions of House Bill No. 801 have caused some discussion within the University and among the Regents. In particular, we are concerned, not in the aim expressed, but the method of implementing it.

I think we are all in agreement that higher education can be helped and strengthened by the State contracting with private institutions for educational or other services. But I think the sole authority for such contracting, on behalf of the State, should rest in the Board of Regents, and not with the Commissioner of Education. The Regents are now charged with post-secondary education throughout the State and the fragmentation of that responsibility would I think be violative of the constitutional scheme, and it most certainly would lay a basis for problems to develop.

This is not to say that the Regents are the only ones who have any "smarts" regarding post-secondary education. But the scheme is presently to centralize the effort in that area and I believe fragmenting it could only cause duplication, waste, and lead to controversy. And the present set up has shown it is workable and it does not lead necessarily to centralization of effort.

Representative William L. Hensley

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As example, we have recently met with the Board of Education for the State, and we continually coordinate with local boards of education regarding the community college programs throughout the State. This partnership of effort, which finds central direction through the Regents, is working exceedingly well. It would certainly be a mistake to set up separate boards for each community college, for example.

Similarly, we are now engaged in a very progressive and rewarding effort with Alaska Methodist University to provide a consortium of universities in the Anchorage area. To be successful, we will have to make substantial contractual arrangements with AMU for joint use of facilities, sharing of faculty, movement of students between programs and the like. I look for this effort to be equally as or more successful than the joint effort regarding community colleges. Again, however, it would cause nothing but problems if the right to make such contracts was decentralized from the Regents in any way.

You know of the recent efforts between the Regents and Commissioner Hartman and the State Board of Education regarding the programming and management of funds for vocational education through the Commissioner's office and to the community colleges. With such splendid cooperation in this and other areas, there seems no reason to me why similar cooperative efforts could not be continued in the contracting with private institutions. That is if the Commissioner had such a program, it should be no problem to get contracts as needed through the Regents of the University. In doing so, the essential centralization of planning and coordination would be maintained.

Representative William L. Hensley
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Page Three

I would hope, therefore, that your Committee would not favor enacting House Bill 801. I think no legislation is required, as the Regents already have such authority to enter into such contractual arrangements.

Very truly yours,

Brian J. Brundin, Regent

BJB:kf

BCC: *Dr.* William R. Wood ✓
President, University of Alaska
College, Alaska

WILLIAM R WOOD
PRESIDENT



UNIVERSITY OF ALASKA
OFFICE OF THE PRESIDENT
COLLEGE, ALASKA

April 21, 1970

RECEIVED
APR 24 1970.

Alaska Methodist University

Representative William L. Hensley
Chairman
Health, Welfare and Education Committee
Alaska State Legislature
Juneau, Alaska

Dear Mr. Hensley:

Private higher educational institutions are of very real importance to the future of Alaska. Their successful continuance in the State provides students a choice of opportunities. They are able to command resources from the private sector typically not open to public institutions. At the Federal level the distinction between private and public institutions has been considerably diminished in recent years. The combination of the two, however, provides the greatest strength for higher education in any state.

Therefore, I am in full accord with other members of the Alaska Association of Colleges and Universities who stress the need for some means of lending financial assistance to existing accredited private colleges and universities in Alaska from public funds be found at an early date. One of the methods that has been suggested, that of contracting for services to be performed is embodied in House Bill 801. Another is in the higher education loan bill enacted a year or two ago, and which is now proposed for modification in Senate Bill 545.

While I have no objection to the State contracting with private institutions to provide specific programs of instruction and other services, I am strongly of the opinion that it would be a serious mistake for such contractual authority to be vested in any individual or group other than the Board of Regents of the University of Alaska. The Board of Regents is immediately available and directly accountable to the elected representatives of the State, both the members of the Legislature and the Executive branch. It is the official coordinating agent for the public system of higher education in the State. To permit any other agency to execute contractual arrangements separate and apart from the action of the Board of Regents would be divisive in nature and against the best interest of the State. Inevitably conflict would arise between the two "authorities" in higher education and the State would find it necessary, as has been the case in virtually every other state, to create a "super board" to coordinate the activities of the others. This is an

Representative William L. Hensley -2-

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expensive and unnecessary procedure. Justifiable financial support of private higher education can be accomplished through the existing Board of Regents arrangement with full accountability to the State without jeopardizing the individual identity and autonomy of the private institutions which they now enjoy.

Financial assistance to private higher educational institutions in Alaska should not be confused. Let's find a sound means of providing financial assistance to the private sector that is so badly needed if we are to retain the special opportunities it alone can provide. The contractual approach is one acceptable means. It could take many forms, one being simply a lump sum grant directly by the Legislature, or through the Board of Regents for the production of graduates on a formula basis, such as \$2,000 to the institution granting a baccalaureate degree and \$1,000 to the institution granting an associate degree. This would be exceedingly easy to authenticate and administer. The formula could be varied from time to time as need and resources directed, but would always be based upon the very objective fact of production of graduates during the year preceding the availability of the grant monies. Since graduation typically comes after the conclusion of the legislative session, an estimate could be made at the beginning of the second semester that subsequently could be corrected by a vouchering system, or corrected in the next year's request.

I would urge the Legislature to give very serious attention to the problem of support for private as well as public institutions of higher learning in Alaska; perhaps not in this session, for the hour is late, but certainly at the very beginning of the next session. There is great interest in the basic problem of support of private higher education throughout the United States. In some states a good deal of progress toward resolution has been made, notably New York, Pennsylvania, and Illinois. The Education Commission of the States in its February 1970 issue of Compact devotes the entire issue to state aid to private education, with a special chapter on "States Survey Aid to Private Colleges and Universities" by Dr. Robert O. Berdahl.

The problem, of course, is not without its controversial aspect. There is still concern over the state versus church issue. The Constitution of Alaska precludes the use of public monies for sectarian purposes. At the Federal level this problem has been overcome in the research grants program, in the facilities construction program, and in the student loan and scholarship programs. The "G. I. Bill" of World War II is a notable

UNIVERSITY OF ALASKA

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example of one way this can be accomplished. I am confident that in Alaska we can find ways of providing financial assistance that is very much needed by the private institutions that will fully comply with constitutional and statutory provision of the State.

