

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2521

will have a higher level. Dr. McGinnis said in deleting somewhere between \$2,500,000 and \$3,000,000 it is obvious that some rather important things would have to be deleted. There was a discussion on some positions that had been substituted. Mr. Hogan pointed out that in the list prepared by the Department of Administration there are two positions that the Division deleted which do not show as vacant positions. Mr. Iverson said there were discrepancies in this list. After this was distributed they gave the Departments up to two weeks to straighten it out and they also gave the Departments certain latitude for substitution. Mr. McLean said this is the reason for their substitution and they would find some here that were not on this list.

Dr. Koutsky said that at the Alaska Psychiatric Institute he believed they could keep the same turn over which will keep them from building another insitution. The only problem is that frequently insitutions become the final resting place for people who should be in nursing homes. He did not feel this would happen to Mental Health from the cuts that have been made. He said the only area they are concerned with is Mental Retardation. He said they do have babies who should be in the hospital.

Mr. Warwick referred to the Central Office and asked which position was being cut. Mr. McLean said the Administrative Assistant which is shown on line 8 of page 321. Mr. Warwick said he believed all of the other items are right at the program maintenance level and Mr. McLean said this is true. Mr. Warwick wanted to know if there had been any thought in

bringing the Office of Mental Retardation and the Central Office together. Mr. McLean said they are under the same director. He said when the Office of Mental Retardation was set up it was totally federally funded. He said since that time the offices have not been pulled together. In answer to Mr. Warwick, Mr. McLean said they are located in the same office. Dr. McGinnis said for a number of years the Director of Mental Health has been planned and budgeted for but has never been implemented. He said they have provided for a Director and hopefully they will hire him and he could address himself to some of these matters. Dr. McGinnis pointed out that this is a double load for Dr. Koutsky as he is Acting Director of the Division as well as Superintendent of API. Mr. Warwick asked if there was any other position that had been vacant for a long period of time. Mr. McLean said the only other one was the Administrative Assistant. Mr. Lang said there had been a mistake on the employee benefits and if they had taken out all 42 positions they would have deleted more than the \$434,600 cut imposed. This is how the Director of Mental Health was put back in, Mr. Lang added.

Community Mental Health Clinics Mr. Degnan asked if all the positions that had been cut (see Budget Request book for list provided by Department) from this section had been vacant for nine months. Mr. McLean said there was one substitution -- the rest had been vacant.

Mr. Haugen asked if they would still use the same amount of travel. He noted several positions had been cut but the

travel had not been cut. Mr. McLean said a good share of this travel is for patient travel. Mr. Haugen asked how the division feels about outside travel. He pointed out this is quite extensive -- there are 48 days of outside travel. Mr. Haugen said he was concerned that they were cutting out people but all the rest of the codes had stayed the same. Dr. Koutsky said he felt the professionals do require a certain amount of upgrading and a certain amount of travel is indicated. Very often things that are advantageous to the State come along and they do not have the travel funds to take advantage of them, Dr. Koutsky added.

Hospital and Nursing Home Contracts Mr. Degnan said this shows an increase over the present maintenance level. The revised total is \$375,500. Mr. Degnan asked how many contracts the division has. Mr. McLean said Haven Acres is the only firm contract they have at the present time. Under this same appropriation they do maintain clinic patients in hospitals in Alaska pending release or transfer to API. Mr. McLean said this is a fluctuating figure. Mr. Warwick asked if the figure for Haven Acres is firm. Mr. McLean said no, since the preparation of the budget Haven Acres has advised the contract will go higher.

Dr. Koutsky said there was a fire at Hope Cottage and it was declared unfit and they had 12 or 13 babies who had to be sent to API. He said this was to be for a period of 6 months and it has been a year and a half and API still has the babies. He said Hope Cottage still plans to build a home and if they

can meet their contract figures then they will be sent to Hope Cottage. If they cannot meet their figures then the babies will have to be sent out to Haven Acres.

Mr. Lang said last spring when Hope Cottage prepared for opening their quotation was a cost estimate of \$850-\$875 a month per patient. Mr. Lang said they were able to identify some discrepancies and get this down to \$750 a month. But he felt this would be a minimum of \$750 a month per child.

Mr. Warwick asked what the charges are to the patient.

Mr. McLean said their ability to pay but they are mostly life long patients and many of them have families living on a fishing economy or hunting economy. Dr. Koutsky said Haven Acres is for small children but some of Alaska's children have been there so long they are no longer small. The larger retarded crib cases are the ones they are proposing to bring to Alaska.

Mr. Wright asked what the cost of Valdez versus Anchorage is and Mr. McLean said it is a little less at Valdez -- about \$100 a month per patient less.

Harborview Memorial Hospital Dr. Koutsky said this is the main home and school for retarded children in Alaska. There are approximately 109 patients at this time. This is where the Division wants to put up a building for school and rehabilitation facilities. Dr. Koutsky felt this is a "pretty fair" program for retarded children as far as state facilities -- they have special education teachers from the borough as well as

speech training and other industrial therapy programs.

Dr. Koutsky said this year they are moving eight of the young adults into the Anchorage area to come under a vocational rehabilitation program and hopefully they will be able to go on to full employment.

In answer to Mr. Warwick, Dr. Koutsky said that Harborview cannot take care of the non-ambulatory severely retarded. This type of patient is sent to Haven Acres and some to API. If they are educable or trainable then they will be sent to Harborview.

Mr. Warwick asked which positions had been deleted. Mr. McLean read the positions from the list (see Budget Request Book).

Mr. Warwick asked which of these positions are vacated.

Mr. McLean said all of them. Mr. Warwick asked if there were any other positions that were not filled. Mr. McLean said there are approximately 4 or 5 -- this is a normal turnover.

Dr. Koutsky said the rotation at Valdez is very rapid and this is partly due to the fact that the employees cannot find any housing.

Dr. McGinnis said the last census he had places 171 patients at API, 63 patients at Haven Acres and 116 patients at Harborview.

API Dr. Koutsky said if they could continue with the clinic programs this insititution will be large enough for a considerable period of time. He said with the positions that have been eliminated they can continue on a maintenance basis.

Mr. Warwick questioned the inter-agency charges. Mr. McLean

said this is a typographical error -- \$223,000 should be \$22,300 on the Revised Governor's Allowance sheet for code 900.

Mr. Degnan asked if Dr. Koutsky felt they are serving the needs at the level that needs attention. Dr. Koutsky said they are not satisfactorily feeling the need at all. He said many areas need to be opened up such as drug abuse and alcoholism. He said that drug abuse has not caused much of an increase in hospitalization at the present. He said they were not sure if it just has not caught up with Alaska. Dr. Koutsky said as far as meeting emergency needs the institutions can provide care along this line. Mr. Degnan asked how alcoholics are handled. Dr. Koutsky said they are first admitted to hospitals and then after they are over the physical danger they are admitted to API.

Dr. Koutsky said there is the additional problem of getting the concept of mental health and preventative programs. He said there are whole villages that are sick. He said under the concept of mental health guidance they eventually hope their program will take on the project of education of primarily prevention of these kinds of problems. Mr. Hohman asked what he had reference to and Dr. Koutsky said they do not have a specific alcoholism program.

Mr. Fink entered the meeting.

Dr. Koutsky said in referring to alcoholism, he was talking about the whole structure.

Dr. Koutsky said he was talking about beatings -- where children have to run and hide to keep from getting "cut up". He said he was talking about small villages. There are

areas that really need something, Dr. Koutsky said.

Mr. Degan asked if he was classifying all of the small villages. Dr. Koutsky said there are some areas that need help. Dr. McGinnis again spoke about Dr. Koutsky's double duties. He said if they are successful in getting a Mental Health Director then he can begin to ask about the mental health needs of the bush area.

Mr. Haugen asked about the Chaplain on page 438 of the budget. He noted this salary is \$16,800. Dr. Koutsky said this was on a contract but is now a full time position. Mr. Haugen asked what kind of job classification this is and requested this be asked of the Division of Personnel.

Dr. McGinnis said a question had been asked in the early meeting about apparent budget discrepancies. He explained this (page 378 ). This was discussed by the committee.

Mr. Wright referred back to the mental retardation program and asked what the dollar amount for the 10 positions that had been deleted would be and Mr. McLean said he did not have this but would get the dollar amount for the committee.

Recess: The committee recessed at 3:20 p.m.

OPENING REMARKS BY COMMISSIONER FREDERICK MCGINNIS  
TO THE HOUSE FINANCE COMMITTEE

Mr. Chairman:

At the outset I wish to express my thanks to the Committee for the understanding and cooperation you have extended in adjusting your schedule to accomodate some unavoidable absences in connection with the pipeline hearings.

As you know, Governor Egan has found it necessary to impose very stringent budget limitations on the budget review undertaken by his administration. As a result the Department's budget request for Fiscal Year 1972 and the Governor's allowance figures entered on the budget sheets presently before you have been drastically reduced. Revised summary sheets for the total Department and summaries for the respective program divisions, making reference to page numbers and amounts revised have been prepared and are available for the Committee this morning.

The budget submitted for your consideration has been reduced by \$2,841,500 in General Fund monies. \$2,406,900 of the reduction is identified as program increase in the form of new positions, new programs and related costs. \$434,600 was deleted by abolishing existing positions which have been vacant for a number of months and by trimming other expenditures. By and large the proposed budget represents a continuation of most programs at the current year level. This "maintenance level" includes additional personal services monies to pay the higher unbudgeted salaries and benefits, recovery of vacancy and turnover, overtime, and increased cost factors.

I would be less than honest to myself or this Committee if I led you to believe that the proposed budget addresses all of the health and social concerns in Alaska today. It does not, for example, speak to

the need for a Detoxification Center in Fairbanks; it does not provide for the Probation Officers which are necessary to adequately staff the Division of Corrections; it does not provide the monies necessary to fund a venereal disease control program to confront the spread of gonorrhea which has reached epidemic <sup>proportions</sup> ~~preparations~~; nor does it consider the potential unemployment rate and the resultant impact on public welfare caseloads. As I pointed out during recent testimony on the pipeline hearings, Alaska's health and social concerns are manifold and without the revenues necessary to fund programs responsive to these concerns many will suffer.

The Budget submitted for your consideration represents a realistic appraisal of priorities balanced against restrictions imposed by reduced revenue projects. It underscores Governor Egan's responsible approach to Government by resisting the desire to spend beyond the State's projected capability.

This Committee also has before it a request for a supplemental appropriation for the Department of Health and Welfare. During previous testimony on this legislation, which is contained in House Bill 61, the Committee requested further information to support the request. This information has been furnished and I urge the early consideration of the supplemental request as some welfare programs are in jeopardy because of lack of funds. Historically, the Department has been faced with supplemental requests because of the nature of welfare programs. In the Adult Public Assistance, Aid to Families with Dependent Children, and purchase of services from Child Care Institutions, Nursing Homes, and foster parents the Department is by legislation mandated into a spending pattern over which it has no control. Because of the questions previously raised by the

Committee I must emphatically bring to your attention the fact that if caseloads continue to increase a supplemental appropriation of an estimated \$6,000,000 will be required to fund the following programs in the FY 1972 Budget:

|   |             |
|---|-------------|
| Adult Public Assistance-----  | \$605,000   |
| Aid to Families with Dependent Children-----  | \$1,711,700 |
| General Relief Medical-----   | \$2,803,500 |
| General Relief Assistance-----  | \$429,400   |
| Juvenile Code-----  | \$192,200   |
| (Estimating a 40% increase in Child Care costs as a result of recent rate hearings. Details to be available within next 20 days.) | \$258,200   |

NOTE: By definition increased caseload and resultant increased costs are Program Increase and therefore the Governor's Allowance does not recognize this fact. Thus, the above supplemental projections are based solely on increased caseload and increased costs of medical assistance under the General Relief Program.

I do not argue with the concept of underfunding these programs; however to avoid any misunderstanding of the intent of this Legislature I request that this matter be made a matter of Committee record and the intent of the Committee be clearly defined in the Journal. Further, any new legislation which would increase grant payments to recipients should be fully funded or some expression of intent pertaining to the funding of the program should be provided. The information submitted in support of the supplemental appropriation will bring this matter into sharper focus. For this reason I respectfully request, Mr. Chairman, that the Committee first consider the matter of the supplemental before proceeding with next year's budget request.

I request that the budget be reviewed in the following sequence:

**General Administration**

**Commissioner's Office**

**Office of Aging - Henry Harmon, Coordinator**

**Division of Administrative Services - Ben Iverson, Director**

**Division of Mental Health - Dr. Carl Koutsky, Acting Director**

**Division of Corrections - Charles Adams, Director**

**Division of Public Welfare - Stanley Harris, Director**

**Division of Public Health - Dr. Donald Freedman, Director**

**Office of Comprehensive Planning - Larry Sullivan, Coordinator**

Mr. Chairman and Members of the Finance Committee

I am Ben Iverson, Director, Division of Administrative Services. The mission of the division I head is to provide centralized administrative and management support to the total department. Functionally, the services we provide include but are not necessarily limited to Personnel, Supply, Budget, Accounting and Expenditure Control, Research and Statistics, audio-visual and related common housekeeping support such as mail/messenger, forms and record management and contract administration. The division operates a film library with over 1200 health education films, a combination professional reference/pamphlet library and the Bureau of Vital Statistics. In addition, regional offices in Anchorage and Fairbanks are operated which function as extensions of central office services in supporting regional program operations.

To perform this work in support of 5 program divisions and 2 separate offices with a combined authorized department strength of 1,346 positions and a 42.4 million appropriation (does not include the supplemental appropriation contained in HB 51), the Division of Administrative Services has a current year legislative appropriation of \$1,009,400 and 88 authorized positions. An additional \$33,927 from Federal Tuberculosis Control Project for administrative and direct costs was authorized by Executive Order 20 during the year to pay employee overtime at time and one-half, cover increased cost of travel and per diem and other increases in postal, office supplies and commodities and the replacement of some worn out and/or obsolete equipment such as postage meters, scales, etc.

About 50% of the total employees of the division work in the budget/fiscal and statistical services areas under the Comptroller. Based on the results of our April 1970 Time Study (required by Federal Government.

to support receipts claimed) nearly 70% of total fiscal effort and support is provided Welfare programs. Across the board the total division spends nearly 60% of available time and effort supporting Welfare. This does not leave much for the other 4 divisions and separate offices.

The division's FY 72 budget request of \$1,172,200 as finally approved by the Governor shows an increase in program maintenance level of \$162,800 of which \$156,300 is identified to fund unbudgeted salary and benefit increases and related unavoidable increases. I emphasize the point that by definition this budget contains no program increase. In fact, it is \$6,000 below the current year maintenance level. The \$162,800 increase is accounted for as follows:

Personnel Services - \$156,300 or 96% of total.

\$48,800 To cover unbudgeted salary increase for 88 authorized positions at 6%

53,200 Employee Benefits (5%) change. (Difference between 12% and 17%)

Above two items are legislative increases over which the division has no control.

32,600 Recovery of vacancy and turnover. Request no vacancy/turnover be taken in FY 72 since we must keep all positions filled in order to get out from under a serious backlog in work caused by FY 71 department budget increase of 13 million (includes Supplemental HB 61) and the authorization of 91 new positions. Last year the division received 2 1/2 clerical positions to support this tremendous increase. We are just now feeling the full impact of these increases in dollars and people.

- \$17,100** Needed to fund time and one-half overtime to clerical staff primarily in Fiscal Operations and Vital Records in order to pay our employees and vendors in a timely fashion, serve the public and meet Federal reporting deadlines.
- 3,100** To fund 18 reclassification/reallocation actions, 15 of which have already been accomplished by the Division of Personnel. Of action taken, 7 were up, 4 were down and 4 remained at the same pay range.
- 1,500** To fund salary and benefits difference between Information Officer position lost and the Data Processing Supervisor gained.

Travel - No increase over FY 71 level.

We will absorb the 33% increase in per diem by limiting number of days absent in travel status for each affected employee.

Contractual Services - \$5,000 or 3% of total.

To fund postage increase effective November 1970 (\$4,800), rent increases (\$2,200), photo copier rentals (\$1,900) and allowance for taxes on Fairbanks Court Building (\$2,300), offset by decreases in printing, insurance and a \$1,900 division cut below current maintenance level.

Commodities - \$1,400 or 1% of total.

To cover increased cost of stationary and supplies and a \$3,500 division cut below current maintenance level.

Equipment - \$2,800 decrease or -2% of total.

Reduction due to cost of replacing worn out and obsolete equipment being less than FY 71 allowance.

Inter-Agency Charges - \$2,900 or 2% of total.

To fund pro-rated share of increased charges imposed by the Division of Buildings for utilities and maintenance.

I would be happy to answer any questions you might have or supply additional justification if such is desired. Thank you.

## DEPARTMENT OF HEALTH AND WELFARE

### MEMORANDUM

**TO:** George Holman, Chairman  
House Finance Committee

**FROM:** Frederick McGinnis, Commissioner  
Department of Health & Welfare *F.M.G.*

**SUBJECT:** Apparent Budget Discrepancies

**DATE:** March 8, 1971

The question was asked this morning as to why FY 1971 authorized budget figures do not agree between this Department's FY 1972 budget document and a summary of Estimated Lapses by Agency and Appropriations. The cause for these discrepancies is twofold:

1. Several Executive Order 20's requesting permission to either receive and expend additional funds or reduce the authorized appropriation level due to lower Federal earnings than first projected. The Department budget does not reflect any of the changes brought about by these executive order approvals; and
2. The document prepared by the Division of Budget and Management reflect totals without some of the special projects of the Department such as the Hospital Improvement Program, Tuberculosis Federal Project, etc.

The Department of Health and Welfare total in column 3 of page 1 in the budget are the amounts authorized by the Legislature in 1970.

HOUSE FINANCE COMMITTEE  
March 9, 1971  
9:00 a.m.