I would be pleased to join with you and others in an attempt to find appropriate approaches to a solution.

Sincerely yours,

W. R. Wood

William R. Wood
President

WRW/kb

cc: Dr. Fred P. McGinnis
Dr. Orin R. Stratton

Introduced: 3/30/70
Referred: HWE and Finance

By the HWE Committee

IN THE HOUSE HOUSE BILL NO. 801

IN THE LEGISLATURE OF THE STATE OF
ALASKA
SIXTH LEGISLATURE - SECOND SESSION
A BILL

For an Act entitled: "An act relating to the powers of the
Department of Education."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. As 14.07.030 is amended by adding a new
paragraph to read:

(12) in conjunction with the Alaska Higher Education
Facilities Act Commission (As 14.50.010), enter into
contractual agreements with accredited, privately sponsored
institutions of higher education in Alaska for provision
of educational services on the basis of payment to:

(a) Alaskan resident (as 14.40.849(2)) student:
full tuition and required fees charged by institu-
tion less charges made for same items at the University
of Alaska or Community College, and

(b) Alaskan resident (as 14.40.849(2)) student
and to institution jointly an amount of \$250.00 per
semester for full time student and pro rata for part
time student.

provided, however, no course either sectarian in religion
or partisan in politics shall be included under any contract
related to this section.

ALASKA COURT SYSTEM Mr. Croft explained that the Court System has a supplemental request of \$15,000 for the Chief Justice because of his retirement and early disability. They also increased the Superior Court from 15 to 16 judges for an increase of \$63,400. Mr. Croft added the reclassification by Personnel would result in an increased cost of \$166,900, so the actual total requested by the Court System would be \$5,418,000 rather than the \$5,172,700 shown on page 1 of the budget book.

Supreme Court

100: Mr. Croft said he would recommend a figure of \$798,500 for personal services. Mr. Croft said this would eliminate three of the five requested Attorney III's positions. Mr. Croft said with five new positions this would give them eight law clerks and he did not feel they needed that many. In answer to Mr. Sackett, Mr. Croft said he did not take into consideration any of the new salary increases in recommending final figures for the Court System budget. The committee accepted the figure of \$798,500 which was a decrease of (\$28,500) from the Governor's Allowance of \$827,000.

Mr. Ray and Mr. Hohman left the meeting.

5/5

200: Mr. Croft moved the figure of \$34,000 for travel. The Governor's Allowance was \$37,200 and Mr. Croft said that this amount was predicated on \$35 a day per diem. He said since the legislature had approved \$30 a day for state employees he was sure the Court System would go along with this. Mr. Sackett objected and moved to amend this to \$30,000. The motion failed. So the figure of \$34,000 was accepted which was a decrease of (\$3,200) from the Governor's Allowance of \$37,200.

300: Mr. Croft moved the figure of \$165,000 for contractual services. This is a reduction of \$14,900 from the Governor's Allowance of \$179,900. Mr. Croft said this reduction included (1) the \$1,200 to pay the Alaska Bar Association dues for 7 officials of the Supreme Court; (2) as a result of the elimination of the three requested new positions this should result in a reduction in this code; and (3) under code 390, Mr. Croft felt from \$500 to \$7,000 was too much of an increase. There was no objection and the committee accepted the figure of \$165,000.

400: Mr. Croft moved the figure of \$95,000 which was a decrease of (\$8,000) from the Governor's Allowance of

\$103,000. Mr. Croft said he realized that there had been a mistake last year in that only \$64,000 had been authorized for commodities; however, he felt there request of \$103,000 was too high. The figure of \$95,000 was accepted by the committee.

500: Mr. Croft moved the figure of \$18,000 which was a decrease of (\$2,400) from the Governor's Allowance of \$20,400. Mr. Croft said some of this request was based on new positions and that three of these had been eliminated. There was no objection.

600: Mr. Croft moved and asked unanimous consent the committee accept the Governor's Allowance of \$20,000. No objection.

700: Mr. Croft moved and asked unanimous consent that \$15,000 be put in code 700, grants, claims and shared revenue. There was nothing requested in the Governor's Allowance. The \$15,000 was for the retirement and early disability of the Chief Justice.

900: Mr. Croft moved and asked unanimous consent that the committee accept the figure of \$40,900 which is the same as the Governor's Allowance. No objection.

Total Mr. Croft moved and asked unanimous consent the committee accept the total of \$1,186,400 for the Supreme Court. No objection, so ordered.

Superior Court

- 100: Mr. Croft said there is ^{an additional} \$43,700 requested for reclassification and \$47,800 for the additional judge. This would bring the total requested by the Court System to \$1,600,900 for personal services. [There is \$1,509,400 shown in the budget book.] Mr. Croft moved the figure of \$1,475,000 which is a decrease of (\$125,900) from what the Court System requested. Mr. Croft pointed out this amount is about a 45% increase. He said the reduction would be at the discretion of the Court; however, they would have to fund the Kenai Judge. There was no objection.
- 200: Mr. Croft moved the figure of \$53,300 which is the same as the Governor's Allowance. He said although they had predicated the travel on \$35 a day and it would be \$30 a day there would still be travel needed for the additional judge. There was no objection.
- 300: Mr. Croft moved the Governor's Allowance of \$380,300.
- 400: Mr. Croft moved the Governor's Allowance of \$26,700.
- 500: Mr. Croft moved the figure of \$60,000 which was a decrease of (\$39,600) from the Governor's Allowance of \$99,600.
- Mr. Croft felt there was equipment for the new positions and some of this could be cut due to the fact that personal

services had been decreased.

700: Mr. Croft moved the figure of \$4,600 which was the same as the Governor's Allowance. No objection.

900: Mr. Croft moved the figure of \$116,100 which was the same as the Governor's Allowance. No objection.

Mr. Croft moved and asked unanimous consent that the Total committee accept the total figure of \$2,116,000 for the Superior Court. No objection, so ordered.

District Court

100: Mr. Croft said that the Court System had requested an additional \$50,400 because of reclassifications. Mr. Haugen noted they had also increased the district magistrates. Mr. Croft moved the figure of \$1,100,000 which was a decrease of (\$43,500) from the request of \$1,143,500 (this includes \$1,093,100 requested in the Governor's Allowance in the budget book and an additional \$50,400 for reclassifications). There was no objection to the figure of \$1,100,000.

200: Mr. Croft moved the figure of \$28,000 which is a decrease of (\$3,100) from the Governor's Allowance of \$31,100.

Mr. Croft said this took into consideration funding the per diem at a reduced rate than what they had planned

on in the budget. He said this also takes into account they will probably cut back one of the requested new positions.

300: The committee briefly discussed this. Mr. Croft felt that coroner jury fees and autopsy, under code 380, should be deleted. He explained this should be funded in either the Department of Public Safety or the Department of Law because the Court System has no control over this. Mr. Croft moved the figure of \$351,000 which is a decrease of (\$30,200) from the Governor's Allowance of \$381,200.

400: Mr. Croft moved the figure of \$30,800 which is the same as the Governor's Allowance.

500: Mr. Croft moved the figure of \$60,000 which is a decrease of (\$33,700) from the Governor's Allowance of \$93,700.

900: Mr. Croft moved the figure of \$116,400 which is the same as the Governor's Allowance.

Total Mr. Croft moved the total of \$1,686,200 for the District Court. No objection, so ordered.

Judicial Qualification Commission

Total Mr. Croft moved the total of \$7,000 which is a decrease

of (\$1,000) from the Governor's Allowance of \$8,000.

TOTAL Mr. Croft moved the total of \$4,995,600 for the Court System. This is a reduction of \$422,400 from the request of \$5,418,000 (the original request in the budget book was \$5,172,700 plus additional requests of \$235,300). There was no objection to this total.

Recess: The meeting recessed at 10:10 a.m.



HOUSE FINANCE COMMITTEE

May 5, 1970

1:50 p.m.

Present: All members of the committee were present with the exception of Mr. Bradner.

Mr. Ray called the meeting to order, and asked that SENATE SB 351 am BILL NO. 351 amended (relating to vehicle registration plates) be brought before the committee. No objection.

Mr. Ray referred to a memo received from the Commissioner of Revenue, Mr. Morrison, and quoted as follows:

"The subject bill, if passed into law, has an effective date of January 1, 1972. This means that fully reflectorized license plate costs must be included in the budget requests submitted by the Department of Revenue to the Department of Administration in October of this year. In addition, we will require 90 to 120 days in order to obtain competitive quotations to establish pricing criterion in support of Senate Bill No. 351.

"Our ability to secure the most meaningful and competitive price quotations for the manufacturing of the 1972 license plates would be greatly enhanced by the passage of Senate Bill No. 351 prior to our Invitation to Bid."

The original Senate Bill provides for an additional annual license tax of \$.50 on all vehicles subject to registration under this chapter.

In answer to Mr. Croft, Mr. Ray said the license plates would then cost \$30.50.

Mr. Ray moved and asked unanimous consent that SENATE BILL NO. 351 amended be replaced with HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 351 and that it be reported out without recommendation. No objection. On vote by the committee, HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 351 was

reported out with the members voting as follows:

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

DO NOT PASS: Messrs. Ray and Sackett.

HB 743

HOUSE BILL NO. 743 (relating to the management and preservation of public records) was brought before the committee.

Mr. Ray referred to the fiscal note provided for the Judiciary COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 743, and noted that the fiscal year 1970-71 projection funds a pilot program including staffing of a new interim records center in Juneau and the initiation of a staff program for archival planning. In addition a Capital Improvements request for \$80,000 is included to provide the records facility in Juneau. He noted the total amount indicated for fiscal year 1970-71 is \$125,100, unrestricted general fund receipts.

At Mr. Ray's request, Mr. Freer came before the committee. Mr. Freer said the money is already in the Governor's budget, that this fiscal note ties together amounts already in the budget.

Mr. Sackett moved that HOUSE BILL NO. 743 be reported out with a "do pass" recommendation.

Mr. Croft asked what this bill does, and Mr. Ray replied that it sets up an archival and records management program.

Mr. Freer said they called Al Cole, a consultant from Seattle,

CORRECTION

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

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Mr. Sackett moved that HOUSE BILL NO. 743 be reported out with a "do pass" recommendation.

Mr. Croft asked what this bill does, and Mr. Ray replied that it sets up an archival and records management program.

Mr. Freer said they called Al Cole, a consultant from Seattle,

to come up and review the two bills, and as a result the two were combined [he appeared before the Finance Committee when he was here two months ago].

On vote by the committee, Judiciary COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 743 was reported out with a unanimous "do pass" recommendation.

HB 793

Mr. Borer moved and asked unanimous consent that HOUSE BILL NO. 793 (relating to leases on mineral lands) be brought before the committee. No objection, so ordered.

Mr. Borer presented a commentary on HOUSE BILL NO. 793 [see pages 1547-1550 of the minutes] and said that Mr. Guess will carry the bill on the floor.

Mr. Borer moved and asked unanimous consent that HOUSE BILL NO. 793 be reported out with individual recommendations. On vote by the committee, HOUSE BILL NO. 793 was reported out with the members voting as follows:

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

DO PASS: Mr. Sackett.

HB 792

Mr. Borer moved and asked unanimous consent that HOUSE BILL NO. 792 (appropriating to the Department of Education the sum of \$1,250,000 for the acquisition, construction and equipping of a school building at St. Paul) be brought before the committee.

It was noted that the fiscal note indicated this \$1,250,000 is unrestricted general fund receipts. However, Mr. Borer

said that they would pay for the school and take it out of proceeds; it wouldn't cost the state any money.

HOUSE BILL NO. 792 was returned to file, however, due to insufficient votes to bring it up for consideration.