Present: All members. Mr. Charles Northrup, Alaska Educational Broadcasting Commission.

Alaska Educational  
Broadcasting Commission

Dept. of  
Education

Mr. Hohman called the meeting to order and introduced Dr. Northrup, who testified on the Alaska Educational Broadcasting Commission as follows: This is the newest commission, created under the Department of Education for bookkeeping purposes, and composed of nine members who are appointed by the Governor and confirmed by the legislature. The budget for this year was appropriated in a lump sum of \$120,000, of which the bulk was administrative funds to allow the commission to meet, employ an executive director, and hire clerical personnel. One program was for operating funds for a new A.M. radio station in Bethel, which will soon be on the air. This year's request was intended to put the commission into the business of providing for educational broadcasting throughout the state, but Dr. Northrup reported their budget has been cut to program maintenance. He did not feel it wise to create a commission, employ a staff, and then not allocate any funds to carry out a program. Dr. Northrup distributed copies of the original budget request, the cuts, and a justification for funds (see department file). Dr. Northrup continued his testimony by saying almost every department in the state government agrees that facilities like those the commission is encouraging are not only needed, but in many cases necessary for the continuation of each agency's communication program. Telecommunications services are just within the reach of the commission; which, due to the rapid increase in technology, is one of

the few services where costs decrease in time. The commission has been as active as possible in satellite communication, however, funding is lacking to progress.

Mr. Hohman questioned the total request of \$538,400 listed on the budget justification sheet distributed by Dr. Northrup, and Dr. Northrup said this is a misleading figure since much of it is federally funded. However, if the budget is cut, the commission will be unable to begin new programs and will be ineligible for federal funds. Dr. Northrup added the budget figures shown were prepared prior to Governor Egan's cut, which reduced the budget to maintenance level. Dr. Northrup believes this is bad business, and the entire program may as well be deleted. Mr. Warwick asked if funds were not just received for educational TV in Fairbanks and Dr. Northrup answered the University of Alaska had provided the state funds, the balance was federal. \$159,000 has been requested by the university to continue this program, but this, again, was prior to the Governor's cut and the federal funds may have to be returned. Dr. Northrup continued that there is a need for an educational TV station in Anchorage, where the bulk of the population is, and also a need for educational A.M. radio stations, such as the one starting in Bethel. Mr. Warwick asked what the state must commit before receiving federal funds and Dr. Northrup answered the state must provide 1/4 of the funds for new programs, plus a building to house the project. He added the programs planned would not duplicate efforts by the University of Alaska. Discussion continued on the amount of federal funds which could be obtained, and Mr. Wright asked for a list of priority items. Dr. Northrup noted this was listed on page 2 of the justification he had

prepared. If the state would provide an additional \$250,000, new programs could be initiated, which would put the commission on top of the list for federal funds. Mr. Haugen said his only worry is counting on federal funds and then not receiving them. Mr. Warwick asked what areas are being considered for new programs and Dr. Northrup said they are waiting for an engineering report which would show the most advantageous places for new programs. The cost for equipment is about \$30-40,000, and an operating budget of \$40,000/year is required for new stations, which the federal funds at the level of 3/4 of the equipment costs. Mr. Haugen asked if anything is considered for Southeast Alaska and Dr. Northrup said the problems for this area are not as serious, since there is no need for high power transmitters. Mr. Haugen concluded the legislature created the problem last year by passing a bill authorizing creation of the commission, at which time it was feared the costs would increase considerably.

Recess: The meeting recessed at 9:30 a.m.

AFTER RECESS  
9:30 a.m.

**Present:** All members. Frederick P. McGinnis, Commissioner; Carl D. Koutsky, Acting Director, Division of Mental Health; Charles McLean, Administrative Officer, Division of Mental Health, Department of Health & Welfare.

Div. of  
Mental  
Health,  
Health &  
Welfare

Mr. Hohman called the meeting to order and turned the meeting over to Mr. Degnan to conduct the budget review of the Department of Health & Welfare. Dr. McGinnis reviewed the departments considered yesterday and now will start on the Division of Mental Health. Dr. Koutsky explained the hospital improvement program amounts to two kinds of programs; one a federal grant added to children's services and the other a training program. The particular federal grant will come to a close at the end of this year, and the department is re-applying. It is not matched money. The program provides clerical services, special children's work services, an occupational therapist, and a youth counselor. The patient load is usually about 12 or 13 in the hospital ward, but about 90% of the referrals are placed as outpatients to avoid placing them in an institution. Dr. Koutsky explained there is one vacancy in occupational therapy.

Mr. Hogan asked if the committee could receive a breakdown of caseloads handled by each department of Health & Welfare, and Dr. McGinnis said the department would provide the figures. Mr. Degnan questioned the in-service training and Dr. Koutsky said this brings experts into the hospital to provide training programs. At the Alaska Psychiatric Institute about 40-50% of the patients come from rural Alaska, and most

of the staff at Anchorage don't know the cultural background or stresses on the Natives. Special courses in clinical anthropology are conducted for guidance.

Mr. Warwick questioned the \$25,000 grant from the federal government and Dr. Koutsky said they have it this year, but won't know until May or June if it will be received next year. Mr. Haugen commented that some special federal appropriations are sent directly to the state agencies; while others go directly into the general fund, to be distributed by executive order transfer as the Governor sees fit.

Dr. Koutsky noted the Community Mental Health Center program where two communities have applied for federal matching funds, Kodiak and Ketchikan. Ketchikan is a complete community mental health center covering Metlakatla, Craig, Kake, etc., requesting federal funding at about 70 to 75% of the total. The state Division of Mental Health assists the community of Ketchikan in their budget to help match the federal appropriation, which is a grant directly to the community.

Mr. Haugen said the communities involved were each to contribute \$5,000; however, some communities did not come up with their share.

Mr. Haugen said this is a sore point in the community, since Petersburg did contribute their share. Mr. Warwick asked who determines matching funds, the state or the community, and Mr. McLean said this is a matter of policy.

Mr. Haugen asked what type of arrangement has been made with Model Cities and Dr. McGinnis said they may have some type of understanding with the Model Cities program in conjunction with local government.

Dr. Koutsky then described the state clinic in Juneau and Mr. Warwick

asked what qualifies as a mental health center. Dr. Koutsky said federal regulations state services which must be provided to qualify. In answer to a question from Mr. Wright, Er. McGinnis reported he would secure a breakdown of the Ketchikan mental health center funding, showing federal, state and local funding.

Recess: The meeting recessed at 10:00 a.m.

**AFTER RECESS**

**1:30 p.m.**

**Present:** All members with the exception of Messrs. Hohman and Ditman.

Mrs. Mothershed, Alaska Retarded Children's Association; Representative Willard Bowman.

Alaska  
Retarded  
Children's  
Association,  
Health &  
Welfare

Mr. Degnan called the meeting to order and Mrs. Mothershed testified the Alaska Retarded Children's Association provides services to handicapped children. They received \$54,000 under the budget last year and are requesting \$62,985 this year. It is listed in the budget under Health & Welfare as a contractual payment to the Greater Anchorage Health Department. One of the programs for the mentally retarded covers pre-school children (ages 3 to 6) and a certified special education teacher was hired last year to work with the children before they enter kindergarten. \$10,000 is requested to hire another special education teacher to work with severely handicapped children. Three teacher aides are employed. The funds requested are used strictly for staffing. A new expenditure is a request for \$14,000 to employ a director, who will receive an additional 15% from the federal government.

Mr. Hohman and Mr. Ditman arrived at the meeting at 1:40 p.m.

Mrs. Mothershed continued by stating they also provide a workshop for adults, and the entire program serves about 30 mentally retarded, from age 3 to age 30. Most children are handicapped and would be placed in an institution if this service was not provided. The program increases to about 50 students during the summer months. The total budget is \$104,000, and \$21,825 is received from federal funds, \$54,000 received from the state, and the balance is raised through contributions.

**Recess:** The meeting recessed at 1:55 p.m.

AFTER RECESS  
2:00 p.m.

Present: All members. Frederick P. McGinnis, Commissioner; Charles G. Adams, Jr., Director, Division of Corrections; Thomas R. Branton, Administrative Officer, Division of Corrections; Department of Health & Welfare; Walt Noren, Budget Analyst, Division of Budget & Management.

Div. of  
Corrections,  
Health &  
Welfare

Mr. Degnan called the meeting to order. Dr. McGinnis distributed an itemized list of requests and cuts in the budget document (attached) for the Division of Corrections and introduced Mr. Charles Adams, who testified as follows: The budget has been reduced to maintenance level, but two factors have entered into the budget consideration since last year. This is the funding at time and one-half of overtime payments and the additional personnel requested at the Fairbanks institution. The division, however, has made other reductions in the budget in order to keep the total at the maintenance level.

The administrative section provides for central office administration, plus field services and parole system throughout the state. Mr. Adams said their recommendation is for one Probation Officer III position, eliminating two trainee positions. There is a reduction of \$5,000 in travel and \$5,000 in anticipated rentals.

Mr. Hohman asked the justification for the reclassification of the Probation Officer in Bethel, and Mr. Adams replied there was a general reclassification of probation officers in Petersburg, Nome, Bethel, Haines, Kenai, and remote positions from a II to a III level, in order to recruit qualified people. They are recruiting in Alaska for employees. Mr. Fink said there have been complaints in the Anchorage area and Mr. Adams said he has been trying to avoid duplication of duties such as have been occurring in Anchorage where all ten

probation officers were going to court handling pre-sentencing. There are now two probation officers covering this area. The problem is most critical in Anchorage, some pressure in Fairbanks, Juneau is well covered, Petersburg vacant, Kenai vacant, Bethel staffed. In answer to a question from Mr. Haugen, Mr. Adams said the man in Petersburg had requested a transfer to the Model Cities program in Juneau. Mr. Haugen questioned federal funds, and Mr. Adams said they are eligible for federal funds in the amount of approximately \$1/2 million, but they don't want to commit themselves to on-going programs. The neighborhood facility in Juneau for teenagers is funded by Model Cities and Criminal Justice, all federal funds. Originally it was requested in the budget that the Division of Corrections pick up the funding, but it has been deleted under the maintenance level budget. Mr. Fink asked if all probation officer positions are filled and Mr. Adams said they were filled most of the time last year. Recruiting is difficult, most coming from outside Alaska. When a position is vacant, the department must request from the Governor the authority to fill it, then there are difficulties with the personnel list since the department did not feel the individuals on the list were qualified. There are now four vacancies in the Anchorage office and the department has a request in to fill two; permission has been received to fill one. Mr. Adams continued by saying if two more were employed, they would probably go into pre-sentencing which would cut the delay in that area. There is a high turnover of personnel employed from outside Alaska, who find the state different from what they had imagined. Mr. Adams continued with his opinion that para-professionals may be used to

relieve the probation officers of routine duties, and an aide program has been functioning since last September.

Adult Conservation Camp - Mr. Adams said this is a minimum security institution. One correction officer position has been cut, and the department would like to restore the position. In answer to a question from Mr. Degnan, Mr. Adams said the vocational rehabilitation officer provided by the Department of Education has been deleted. Mr. Warwick asked if the state is going in the right direction in corrections, and Mr. Adams said he feels they do a good job in physical properties, but better programs should be provided and probation studies increased. Preventive services are much better than taking over after the court has placed a person under the corrections system. Last year a research facility was established, which will enable the department to get into field programs. Hopefully corrections will level off and then decline. Dr. McGinnis gave a breakdown of prisoners in institutions as follows:

|                   |     |
|-------------------|-----|
| ADULT - Fairbanks | 92  |
| Nome              | 20  |
| Anchorage         | 97  |
| Adult Camp        | 110 |
| Juneau            | 71  |
| Ketchikan         | 32  |
| Out of state      | 73  |

|              |     |
|--------------|-----|
| JUVENILE -   |     |
| McLaughlin   | 105 |
| Alcantra     | 39  |
| Ketchikan    | 9   |
| Fairbanks    | 12  |
| Juneau       | 6   |
| Nome         | 0   |
| Out of state | 29  |

Mr. Degnan asked the percentage of natives and Mr. Adams said about 52%. The largest number of offenders are alcoholics. Mr. Warwick asked how many people are involved with corrections including

people in institutions and on probation and parole and Mr. McGinnis said 1,336 active, 223 under investigation and 120 placed in foster homes. Mr. Adams said they usually estimate they are responsible for about 2,000 people in the state, with many repeaters. Mr. Branton added the largest proportion of the budget goes toward maintaining people, with very little left over for training and rehabilitation. About 70% of the budget is used to house prisoners, 20% for rehabilitation and 10% for prevention and supervision throughout the community. Mr. Degnan requested the turnover rate in personnel throughout the various divisions and the percentage of Natives on the staff.

Mr. Branton then explained it costs \$1.60 to feed a prisoner daily, and cuts have been required to reduce the budget to maintenance level.

The quality of food, therefore, has been reduced. Mr. Wright asked how the department will survive with the budget cuts and Dr. McGinnis said programs will be cut since housing and feeding programs can't be cut. Mr. Degnan questioned the travel listed and Mr. Branton said the main portion is for prisoner travel. Philosophy of rehabilitation was discussed and Mr. Adams said each person is different and there were no accurate statistics on success of rehabilitation programs.

Mr. Hohman returned to the youth center funded by Model Cities and Mr. Adams said it was a project to hopefully curb the juvenile delinquency problem. The Juneau facility was a pilot project to see if it should be expanded throughout the state.

Mr. Hohman then questioned the probation officer in Bethel and asked what other communities were involved in such service. Mr. Adams said Bethel, Haines, Valdez, and an additional probation officer granted in

larger cities. Mr. Hohman asked when the Bethel position was established and filled and Mr. Adams said it was established during the last legislative session and filled in October. The reclassification was done by the Division of Personnel and Mr. Hohman questioned raising the salary so high. Mr. Fink requested a letter be sent to the Office of the Governor asking when the freeze will be lifted from the employee hiring.

Mr. Adams briefly reviewed the regional correctional institutions and said the Anchorage State Jail shows minor budget changes. The Juneau jail averages about 70 offenders, and no program increase is requested. The one new position which had been requested will be dropped. The Fairbanks Jail is the station where additional staff positions are requested because Fairbanks abolished ordinances, which resulted in a greater number of people going to the state facilities. Two correctional officers and an additional maintenance man have been requested. The costs to the state of the new Fairbanks system amount to \$200,000. Fairbanks abolished the "drunk in public" offense and prisoners are now arrested as state responsibility. Mr. Adams said he doesn't feel the state is too successful in locking up alcoholics, which is a health problem instead of a criminal one. Mr. Adams said he believes it would save money in the long run if the state would build alcoholic centers, similar to hospitals, with a health label over the door instead of a correction label. The Fairbanks problem was discussed and Mr. Branton said they had considered at one time requesting the legislature to pass a law requiring the cities to prosecute their own ordinances. Mr. Fink and Dr. McGinnis noted that Fairbanks has avoided even this, but just dropping their ordinance.

The Ketchikan jail is actually two facilities. One is a jail for adult males and a small detention home is used for juveniles and adult women. The maintenance level is budgeted, less \$1500.

Mr. Degnan asked if a minimum or maximum security prison is preferable and Mr. Adams said he personally feels a minimum security prison provides more opportunity for rehabilitation. Mr. Adams then described the different types of prisoners and the different types of prisons to which they are assigned. Parole is purely at the discretion of the Parole Board and no specific length of time is set down by law. The Parole Board is appointed by the Governor with the consent of the legislature.

Care of Prisoners - Other - Mr. Adams said this provides for a payment of \$12.50 to bush jail operations and a payment to the Federal government according to the institution to which the man is assigned.

Care of Juveniles - Alcantra Youth Camp - The youth camp is located in Wassila and most inmates have been failures in school, etc. The youth camp provides group living situations and educational programs. Two youth counselors have been requested since the present employees work 12-hour shifts. With the time and 1/2 for overtime, it would be cheaper to hire additional employees. Mr. Adams also mentioned that other cuts have been made in the budget to allow these positions to be funded.

Mr. Fink returned to the Care of Prisoners section and asked if the new facility has been dropped. The new regional south central jail planned is funded by G.O. bonds of \$8.6 million and will be built; however, funds are not available for staffing. Mr. Adams believes it is a mistake not to fund it, and noted the McLaughlin Youth Center was on a crash program to staff and it did not work out well.

McLaughlin Youth Center - The facility is approximately 1/2 physically complete, but the whole institution was never built. Part of the bond issue passed by voters will complete this facility, but Mr. Adams did not know when the institution will be complete. The department is reviewing architect's plans now. The expanded program will require more staffing, but it is not expected to be completed before the end of the next fiscal year. Mr. Haugen questioned the 1600 hours listed to permit employees to attend school and Mr. Adams said employees are released from their shift to attend class and staff must be provided to cover these shifts. The program is on-going and provides an opportunity for the staff to train for better positions. This is the first year the department has had to fund overtime at time and one-half, however. Mr. Warwick asked about the \$11,000 for search of prisoners and the justification lists the rate of walk-away at eight per month. Mr. Branton explained this does not necessarily mean an inmate just walks away, but covers any person who does not return to the institution on schedule.

Care of Juveniles - Other - Mr. Adams reported this provides for juveniles placed in foster homes and juveniles held in bush operations. The budget request is just an estimate, however, since the department does not know how many juveniles will be assigned to them. Programs have been cut to maintenance level, and a program to turn students over to California Youth Authority has been cut. Mr. Fink asked if the work-release rehabilitation program is working and Mr. Adams said yes. Roughly \$30,000 is returned to the general fund through this program, plus taxes. The work-release program has been expanded through the last year and the committee requested additional figures on how much

is recovered by the state through this program. About 95% of the prisoners return to the institution at night and the Salvation Army or YMCA could provide a bed for the night if the man is proven to be honest. In addition to work furloughs there are educational or vocational training furloughs, medical releases, furloughs due to a death in the family, etc. Basically the program has worked well, according to Mr. Adams. Deductions from work-release prisoners salaries have the following priority: taxes to be paid first, \$5 a day for room and board, an allotment may be sent to the family, clothing and tools, and any balance would go to a savings account.