HB 93

Mr. Ray moved that HOUSE BILL NO. 93 (providing for a college expense deduction in the state income tax) be brought before the committee. No objection, so ordered. This bill, he said, provides that a taxpayer 25 years of age or under, or a taxpayer having a legal dependent 25 years of age or under, is entitled to a deduction for the college expenses of the taxpayer or legal dependent. The maximum amount allowable under this deduction is \$1,000 per student. To qualify for a deduction the student must be a bona fide college student, including graduate student, attending an accredited university or college within the State of Alaska.

Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 93 be reported out with a "do not pass" recommendation. He felt it was a bad bill.

Mr. Bradner arrived.

On vote by the committee, HOUSE BILL NO. 93 was reported out with the members voting as follows:

DO NOT PASS: Messrs. Ray, Haugen, Borer and Hohman
(Mr. Hohman voting "Do not pass unless amended").

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

- SB 270 Mr. Bradner moved and asked unanimous consent that SENATE BILL NO. 270 (relating to pesticides and broadcast chemicals) be brought before the committee; however, motion failed and SENATE BILL NO. 270 was returned to file.
- HB 593 Mr. Ray moved and asked unanimous consent that HOUSE BILL NO. 593 (relating to the tax on motor fuel) be brought before the committee. No objection, so ordered. This bill had been reported out of committee on February 11, 1970; however, was returned from the Rules Committee on February 23, 1970 as it was determined that the bill would impose a tax on refineries and it had been reported out with the members not knowing that, according to Mr. Dean, and that is the reason it was returned. It was agreed to send HOUSE BILL NO. 593 out again with the same committee report signed on February 11, 1970, which recommended unanimous "do pass", all members signing the majority report.
- CSSB 532 Mr. Ray moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 532 (changing the maximum interest rate on Alaska State Housing Authority bonds) be brought before the committee. No objection, so ordered. Mr. Ray explained the changes made by the COMMITTEE SUBSTITUTE, which is the addition of "provided for bonds of the authority under sec. 190 of this chapter" in lieu of "not exceeding six per cent a year." Mr. Ray moved and asked unanimous consent that COMMITTEE

SUBSTITUTE FOR SENATE BILL NO. 532 be reported out with individual recommendations. On vote by the committee, COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 532 was reported out with the members voting as follows:

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

NO RECOMMENDATION: Messrs. Hohman and Croft.

SB 372 am Mr. Sackett moved and asked unanimous consent that SENATE BILL NO. 372 amended (creating Alaska Educational Broadcasting Commission) be brought before the committee. No objection, so ordered.

Mr. Sackett said this bill creates the commission, provides for the membership and term of office, compensation and expenses, its purpose, duties and powers.

Mr. Ray noted that according to the fiscal note, the cost to the state will be \$86,606.

Mr. Borer asked who the members of the commission will be, and Mr. Ray noted that the bill specifies the commission will consist of nine members appointed by the Governor, without regard to political affiliation, subject to confirmation by a majority of the members of the legislature in joint session. In making appointments to the commission, the Governor shall give due consideration to representation from such fields as higher education, elementary and secondary education, commercial broadcasting, public health, public works, labor, commerce and the professions. Members may be removed only for cause.

Mr. Sackett moved and asked unanimous consent that SENATE BILL NO. 372 amended be reported out with a "do pass" recommendation. On vote by the committee, SENATE BILL NO. 372 amended was reported out with the members voting as follows:

DO PASS: Messrs. Ray, Hohman, Croft, Haugen and Sackett.

NO RECOMMENDATION: Mr. Borer.

HB 597

Mr. Sackett moved and asked unanimous consent that HOUSE BILL NO. 597 (appropriating to the Office of the Governor for the Alaska Educational Broadcasting Commission) be brought before the committee. No objection, so ordered. This bill appropriates \$86,600 for the Alaska Educational Broadcasting Commission created by SENATE BILL NO. 372 amended [reported out with a "do pass" recommendation above]. It was noted that the Governor has requested an additional \$35,000 from the general fund to establish a 10,000-watt AM radio station in Bethel [see letter dated March 20, 1970 on page 1551 of the minutes].

Mr. Ray noted that this would make a requested appropriation of \$121,600.

Mr. Haugen wondered why there isn't a request to establish a station such as this in Southeastern Alaska.

Mr. Borer asked if there would be any advertising on this station, to which Mr. Sackett replied absolutely not.

The Health, Welfare and Education Committee provided an

amendment to this bill, changing \$86,600 to \$121,600, and Mr. Sackett moved and asked unanimous consent that HOUSE BILL NO. 597 be reported out as amended by the Health, Welfare and Education Committee with a "do pass" recommendation.

On vote by the committee, HOUSE BILL NO. 597 was reported out as amended by the Health, Welfare and Education Committee with a unanimous "do pass" recommendation.

SB 385

Mr. Sackett moved and asked unanimous consent that SENATE BILL NO. 385 (appropriating to the Department of Public Works \$45,000) be brought before the committee. No objection, so ordered.

Mr. Sackett then moved and asked unanimous consent that SENATE BILL NO. 385 be reported out with a Finance HOUSE COMMITTEE SUBSTITUTE with a "do pass" recommendation, the COMMITTEE SUBSTITUTE to read, "The sum of \$165,000 is appropriated from the general fund to the Department of Public Works for the construction of towers and translators to be placed at Naknek, Dillingham, Galena, Glennallen and Homer for the purpose of extending armed forces television to these areas."

On vote by the committee, HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 385 was reported out with a unanimous "do pass" recommendation.

Recess: Meeting recessed 2:30 p.m.

COMMENTARY ON HB 793

HB 793 is curative legislation intended to fairly deal with mineral lessees of the state who find themselves involuntarily drawn into title disputes between the state and the federal government where there are no public records indicating true ownership of the lands.

The State of Alaska automatically acquired title to most lands beneath navigable waters at Statehood. Such lands are not patented to the state by the federal government, nor is there any record in the state or federal land offices by which a prospective lessee can determine whether the federal government claims that it retained title. In practice, the issue is usually raised when the state, claiming title, offers and sells leases, whereupon the federal government brings suit to quiet title in itself. If the federal government is successful, of course, the lease is void. During the litigation the lessee is no more willing to expend substantial amounts in exploration than the average citizen would be to build a house on a disputed lot. Nevertheless, in order to maintain the lease in good standing, the lessee is required to pay rental each year and, for his own protection, to participate in the litigation.