Recess: The meeting recessed at 3:35 p.m.

FY 71-72 BUDGET REQUEST

FUND REQUIREMENTS

We must identify the following funds in order to meet basic security and statute requirements during FY 72.

- \$52,500 Requested cut in Commissioner's memorandum. Prorated share Division of Corrections.
- \$19,600 To fund PCN 4-118, Assistant Superintendent, Northern Regional Correctional Institution. Position deleted because of long-term vacancy. Functions have been performed by administrative assignment, and T-hires have been employed to assure full complement of staff.
- \$15,752 Maintenance Shop Foreman for the Adult Camp. Position was funded by Executive Order, FY 71, and is essential to supervise inmates and effect maintenance program.
- \$14,000 This amount includes overtime for 40-hour work week for Correctional Officer I at the Adult Camp. Position is necessary to work in conjunction with Maintenance Foreman position. The two positions will provide coverage mandated by 8-hour work day rather than 12 hour as in the past.
- \$38,834 To provide two correctional officers and one Maintenance Mechanic III, including employee benefits at Northern Regional Correctional Institution. These positions are necessary to security-supervise the second floor of the institution currently containing school and program area, but converted to dormitories to house the alcoholic offenders no longer prosecuted by City Statutes in Fairbanks.
- \$28,800 To provide salary, overtime and benefits for a Youth Counsellor III and Youth Counsellor II for the Alcantra Youth Camp. These positions required for security staffing under an 8-hour day concept.

rather than the .12-hour shift in effect prior to overtime regulations.

TOTAL - \$169,486 - Total amount necessary to identify below maintenance level in the budget request.

PROGRAM ADMINISTRATION

\$17,424

Elimination of PCN 4-348, a Probation Officer III which would have been assigned to Valdez. This office currently not established.

\$ 8,970

Elimination of six man months of trainee programming at the Anchorage Regional Probation Office and six months like training at the Fairbanks Regional Probation Office. Training effort being curtailed because probation services growth being restricted by budget cuts; i.e., no positions for trained persons to occupy.

\$ 5,000

This represents a restriction in travel by all professional staff including recruitment efforts.

\$ 5,000

This represents Contractual Services for office space anticipated for staff expansion. Also a restriction in current staff office space.

\$ 4,000

It will not be necessary to have an assigned vehicle in Valdez as this office is eliminated. The Haines vehicle is also withdrawn from the budget.

TOTAL - \$40,394 - Program Administration cuts.

CARE OF PRISONERS

Adult Conservation Camp

\$ 4,000

Five cents per day cut in the per capita food allowances.

\$ 1,000

Funds identified as fire fighting wages paid inmates as a gratuity of fire control efforts. This is a service which we can no longer afford to support.

\$ 5,000

A Vocational Rehabilitation Counsellor is pulled from the program. We have

consistently experienced difficulty in getting these services and will no longer even attempt to obtain this support.

TOTAL - \$10,000

Southcentral Regional Correctional Institution

|          |   |
|----------|---|
| \$ 5,000 | We will not contract with Community College for an Adult Basic Education Program. |
| \$ 4,700 | Reduction of manday-count of females at the City Jail by one annually.            |
| \$ 2,000 | Five cents reduction in manday food allotment.                                    |
| \$ 3,000 | Elimination of vocational education project, Department of Education.             |

TOTAL - \$14,700

Southeastern Regional Correctional Institution

|          |  |
|----------|--|
| \$ 500   | The outside trip to the American Correctional Association is cancelled.  |
| \$ 2,000 | Funds for staff training at Juneau Community College are diminished.   |
| \$ 1,700 | Five cents per day reduction food cost.  |
| \$ 500   | The FBI Pistol Course is not funded.   |
| \$ 3,000 | Inmate gratuities reduced. It is hoped the Department of Labor can assist by making payment to students in any vocational training programs. |

TOTAL - \$7,700

Northern Regional Correctional Institution

|          |  |
|----------|--|
| \$ 500   | Western Correctional Association outside trip cancelled. |
| \$ 2,300 | Per diem food cost reduced five cents per day.           |

\$ 1,100 Text Books for Adult Basic Education  
Course cut.

TOTAL - \$3,900

Ketchikan State Jail

\$ 1,000 No funds are to be provided for trans-  
fer of employees from this institution.

\$ 500 Five cents per day decrease in food  
cost.

TOTAL - \$1,500

Care of Prisoners-Other

\$23,725 Prisoner case load in outside placement  
reduced by 1,825 mandays (five cases  
annually).

TOTAL - \$23,725

TOTAL CARE OF PRISONER PROGRAM REDUCED - \$61,525

CARE OF JUVENILES

Alcantra Youth Camp

\$ 1,000 Mileage for Consultant Psychologist and  
contingency deleted.

\$ 500 Food cost reduced five cents per manday.

\$ 2,000 Juvenile gratuities reduced by this  
amount.

\$ 2,000 Vehicle rentals and repair, specifically  
milceage on the bus reduced.

\$ 1,000 State surplus purchases deleted. If  
purchases are made, transfer will be  
required from Commodities account.

TOTAL - \$6,500

McLaughlin Youth Center

\$ 1,900 Outside placement of residents reduced,  
and attendance at the Crime Conference  
eliminated.

\$ 1,600 Long distance telephone calls reduced.

FY 71-72 BUDGET REQUEST  
Page Five

|          |  |
|----------|--|
| \$ 500   | Contractual mechanical repair reduced.             |
| \$12,000 | Contract psychiatric services reduced this amount. |
| \$ 300   | Provision made for only one funeral.               |
| \$ 1,400 | Out-of-institution activity fund deleted.          |
| \$ 8,000 | Per diem food cost reduced.                        |
| \$ 1,000 | Hobby and craft supplies reduced.                  |
| \$ 1,000 | Gratuities account reduced.                        |
| \$ 4,000 | Provision for State surplus purchases reduced.     |

TOTAL - \$31,700

Care of Juveniles-Other

|          |   |
|----------|---|
| \$ 5,000 | In-State juvenile detention program reduced.  |
| \$24,800 | Out-of-State placement reduced, one case each California Youth Authority, Good Shepherd Homes, Federal Bureau of Prisons - 1,095 mandays. |

TOTAL - \$29,800

TOTAL CARE OF JUVENILES PROGRAM REDUCED - \$51,500

GRAND TOTAL REDUCED - \$109,919

NARRATIVE

These reductions beyond projected maintenance level will require the Division of Corrections to provide a markedly reduced level of service. Increases in inmate population were identified as program increases. To reduce below maintenance level is to say, we will provide a lesser quality of service than now, and we will have no funds to provide this present quality of service to any additional case load. Additionally there is no provision for cost of living increases. Food is being purchased at a lesser cost than present, and we will anticipate feeding a larger number of inmates.

We should like some consideration to be given to maintaining our present manday cost for services, but be allowed an increase to provide this service to the inevitable increase in population; e.g., we would like to hold food costs at the cut \$1.63 per manday but would like assurance to have this \$1.63 available for projected increases in population.

AFTER RECESS

4:00 p.m.

Present: All members except Mr. Hohman and Mr. Ditman.

Representatives from the Department of Health and Welfare included Dr. McGinnis, Dr. Freedman, and Mr. Larry Sullivan.

HEALTH AND WELFARE Mr. Degan called the meeting to order.

Dr. McGinnis introduced Mr. Sullivan who is the Coordinator of the Office of Comprehensive Planning.  
Division of General Administration  
Office of Comprehensive Planning

Mr. Sullivan explained there are three major functions of this office -- Comprehensive Health Planning, Defense and Disaster Planning and Facilities Development. He said this office was established in 1967 by the federal government and is a requirement of every state. There are matching funds on the basis of 75 per cent federal and 25 per cent state. They currently have a Council of 25 members who are appointed by the Governor, Mr. Sullivan added. This Council meets three times a year and is an advisory committee to the Commissioner of the Department of Health and Welfare.

Mr. Degan asked what the size of the council is and Mr. Sullivan said there is no current legislation which makes mention of the number. He said the Council serves three functions -- the Hill Burton Act requires a council by federal legislation, and Mental Health and Mental Retardation also requires a council. He said they do have to have in the neighborhood of 25 members because each program has different guidelines.

Mr. Degnan asked what impact this program has on the whole health picture. Mr. Sullivan said the Council is progressing; they are beginning to develop a state health plan. They are working toward the gathering of all health agencies in order to work together and to prevent duplication. Mr. Degnan asked if they were coordinating both state and federal programs and Mr. Sullivan said they are working toward this.

SB 60 Mr. Wright referred to the legislation that had been introduced by Senator Josephson (SENATE BILL NO. 60 -- which appropriates \$100,000 to the Dept. of Health and Welfare for a study of state medical assistance and other health care programs). Mr. Sullivan pointed out this is not a request from his office. He said the State Medical Association felt this money should come from the Office of Comprehensive Planning but they have not been involved. Mr. Wright asked if they could carry out the intent of Senator Josephson within the present budget. Mr. Sullivan said no; this is not in his budget. Mr. Degnan asked if they could do this with the \$100,000. Mr. Sullivan said yes if they could contract with individuals this would be possible.

Mr. Degnan asked about Facilities Development. Mr. Sullivan said they are responsible for all hospital and medical construction in the state (this is both private and state). They have to inspect all construction projects and license all the hospitals and mental retardation centers.

Mr. Warwick asked how long this has been in existence and Mr. Sullivan said since 1968. Mr. Warwick wanted to know if any of their goals were in effect. Mr. Sullivan said not

completely but they were working toward them. He pointed out that the Council is appointed by the Governor and serves at his discretion. He said they had their priority goals developed but it was possible he could lose all the members on the Council and have to start all over.

In answer to Mr. Warwick, Mr. Sullivan said they are trying to determine if monies being spent in one area need to be shifted to another area. Mr. Sullivan gave an example of how two agencies may be duplicating the same work and said after this is discovered they would try to get the two agencies together so the duplication could be corrected.

Mr. Warwick asked what mandate determines the direction of the Hill-Burton funds be placed in this area. Mr. Sullivan said this is A.S. 18.05.051 - 053.

Mr. Wright asked Commissioner McGinnis if the Hill-Burton situation in Anchorage had been resolved and he said it is still pending.

Mr. Wright said he had heard that the Department might come in with an additional supplemental request. Commissioner McGinnis said there are some additional funds needed but it was his understanding that Budget and Management has found additional funding from the salary allocation appropriation.

#### Division of Public Health

Dr. Freedman who is Director of the Division of Public Health explained that the revised Governor's Allowance sheet indicates the situation for each of their programs. He said this is the basic budget without any new programs or new positions.

Mr. Degnan pointed out that personal services is below maintenance level. He asked which positions had been cut (these are listed in Budget Request books).

Dr. Freedman said the Public Health Nurse - II-Bethel has been vacant a lot of the time. He said housing in Bethel has been a problem. This position has been cut and Dr. Freedman said they have just got a nurse who is available and they will be able to have some temporary housing.

Dr. Freedman discussed the P.H. Officer in the Northern Regional Office. This position has also been cut. He said this position has been vacant for two years because recruitment is difficult.

Mr. Haugen said if it has been vacant so long they must be used to this situation. Dr. Freedman said there is a need for stronger activity and control in health services. He said they know they are not doing the job that should be done in terms of prevention and treatment of illness.

Mr. Wright did not feel they were really cutting anything but Dr. Freedman pointed out this amount has been in the budget each year.

There was a discussion on the organization of the Division of Public Health. There was some confusion on the regional offices and an organization chart was provided for the committee members. Mr. Warwick asked what the functions of the Public Health Director are and Dr. Freedman said he directs all the activities of the division of Public Health and all the activities of the section chiefs. Mr. Warwick asked what the Public Health Officers do. He wanted to know what would happen if this

was deleted. Dr. Freedman said the Public Health Officer wrote the family projection application from which they received \$200,000 in federal funds. Dr. Freedman said he is directly knowledgeable in what is happening in the Crippled Children's program. He is also responsible for what the nurses do as far as infants are concerned.

Mr. Warwick asked how the Public Health program in Alaska compares with other state. Dr. Freedman said it is a very limited program compared to many other states but it is superior to some states. He said they are trying to build this program to cover all of the people who need health services.

Mr. Wright felt the duties described for the Public Health Officer could be performed by a Registered Nurse.

Dr. Freedman felt some of the functions the Public Health Officer performs requires medical training and training in public health.

In answer to Mr. Fink, Dr. McGinnis said the instruction to cut all positions that had been vacant for nine months did not refer to individual jobs but dealt with categories of jobs. He said some changes could be made within these instructions. Dr. McGinnis said they allocated this through the entire Department and in Public Health 9.9 per cent was requested for deletions.

Mr. Fink said that Dr. Freedman had mentioned the state was deficient in some areas. He wanted to know which areas were not taken care of. Dr. Freedman said one area is the payment for ROGAM which is a substance given to a mother with an RH factor after the birth of her first baby. If this

injection is not given her next baby may die at the time of birth, Dr. Freedman said. This cost \$75 for each injection and money for this is not in the budget. He said mothers who cannot afford this have asked if Public Health will pay for it. Dr. Freedman said the second problem is that there are 30 locations through the state where they have health centers. The nurses try in these communities to get women in for prenatal care. Dr. Freedman said many of the needs of the women can be met by the nurses but in some cases they need a physician. Dr. Freedman said there is no one to refer and he felt they need a doctor to be present at the time of the prenatal clinic. The third problem is family planning, Dr. Freedman said. They have many women who do not want to have any more children and when they tell the women to see a doctor then there is the problem that the women do not have plane fares to go to a doctor. Dr. Freedman said there is also a problem in the well baby clinics. He said many times the nurses find problems. He said they have a Public Health Nutritionist who will work with the nurses regarding nutrition but this does still not solve the problem of medical problems discovered in these well baby clinics. He said the nurses have to make a decision as to which babies should be sent in for help. Dr. Freedman said another problem has to do with venereal disease. He said the only clinic for this is in Anchorage and when they discover a person has a venereal disease and he does not live in Anchorage, oftentimes the person cannot afford to go to a doctor for help. He said they are asked if the State can pay for this and up until this year there has been no

money to pay for this. Mr. Fink asked if they have money for this now. Dr. Freedman said this year in treatment for contagious diseases they have \$1,000.

Mr. Fink asked about the family planning program. Dr. Freedman said they have not been able to develop this. Mr. Haugen asked what would be done with the \$25,000 they had for family planning and Dr. Freedman said they would utilize it for printed material and payments for physicians. Mr. Haugen said then they would not have enough of the \$25,000 for matching money. Dr. Freedman said this is still the output for matching money.

Mr. Haugen asked how much the federal budget is in Alaska for Public Health. Dr. Freedman said about \$23,000,000 this year. In answer to Mr. Fink, Dr. Freedman said this is entirely separate from the state's budgets.

Recess: The committee recessed at 5:05 p.m.

NATURAL RESOURCES BUDGET  
TUESDAY, MARCH 9, 1971

AFTER RECESS  
5:00 p.m.

Dept. of  
NATURAL  
RESOURCES

Present: All members except Messrs. Hohman and Ditman. Rep. Marty Farrell, Chairman of Natural Resources Committee was present along with Commissioner Charles Herbert, Department of Natural Resources.

Mr. Degnan called the meeting to order, and asked Mr. Herbert to proceed. Mr. Herbert wanted to contradict some statements made by Mr. Burrell at the Department of Natural Resources budget hearing (see pages 323-335) when he (Mr. Herbert) was not present. Mr. Herbert felt that Mr. Burrell should not have said anything concerning the \$500,000 put into this budget by the Governor for the purchase of seismographic reports from oil companies, because Mr. Burrell was not going to have anything to do with this particular operation. Mr. Herbert explained to the committee that what Mr. Burrell had said was not exactly wrong, he simply had not carried the explanation far enough. He said they wanted to purchase this seismographic information which has already been shot by someone else. He said they have quite a few inquiries out and 12 to 14 answers have been received but he said none of them so far have agreed to sell the information to the state with permission to make it public. He said they also have to see how expensive it will be to buy this information, and he estimated the price range from \$48,000 to as high as \$160,000. Mr. Herbert said when he was in

Washington, D.C., he discussed this with Mr. Pecora, the Director of U.S. Geological Survey who said they had done a lot of this work and he would welcome the state's entrance into that field. Mr. Pecora asked for a formal proposal.

Mr. Fink quoted Mr. Burrell's figures of \$75,000,000 being spent by the oil companies before Prudhoe Bay and \$20,000,000 after Prudhoe Bay (see page 329), so he couldn't understand where \$500,000 would do much of anything in comparison to what the oil companies have done if they had to spend \$95,000,000 up to now to get their information. If it is going to cost this much, Mr. Fink did not feel the state could begin to get involved. Mr. Herbert said that actually the total spent around Prudhoe Bay at this point is \$250,000,000 and that includes dry wells, completed wells, freight, etc. He said he would try to get an exact set of figures on this for the committee. Mr. Herbert went on to say that the state could not, of course, undertake any major geographical survey, and he felt it would be a mistake to spend even the \$500,000 until they have a better organization. Mr. Herbert said they were taking the geologist that is on the payroll and moving him down a grade because he is not capable of handling this kind of work, and he has found a man that is capable who will step into that job who can do it judiciously. He said the USGS has done a lot of work on the Outer Continental Shelf and they can tie this together and go 50-50 with the federal, so in this manner, they hope to stretch the use of the \$500,000.

Mr. Herbert felt that in the Northwest part of Alaska they have land that looks like it might have a very good oil play. USGS has information and the state could expand on this and fill it out to find out what areas to put up for lease sale. He said the system in the past has been to ask the oil companies for nominations and then with that knowledge the state has selected on the basis of how many companies are interested in that particular tract. Mr. Herbert felt the state needed to "beef up" its knowledge on that. He said that Mr. Fink's assumption that \$500,000 would not give them seismic picture was correct. It would just help out.