While aiding the state in defense of title, the lessee is effectively precluded from making use of the land in which

he is investing an ever-increasing amount. If the state's, and the lessee's, title fails present law does not clearly permit the state to refund the rentals it has collected during the litigation, for which the lessee has received no benefit.

House Bill 793 adapts AS 38.05.140(d) to this situation. The present section permits the Commissioner to modify the lease in one or more ways when it cannot be successfully operated under the standard terms and when modification would promote conservation or efficient use of resources. Among other things it permits the Commissioner to suspend payment of rental, to suspend operations on the lease and at the same time, to add to the term of the lease a period equal to the period of suspension. The net effect is that, when the condition requiring suspension is removed, the lease continues for the full term and at the full rental which the parties intended at the time the lease was issued.

House Bill 793 simply adds a limited situation to the list of conditions under which the payment of rent or minimum royalty may be suspended and permits refunds of rentals which may have been collected for a period after litigation commenced, if the state's title fails. The lessee would not avoid any rental if the state's title is upheld in the litigation.

Title litigation would not, in itself, permit the Commissioner to suspend operations on the lease and to

add a like period to the term of the lease. This provision of the existing law is important inasmuch as it permits the Commissioner to suspend operations when necessary for conservation purposes even though the operator may wish to proceed. Such a provision is not required, from the state's standpoint, in the case of title litigation since only the lessee risks loss by investing further funds during title litigation.

The Commissioner has the option to suspend the payment of rent during the litigation since the lessee will probably be unable to operate during that period, or he may require that it be paid subject to later refund.

Section 2 of the Act simply specifies that the rental and royalty provisions are applicable to existing leases as well as those issued in the future.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER / POUCH M—MUNEAU 99801

KEITH H. MALLER, GOVERNOR

April 1, 1970

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


Dear Representative Ray:

HB-793, an act relating to leasing of mineral lands, was introduced in order to give some reassurance and perhaps relief to people who have leased State lands under navigable waters. In instances where the Federal Government has challenged the State's title to these water bottoms, the operator is forced to pay lease rentals and is unable to proceed with any development plans. Under the present statutes, the State has no way of relieving these operators of their rental responsibilities or adequately provide them with means of exploration.

To date the State has never refunded money for lack of title to a lease. However, depending upon the interpretation of the law under the Statehood Act, we envision the possibility of the necessity of refunding money on some leases that have been issued by the State.

There will be no immediate cost to the State in the event refunds are necessary, but following the decision by the courts, in future years it may be necessary to request an appropriation to reimburse the lessee in a number of cases.

Very truly yours,



Dale Wellington
Deputy Commissioner

KEITH H. MILLER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 20, 1970

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

Dear Mr. Chairman:

The Alaska Educational Broadcasting Commission has recommended a project for establishing a 10,000-watt AM radio station in Bethel. I have reviewed this proposal and consider it to have substantial merit. It would provide an invaluable communications link to southwestern Alaska, a means of disseminating news, public service messages, announcements and entertainment to Alaskans in an otherwise "isolated" area of the State.

To equip and operate the station for the first year would require \$75,000. I recommend and respectfully request the Committee's consideration of an amendment to House Bill 597 to appropriate \$35,000 for State participation in this project. The project would be funded in the following manner:

	<u>General Fund</u>	<u>Federal</u>	<u>Private</u>
Personal services			
Manager-engineer	\$15,000		
Part-time technical and program assistant	5,000		
Travel	1,000		
Contractual services	4,000		
Commodities	5,000		
Equipment	<u>5,000</u>	<u>33,750</u>	<u>6,250</u>
TOTAL	\$35,000	\$33,750	\$6,250

Thank you for your attention to this matter. Should you require additional information, please contact this Office.

Sincerely yours,

Keith H. Miller
Keith H. Miller

5/5

After Recess
2:40 p.m.

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

UNIVERSITY OF ALASKA Mr. Ray moved and asked unanimous consent that the University of Alaska budget be closed out at \$17,000,000, with legislative intent as follows:

Legislative Intent (1) The Wrangell Community College Program be commenced July 1, 1970;

Legislative Intent (2) Fully implement special orientation services for assisting native students at the University of Alaska for \$114,780 [\$32,370 of which has been included in the fiscal year 1970-71 budget], this program shall be included in the \$17,000,000.

[During the close out of the Office of the Governor, COAST Commission, Mr. Haugen requested that \$17,000 be put in for administrative costs to assist Dr. Nayudu. At the conclusion of that meeting it was decided that legislative intent should be put in the University of Alaska budget as follows:

Legislative Intent "The University shall fund from within its budget the sum of \$17,000, to be used for the Marine Science research program to continue the research project of Dr. Nayudu, and retain those three positions he would otherwise lose due to the University assessing administrative costs against this program."]

OFFICE OF THE GOVERNOR Mr. Borer moved that the committee adopt the Governor's budget with a figure of \$4,523,200.

Mr. Sackett objected.

Mr. Ray felt that would be a pretty "fat" budget -- 50% increase over the current fiscal year.

Mr. Croft noted also that the Governor's Office is getting approximately \$1.5 million less in federal funds than in fiscal year 1968-69.

Mr. Haugen felt this budget is no different than the University of Alaska's budget.

Mr. Ray said that he would say that within reason he has never seen the Governor's budget trimmed to any great extent.

Mr. Croft commented that they trim the Court System budget without hesitation, and that if the committee is to adopt the Governor's budget as is he would move to adopt the Court System budget as is also. Mr. Borer objected.

Mr. Ray suggested then that the committee go through the Governor's budget.

Mr. Bob Thomas from the Department of Education arrived.

CSSB 378
am

Before proceeding with the Governor's budget, the committee considered COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 378 amended (relating to the public school foundation program).