Mr. Fink wanted to know if he saw it as a one-shot deal or for all the time. Mr. Herbert said that when the Governor had first suggested this program he mentioned using about \$2,000,000 for it and Mr. Herbert had argued against that amount, mainly because he didn't feel they could intelligently spend it yet. He felt by working with USGS they will see just exactly what they can do and he would hesitate to say what it would be in the future. Mr. Herbert estimated that if they ever entered into original work it would cost much more than \$500,000. He said that one thing they might do in original work is aeromagnetic surveys and that would be a \$500,000 contract. If he had been here last year, he said he would not have okayed the request for that kind of work. He suspected it could be a worthwhile expenditure but felt it was too much to spend at once in the first year. He said that was why he cut the request to

\$150,000. He stressed the point, however, that aeromagnetic surveys could be very valuable in picking out oil leasing tracts. Mr. Warwick wondered why a private firm would share its secrets when they know the state will make money on it. Mr. Herbert said it rather surprised him that anyone would. He referred to the time of the Louisiana oil sale when the USGS went in on a group shot of this land for a large survey and on the basis of this information several bids were turned down and they were pretty fair-sized bids but they said that with the research compiled, the land was actually worth considerably more. Suit was filed in federal court by the companies involved against the USGS. He said this is an example where USGS used information compiled by the companies in conjunction with USGS against these same companies.

Discussing the publishing of information for the use of the general public, Mr. Herbert felt that certain sources of information were automatically cut off. He said that the discontent by certain residents of not being able to bid on oil was a factor in the consideration making information public. Many people felt that only a big oil company could participate, so this would give residents a chance to bid.

Mr. Herbert said that in the forthcoming Cook Inlet lease sale they are putting out geological maps and bidding procedures whereby anyone may go for oral bidding and the state will set the minimum bids somewhat low. He said they will have groups up to 300 tracts, with 20% down and 30 days to pay the balance

of the bid. This surely will meet the strong objection taken that the state has grabbed all of the land by not letting anyone but the big companies get in.

If the public response is not any good, then Mr. Herbert said they may change their minds but he felt they should at least give this system a try. He felt that if enough people got together on their bidding, they might be able to put up enough money to at least drill a well. He added, however, that chances were probably one hundred to one they would lose their money. He said their geologists felt the state was on dangerous ground and did not like this at all. He said the best seismic work can't guarantee oil so they may have a lot of people mad at them.

Mr. Fink asked if the primary motivation in obtaining this information was so they could give it to the public. Mr. Herbert replied that that was one of the main reasons and a close second was so they would be better informed as to what lands should be put up for sale. It would relieve the state from being utterly dependent on the nominations for their source of information. Mr. Fink asked what would happen if no one nominated certain areas -- would the state still get bids for it. Mr. Herbert thought they would because sometimes these companies do not want to let their interests be known. He said one of the companies recently asked them about some land, and it was interesting to him because they had not nominated any. When he queried them on this point, the company assured him they

would be there anyway, and that they were following the sale very closely.

Mr. Fink asked Mr. Herbert if it was correct to assume then that he felt that the public demands for information would enable the state to be that much wiser in what they are putting up for sale. Mr. Herbert said that conclusion was correct and he was hopeful the end result would bring more dollars in for the state.

In reply to Mr. Fink, Mr. Herbert said the procedure for the sales is to call for submission of sealed bids with the state setting the minimum bid in advance. Following the opening of the bids, oral bidding would commence. It could be that someone may come in with a high bid that would shut off oral bidding, but the oral bidding goes on until it stops. He felt, upon reflection of the September, 1969 \$900,000,000 oil sale, that with the large spread in so many of the bids, that if they had had the oral bidding they probably would not have made nearly so much money. One geologist told him he wished they had had that in effect on the North Slope sale because this particular company had bid \$8,000,000 for land that the nearest bidder who had done a lot of work in that area had only bid \$1,500,000. His company would have known better than to go that high if it had been done orally.

Mr. Fink wanted to know why oral bids, then, would get more money. Mr. Herbert said that this land had all been leased at one time or another and they should get more money on the oral

bids than on the sealed ones.

Mr. Farrell didn't particularly agree with this philosophy and thought his committee might hold a hearing on this since he wasn't at all sure it would help the "little people." He was afraid the "little guy" could lose as much as \$1,000 in one day. If the land is no good to begin with he doubted that the oil companies would bid and if it is that bad, he wanted to know why they would make it available to anyone. Mr. Herbert disagreed because he felt that people realized that it was a gamble and they wouldn't be in there if they didn't have some idea of what they were doing.

Mr. Herbert reminded the committee of the early lease sales held by the federal government whereby a number of people in Fairbanks bought land with the 20% down, then turned around and sold it for a profit to the oil companies. He said if the "little guy" picks up a piece of land with 20% down, he has 30 days to pay the balance so the most he would lose would be his down payment if he decided not to go through with it. He said these people could sell in the meantime to oil companies and make a profit. He felt it was at least worth trying and he did not feel the state would be hurt by it either.

Mr. Hohman arrived.

Mr. Degnan asked if they would be going into new areas with USGS and Mr. Herbert said they would be.

There being no further questions, meeting adjourned at 5:50 p.m.

March 10, 1971

Chairman Hohman called the meeting to order at 8:15 p.m. with Finance Committee members Haugen, Wright and Degnan present; HWE Committee members Chairman Chance and Whittaker present.

Present to testify were: Dr. Fred McGinnis, Commissioner of Health and Welfare and former President of Alaska Methodist University; Dean Beulah E. Miller, Dean of the College of Nursing at AMU; D.V. Mechau, Assistant Director of Development at AMU; Mrs. Betty Kester, Executive Director of the Nurses Association; Dr. Donald Freedman, Director of the Division of Public Health.

First to testify was Dr. McGinnis. He said the Department is presently undergoing a review of the budget under the Division of Public Health and there has been a pro-rated support of the AMU budget in not quite one-third of the full cost ratio. There is a three-way cooperative support program. There was no nursing education in the state of Alaska other than the one at AMU. There may be begun in Anchorage soon a two-year Associate Arts degree nursing program. One of the first things that came up when they were planning the nursing program at AMU was that Alaska should be able to prepare nurses due to the lack of nursing personnel nationwide. They felt, as did nurses here in Alaska, that what should be done was a quality nursing program. For a three-year period of time there was an advisory committee which met and consulted as to what the new program should be. They felt that Alaska should have a four-year program based collegiately. The program opened three years ago. There are between 31 and 35 students, mostly Alaskans, some Alaska natives. During the last months every university in the nation has been having financial trouble. The nursing program needs \$170,000 to function next year. \$50,000 comes from the state, leaving a \$120,000 variation. When the school was informed there was a lack of funding, they had to make a decision. They saw no alternative but to phase out the program. Dr. McGinnis said he looked at the Health & Welfare budget to see if they could help with this problem. In addition, he has been looking into other means of assistance, specifically aid from private foundations (decision to be made by March 25), university seeking \$4 million nationally, Title III money for nursing program (decision to be made by March 15). Also, AMU itself indirectly contributes \$98,000 in support funds (offices, library, in-kind contributions). Thirty thousand dollars is contributed in teaching staff alone. The man who is rumored to be the choice for the new president has a proclivity for nursing and para-medical education so more emphasis may be placed on the nursing program if it is allowed to continue.

Mr. Wright asked what will happen next year if the program gets the money this year. Dr. McGinnis said there will probably be four or five sources that will have to keep contributing to keep the program going. Mr. Wright pointed out that we are going to have to make a decision soon as to whether or not we are going to help and how we can help. Dr. McGinnis said the state aid could be increased for one year and then we could gather money for next year. He said if AMU has to phase out this program

he was sure there will be another nursing program started, probably at U of A, and it would cost far more to the public to have to support it rather than to have to subsidize the program at AMU this year.

Dean Miller spoke next. She passed out copies of the brochure for the nursing program and copies of the budget for next year. Mrs. Chance asked how many students are in the program right now. Dean Miller said there are presently 31 students. There are four in the third year, all of whom transferred during their second year; 12 in the second year; and 15 in the first year. In addition, there is one student at the Anchorage Community College whom they advise. Mrs. Chance asked what the cost is per student per year. Dean Miller said she did not have that figure available. According to the budget, however, the total cost to the school is \$268,400 so each student's cost would be \$8,658 per year.

Mr. Degnan asked, regarding the budget, if this was only the cost to the University or did it take into account the tuition payments. Dean Miller said no income was figured into the budget, only expenditures.

Mr. Degnan asked if any help could be obtained from the "Cooperative Agencies" listed on the back of the brochure. Dean Miller said the help from those agencies is primarily services like classroom space. She said the School of Nursing has an agreement with the hospitals and other cooperating institutions not to charge for the services of the student nurses and the institutions will not charge for the use of their facilities.