[Refer to pages - of the minutes for previous discussion.]

Mr. Borer suggested making the additional monies to be available \$2 million instead of the proposed \$4 million, since the tendency of the department is to approve programs as long as they are within the amount appropriated.

Mr. Ray felt that with \$4 million there would be no chance of anyone getting cut out.

Mr. Borer felt, however, that \$4 million was too much.

Mr. Thomas agreed that Mr. Borer had a good point, and that there would be great pressure to get the entire amount allocated.

Mr. Ray contended that there is still \$4 million less than the other bill.

Mr. Thomas said it would be a compromise, and that it would be in order next spring to look at what programs there were

this year, what they have done with this money, in order to keep both the department and the districts honest. Mr. Sackett asked where they are getting supplemental monies now. Mr. Thomas replied there aren't any, that the intent was they could make application after the program gets rolling. He added that now they are six months late on applications.

The committee agreed on \$3 million, and Mr. Ray said that they could change the word "supplemental" to "additional" funding for clarification, and Mr. Thomas agreed that "additional" would avoid misunderstanding.

Mr. Ray added that this is the concept of revenue sharing, the only change in the bill being that they took out the complicated formula [on page 5] by deleting "1.45 times" and have it read: "The base instructional unit is \$18,000...."

Mr. Ray moved and asked unanimous consent that HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 378 be reported out with individual recommendations.

On vote by the committee, HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 378 amended was reported out with a "do pass" recommendation, the members voting as follows:

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

NO RECOMMENDATION: Mr. Croft.

HB 862

Mr. Ray then moved and asked unanimous consent that a bill be drawn up by the Finance Committee appropriating to the

Department of Education \$3,000,000 for additional funding of the public school foundation program, and that this new bill be reported out with individual recommendations. On vote by the committee, what later became HOUSE BILL NO. 862 (appropriating to the Department of Education) was reported out with a "do pass" recommendation, the members voting as follows:

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

NO RECOMMENDATION: Mr. Croft.

Mr. Thomas left.

OFFICE OF THE GOVERNOR Mr. Ray moved and asked unanimous consent that the request to open an office in Washington, D.C. not be granted.

EXECUTIVE BRANCH There being no objection, \$60,000 was deleted from Code 380, thus making the new figure for contractual services \$124,800. Executive Office All other items remained the same as the Governor's allowance, the breakdown being:

Code 100: Personal services	\$413,300
Code 200: Travel	32,900
Code 300: Contractual services	124,800
Code 400: Commodities	13,200
Code 500: Equipment	1,800
Code 900: Inter-agency Charges	<u>5,900</u>
	\$591,900

Total Mr. Ray moved and asked unanimous consent that the figure of \$591,900 be adopted by the committee for the Executive Office, with legislative intent that the office in Washington, D.C. be deleted. No objection, so ordered.

Legislative Intent

Inter-
national
Fisheries

Mr. Ray moved and asked unanimous consent that the Governor's allowance of \$47,600 for International Fisheries be adopted by the committee. No objection, so ordered.

Mr. Freer commented that this was previously a part of the Executive Office, but is now broken out into a separate activity.

GOVERNOR'S
MANSION

Mr. Ray moved and asked unanimous consent that the committee adopt the Governor's allowance of \$64,900 for the Governor's Mansion. Mr. Borer objected, and moved and asked unanimous consent that the figure be increased to \$75,000. Mr. Ray declared Mr. Borer's motion out of order, and the committee adopted the figure of \$64,900 for the Governor's Mansion.

SECRETARY
OF STATE

Mr. Ray moved and asked unanimous consent that the committee adopt the Governor's allowance of \$133,500 for the General Program. No objection, so ordered.

General
Program

Elections

Mr. Ray noted that Code 390, page 59 of the budget book, reflects a program increase of \$175,000 due to election year. Of the total \$187,100 increase in contractual services, the remaining \$12,100 increase is primarily printing and advertising to cover advertising of state and local elections, printing new election forms and ballots, and advertisement of precinct board changes.

Mr. Ray then moved and asked unanimous consent that the committee adopt the Governor's allowance of \$395,200 for Elections. No objection, so ordered.

Mr. Hohman arrived.

PLANNING
& RESEARCH

Compre-
hensive
Planning

- Mr. Ray moved and asked unanimous consent that the committee adopt the figure of \$190,000 for personal services, which is \$15,200 less than the Governor's allowance of \$205,200. Mr. Borer objected, and wanted to know the reason for the decrease. Mr. Ray said this decrease does not delete any positions, but is taking into consideration the vacancy and turnover factor. The committee then agreed to adopt the figure of \$190,000 for personal services.
- Code 100:
- Code 200: Mr. Ray moved and asked unanimous consent that the committee adopt the figure of \$25,000 for travel, which is \$2,300 less than the Governor's allowance of \$27,300. The reason for this decrease is because he felt the new positions wouldn't need to travel that much. There being no objections, the figure of \$25,000 was adopted.
- Code 300: Mr. Ray referred to the Governor's allowance of \$150,000 for Code 380, which is \$55,000 more than the department request. This is to be for consultants fees, studies for housing, street planning, community planning, comprehensive transportation planning, communications, etc. He added that he didn't understand why the Governor's allowance is so much more than the request. Mr. Croft added that the fiscal year 1968-69 actual expenditures were \$8,047. Mr. Ray moved and asked unanimous consent that the committee adopt the figure of \$100,000 for contractual services, which is \$69,300 less than the Governor's allowance of \$169,300.

Mr. Borer objected, and asked how they are going to set this up and give planning and guidance to the state without the tools to work with.

Mr. Ray felt, however, that by giving them \$100,000 they are still getting more than they asked for.

Mr. Freer said that this increase was the result of the Sanford Research Institute report, which recommended an additional \$50,000.

On vote by the committee, the figure adopted was \$169,300.

Mr. Ray moved and asked unanimous consent that the rest of the items remain the same as the Governor's allowance:

Code 400:	Commodities	\$3,200
Code 500:	Equipment	4,000
Code 900:	Inter-Agency Charges	1,400

Total Mr. Ray then moved that the figure of \$392,900 be adopted for Comprehensive Planning. No objections, so ordered.

OEO
Technical
Assistance Mr. Ray moved the figure of \$120,000 be adopted for personal services, which is \$8,500 less than the Governor's allowance

Code 100: of \$128,500; decreased due to vacancy and turnover and not the deletion of positions. No objection, so ordered.

Code 200: Mr. Ray moved the figure of \$20,000 for travel, which is \$3,500 less than the Governor's allowance of \$23,500.

No objection.

Code 300: Mr. Ray moved that contractual services remain the same as the Governor's allowance of \$22,100. No objection.

Code 400: Mr. Ray moved that commodities remain the same as the Governor's allowance of \$1,600. No objection.

Code 500: Mr. Ray moved that equipment remain the same as the Governor's allowance of \$4,100. No objection.

Code 700: Mr. Ray questioned this, and said the explanation on page 96 of the budget book indicated this amount would be 10% of an anticipated \$100,000 grant from the federal government, for new program use.

Mr. Freer said this is for no specific program, just to match a \$100,000 grant.

Mr. Ray moved that this \$10,000 be deleted; however, on vote by the committee, motion failed 3-3 for lack of a 4th vote, Messrs. Ray, Croft and Hohman voting for the motion, and Messrs. Borer, Haugen and Sackett voting against the motion.

Total Therefore, the total figure moved for OEO Technical Assistance was \$177,800. No objection, so ordered.

VISTA Mr. Ray said he would like to eliminate the whole program,
Coordination and Messrs. Croft, Hohman and Sackett agreed they would be

VISTA in favor of eliminating the program.
Support

Mr. Freer said this is where Executive Order No. 20 comes in. They never know how much money will be available since it's all federal, and they "pump" it in through Executive Order No. 20.

Mr. Croft moved to eliminate the whole VISTA Program, and motion passed 4-2 -- Messrs. Ray, Croft, Hohman and Sackett in favor, and Messrs. Borer and Haugen voting against the motion. The VISTA Program was thereby eliminated, both the Coordination and Support.

LOCAL
AFFAIRS

Mr. Freer referred to the memo dated December 29, 1969 from Sigvald J. Strandberg to Mr. Freer regarding additional agency budgetary requirements in fiscal year 1970-71 due to operation of HUD Programs, page 110 of the budget book.

Code 100: Mr. Ray moved the figure of \$160,000 for personal services, which is \$5,600 less than the Governor's allowance of \$165,600. There is no deletion in positions, but only in the vacancy and turnover factor. No objection.

Code 200: Mr. Ray didn't understand why they should want to go to National Municipal Bond Conferences, and Mr. Sackett thought it would be to help the cities out with bonding. Mr. Ray moved the figure of \$36,000, which is still a 100% increase over the last fiscal year, but \$6,800 less than the Governor's allowance of \$42,800. No objection.

Code 300: Mr. Ray moved the Governor's allowance of \$69,400 for contractual services be adopted by the committee. No objection.

Code 400: Mr. Ray moved the Governor's allowance of \$4,000 for commodities be adopted by the committee. No objection.

Code 500: Mr. Ray moved the Governor's allowance of \$500 be adopted for equipment. No objection.

Code 900: Mr. Ray moved the Governor's allowance of \$1,500 be adopted for inter-agency charges. No objection, so ordered.

Total

RURAL

DEVELOPMENT

General
Program

The total for Local Affairs is \$271,400. No objection. Mr. Ray moved that the Governor's allowance of \$110,100 for Rural Development, General Program, be adopted by the committee. No objection.

Grants & Claims

Mr. Ray moved the figure of \$400,000 for Grants & Claims, which is \$1,900 more than the Governor's allowance of \$398,100. Mr. Sackett objected, and moved that the figure be amended to \$450,000. Mr. Sackett's motion failed, however, 3-3 for lack of a 4th vote.

Mr. Croft then moved that the committee adopt the figure of \$425,000; however, Mr. Ray ruled the motion out of order.

The committee thereby agreed to adopt the figure of \$400,000.

Neighborhood Youth Corps

There is no request for a Neighborhood Youth Corps this year and has not been since fiscal year 1968-69.

Total

The total adopted by the committee for the Rural Development agency, therefore, was \$510,100, or \$1,900 more than the Governor's allowance of \$508,200.

TOKYO OFFICE

Mr. Ray felt that the Governor's allowance of \$65,000 was a very reasonable figure for the Tokyo Office, and moved that the committee adopt that figure. No objection.

STATE MUSEUM

Juneau Museum

Mr. Ray moved that the committee adopt the Governor's allowance of \$247,600 for the Juneau Museum, which is \$142,700 less than the department request. Mr. Borer objected, saying that a year ago they were looking for more help, and they are looking for more help now in personal services.

Mr. Ray felt that with the three new permanent positions they could do the job.

Mr. Freer said eventually this program will expand, but not all in one year.

Mr. Ray again moved the figure of \$247,600, the Governor's allowance. No objection.

Trans-
portation
Museum

Mr. Ray moved the Governor's allowance of \$30,000 for the Transportation Museum. No objection.

PUBLIC
DEFENDER

Mr. Ray moved the Governor's allowance of \$500,000 for the Public Defender.

Mr. Croft objected, and moved to amend the figure to \$600,000. Motion failed 3-3.

Mr. Croft then moved to amend the figure to \$550,000.

Mr. Ray objected, saying there was no reasoning for it.

Mr. Croft said if they want some cases tried they will have to fund more money in this agency.

On vote by the committee, however, Mr. Croft's motion to amend the figure to \$550,000 passed 4-2, Messrs. Ray, Hohman, Croft and Sackett voting in favor of the motion, and Messrs. Borer and Haugen voting against the motion.

The figure of \$550,000 was thereby adopted.

STATE COM-
MISSION ON
HUMAN RIGHTS

Mr. Ray moved that the Governor's allowance of \$96,400 be adopted by the committee for the State Commission on Human Rights. No objection.

COAST
COMMISSION

Mr. Ray moved that the committee adopt the figure of \$217,000 for the COAST Commission, which is \$15,100 more than the Governor's allowance.

Following the meeting, however, it was decided to adopt the figure of \$200,000 for the COAST Commission, and the \$17,000 which was discussed for supplementing Dr. Nayudu will be funded out of the University of Alaska budget.

COUNCILS & COMMISSIONS
WICHE Mr. Ray moved the committee adopt the figure of \$96,700 for WICHE, which is the Governor's allowance. No objection.

Council on State Government There is no request for the Council on State Government this year, which reflects a decrease of (\$6,500).

Athletic Commission Mr. Ray moved to adopt the Governor's allowance of \$17,000 for the Athletic Commission. Mr. Sackett commented that this includes the Arctic Winter Games. No objection.

Status of Women Mr. Ray moved to adopt the Governor's allowance of \$5,000 for the Status of Women. No objection.

Council on the Arts Mr. Ray moved that the Governor's allowance of \$208,400 for the Council on the Arts be adopted by the committee. No objection.

International Development Mr. Ray moved that International Development be deleted. Mr. Sackett objected.

Mr. Freer referred to page 310 of the budget book for an explanation of the function of the International Development Commission, which Mr. Sackett quoted in part, "...shall prepare a plan for the joint development and use by the U.S. and Canada of the water resources of the upper Yukon River and its tributaries.....They shall also meet with other agencies having related purposes to seek cooperation of the U.S. and Canada and their agencies and nationals on the development and use of mineral, power and forest resources near the border of Alaska and Canada."

Mr. Croft then noted that the functions of the Yukon-Taiya Commission, on page 319 of the budget book, indicates they

"shall seek the initiation of a joint United States-Canada study of the Yukon-Taiya hydroelectric project and related resources development...."

Mr. Sackett withdrew his objection and said to go ahead and delete the International Development Commission, as there seems to be duplicate functions.

Motion passed deleting the International Development Commission. Mr. Borer asked that the record show he is not in favor of deleting this commission.

Pioneer's
Advisory
Board

Mr. Ray moved that the committee adopt the Governor's allowance of \$6,300. No objection.

Yukon-
Taiya

Mr. Ray moved that the Governor's allowance of \$5,000 for the Yukon-Taiya Commission be adopted by the committee. No objection.

Criminal
Justice

Mr. Ray moved the figure of \$118,900, the Governor's allowance, be adopted by the committee for the Council on Criminal Justice. No objection.

Rural
Affairs
Commission

Mr. Ray moved the figure of \$48,900, also the Governor's allowance, for the Rural Affairs Commission. No objection.

Nuclear
Compact

The Governor's Office deleted the request for a Nuclear Compact, and Mr. Ray moved that the recommendation to delete this be accepted by the committee. No objection.

Pacific
Marine
Fisheries

The Governor also deleted the Pacific Marine Fisheries Commission, and Mr. Ray moved that the committee accept the Governor's recommendation. No objection.

Total The total figure moved for Councils & Commissions, therefore, is \$506,200. No objection.

CONTINGENCY FUND Mr. Sackett moved and asked unanimous consent that \$34,000 be taken out of the contingency fund, allowing them \$66,000. Motion failed 3-3.

Mr. Croft asked what has been spent out of the fund so far. Mr. Borer said a contingency fund is for items that come up in the future that were not anticipated.

Mr. Freer said it is fine if they don't spend anything out of it, but he felt they needed something there in case there is something overlooked.

The figure adopted by the committee for the contingency fund remained at \$100,000, the same as the Governor's allowance.

RURAL DEV- ELOPMENT Mr. Hohman said he would like to reconsider the figure for Grants and Claims and to amend it to \$450,000.

Grants & Claims Mr. Ray asked Mr. Hohman what his recommendation would be. Mr. Hohman recommended that Mr. Sackett's motion do pass; however, due to insufficient votes, motion failed, and the figure remained at \$400,000.

TOTAL The total figure moved for the Office of the Governor would therefore be \$4,380,500. No objection.

Adjournment: Meeting adjourned at 4:10 p.m.

HOUSE FINANCE COMMITTEE
Tuesday, May 6, 1970
9:10 a.m.

Present: All members. Mr. Van Houte and Mrs. Betty Daugherty were also present along with the following teachers:

Mr. George White, Mr. Jim Starry and Mr. Bob Cooksey.

CSSB 470 The teachers were present to discuss COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 470 (an act relating to compensation for teachers). Mr. Starry said they felt CSSB 470 is a good salary schedule and is comparable to the school districts throughout the state.

Mr. Starry referred to paragraph (1) of Section 1 of the bill and explained this section applies only to non-certificated teachers. He said there are only two or three teachers in this category in the state. Paragraph (2) of Section 1 of the bill is the base salary for district teachers, Mr. Starry said.

Mr. Ray questioned the use of ".04 times" in line 20, page 1. This reads "This salary is augmented by the sum of .04 times the base for each year of school experience...." Mr. Van Houte said this is based on the escalation of the cost of living. Mr. Cooksey explained that the figure 4 has been used for some time. He said most of the districts have moved to 5 and 6 but they have continued to support 4 as a median.

Mr. Van Houte said they would request that the figure on line 20, page 1 of \$9,500 be changed to \$9,950. He explained that the reasoning behind this was that nearly all teachers are offered a minimum of \$10,000 but in the small districts very often the teachers will be hired at the state minimum figure. He noted Pelican and Craig as examples where they have traditionally used the state minimum figure. He said the teachers unknowingly will come to these districts not realizing this minimum is not comparable to the rest of the state. Mr. Cooksey pointed out that changing this to \$9,950 will involve no increased cost to the state. He said this fits into the instructional unit concept which they are supporting.

In answer to Mr. Croft, Mr. Van Houte explained that there is a schedule in the bill designed exclusively for state operated schools and the others are established for the school districts. Mr. Croft asked if the state has always set the minimum state salary. Mr. Van Houte said this is correct, before if there was a change in the minimum salary this changed the Foundation fund but by going to instructional units