Mr. Whittaker asked how Dean Miller would characterize the program at AMU now. She answered that she had tried to make it the best program. One of the things that she did was ask nurses already in the state what they felt should be added to the program. They do not require a course in chemistry because they do not need it. They have an emphasis on health rather than illness early in the program. She said there was a lot of pressure to have a five-year program. They plan to go on to the four-year stage now.

Mr. Whittaker asked what nurses generally do now about continuing their education. Dean Miller said she has a full-time faculty member and one of the secretaries devoted to studying this problem. Mr. Whittaker asked what the nurses do in the states. Dean Miller said they go to nursing seminars and programs and meetings. Mr. Whittaker asked if they envision some really meaningful route in continuing education in Alaska for nurses. Dean Miller said yes, they did plan one summer for 3 2-day workshops. They had to divide it in two in Southeastern--one in Sitka and one in Juneau. There is a transportation problem with reaching all the people in Alaska.

Mrs. Chance asked what the racial break-down is in the School of Nursing. The answer was 11 native, 20 caucasian, and one negro.

Mr. Wright asked how many new students could be brought into the program each year. Dean Miller answered they hope they could take 20 to 25. The staff would be eight. For every increase of 10 it would take one more teacher. There would have to be 10 full-time faculty for a student body of 100. She said the attrition is around 1/3. She said she had hoped that if there were a two-year program they would consult with AMU so they could share classes. (Brochure: Attachment A; Budget: Attachment B)

Mr. Mechau was next to speak. He said they need to continue to seek funds for the AMU program, seek funds to re-organize the program, and work out an arrangement whereby an interim program could be worked out, or close down the BA degree program completely. There may be some other alternatives. It seems to them that there are a number of possibilities. They have to be concerned about what is happening to funds for the next year. The administration did not know the Board of Regents would cut out the program until the Board meeting. They do not know for certain what the plans are for the ACC two-year nursing program. Mr. Mechau said that Dr. Davis said in part that the AMU wishes to make it clear that they want to see a BA degree continue in Alaska. They are most interested in seeing the program continue, more for the sake of the program and students than for any proprietary interests. Mr. Mechau read a portion of a memo to Dean Miller from Dr. Michael Saslow. Copy attached (Attachment C).


Dr. Freedman spoke next. First, he mentioned the needs of the Division of Public Health for nursing staff in a continuing supply. Second, the state and the Department of Health and Welfare will gain considerably from the continuation of the school. The cost to the Division of Public Health has not been computed with regards to the cost of turn-over of nursing staff. Every time they go through the process of recruiting nurses from outside it is very costly, he said. The cost would be minimized if they would not have to go outside. They pay the cost of the transportation to the state. Third, the reputation of Alaska as far as the outside is concerned is at stake. Dr. Freedman said that when he is recruiting people they go through quite a bit of correspondence as regards what is available to them in medical fields. They have lost many people because they cannot lure them up. A School of Nursing is a point in Alaska's favor.

Mr. Whittaker asked what the \$50,000 is that the state gives to AMU. Dr. Freedman said this includes certain types of training in the school. He said the state has never paid the full \$50,000 across the board. The theory was that they would provide high class training for nursing students.

Mrs. Betty Kester spoke next. She said their Association did support a BA nursing program in Alaska. They have had no money to contribute to the program.

Mr. Whittaker asked how many members the Association had. Mrs. Kester said there are about 1,200 RNs registered in Alaska, 340 of whom belong to the Association. Mr. Whittaker asked what the average nurses' salary is now. Mrs. Kester said it would depend on the type of work they were doing. Nurses at a hospital start at \$450 to \$500 and go up to \$700 a month. The Division of Public Health nurses' salaries range from \$9,000 plus to \$14,000 to \$15,000 on the top range. The Association stands for \$8,500 for a starting salary for nurses in Alaska.

The meeting adjourned at 10:25 p.m.

  
Diana E. Hubbard, Secretary HWE

Attachments (A, B, C)

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**EXPENSES**

If you live in the Anchorage area and will be commuting to the University, your expenses for tuition and fees will be \$750 per semester. Room and board in a University residence hall costs an addition \$675 per semester. Financial aid is available and given on the basis of need. If you are in need of aid, you should apply as early as possible.

**ADDITIONAL INFORMATION**

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Anchorage, Alaska 99504

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Beulah E. Miller, R.N., Ed.D.  
Dean, College of Nursing  
Alaska Methodist University  
Anchorage, Alaska 99504

COLLEGE OF NURSING  
FY 72

|  | <u>AMU</u> | <u>State</u> | <u>Federal</u> | <u>Total</u>      |
|--|------------|--------------|----------------|-------------------|
| <u>Salaries</u>                                |            |              |                |                   |
| <u>Faculty</u>                                 |            |              |                | 140,000.00        |
| 8 Full Time (includes Dean)                    |            |              |                |                   |
| 3 Part Time (equivalent to<br>one course each) |            |              |                |                   |
| <u>2 1/2 Secretaries</u>                       |            |              |                |                   |
| <u>Benefits</u>                                |            |              |                |                   |
| 9% of \$140,000.00                             |            |              |                | 12,600.00         |
| <u>Accreditation Visit</u>                     |            |              |                |                   |
|  |            |              |                | 1,500.00          |
| <u>Consultants</u>                             |            |              |                |                   |
| 2 x \$600.00, fee and travel                   |            |              |                | 1,200.00          |
| <u>Equipment</u>                               |            |              |                |                   |
|  |            |              |                | 3,000.00          |
| <u>Supplies &amp; Development Membership</u>   |            |              |                |                   |
|  |            |              |                | 2,000.00          |
| <u>Communications</u>                          |            |              |                |                   |
|  |            |              |                | 1,000.00          |
| <u>Travel</u>                                  |            |              |                |                   |
|  |            |              |                | 6,000.00          |
| <u>Moving Expenses</u>                         |            |              |                |                   |
| 2 new faculty                                  |            |              |                | 2,500.00          |
| <b>Total Direct Costs</b>                      |            |              |                | <b>169,800.00</b> |

AMU Support Costs

|  |          |
|--|----------|
| Offices: 10  |          |
| Average 150 Sq/ft/mo @ .20   | \$3,600  |
| Library Support  | 5,000    |
| Liberal Arts College (Pro Rata)  | 30,000   |
| Overhead Costs   |          |
| * 1971 Auditors report of<br>1969 full year adjusted to<br>reflect 10% increase from<br>1969 year. | 60,000*  |
|  | <hr/>    |
|  | \$98,600 |

111. Educational Approach, procedures and patterns for conversion of the needs (II, above) into the desired results (I, above)

- (1) Present Strategy and Proposed New Strategy:  
Analysis and Recommendations, in the light of the State's needs.

The present strategy for nursing education in Alaska is more a result of independent actions rather than one of careful planning and design. There are three institutional programs and an emerging statewide post-graduate continuing education program.. The three institutional programs include an on-going one-year L.P.N. program at Anchorage Community College; a two-year R.N./A.D.N. program which is about to begin at Anchorage Community College; and a four-year R.N./B.S. program at Alaska Methodist University, also in Anchorage, a program with serious and urgent problems of faculty morale, finance, and institutional support. None of these programs are articulated, in the sense of an educational ladder paralleling a career ladder. That is to say, the year's training of a L.P.N. does not replace the first year of training in either the two-year R.N./A.D.N. program or the four-year R.N./B.S. program; and the two-year R.N./A.D.N. program does not replace the first two years of the R.N./B.S. program. It is obvious that this situation imposes severe counter-incentives upon students who enter and complete one of the shorter programs. Yet, the shorter programs lead to more immediate involvement in patient care, and are less costly. Therefore, the shorter programs are more attractive to most students, many of whom, however, once they complete, are motivated to continue, either at once, or after a few years of work and savings, and then find themselves blocked and penalized in an arbitrary and needless fashion when they seek re-entry to education.

There are two major factors in this situation here. First, there is no agreed commitment and plan, on the part of the administrative educational leadership of the three programs, for the establishment, within a short period of time (say, one to two years) of a totally articulated educational design, such that the training of a nurses' aide is the same as, and replaces, the first part of the L.P.N. program; that the L.P.N. program is the same as, and replaces, the first year of the A.D.N. program; and that the A.D.N. program is the same as, and replaces, the first two years of the B.S. program. One reason for the lack of commitment appears to be that the B.S. program, unlike the other two programs, is not part of the University of Alaska system. Another reason is ignorance, on the part of the public and the legislature, of this situation and of the human and economic waste which it is creating. A third reason is that the leaders of the three programs have been unable to cooperate and do not share a sense of high priority for arranging a solution. Clear statements of position from the State Board of Nursing, the service and educational institutions, and the legislature would be helpful.

HOUSE FINANCE COMMITTEE

March 11, 1971

8:10 a. m.

**Present:** All members. Frank A. Seymour, Executive Director, Alaska Visitors Association.

**Alaska  
Visitors  
Assn.**

Mr. Hohman called the meeting to order and introduced Mr. Seymour, who testified as follows: All information presented at the meeting today is in written form, and a copy will be provided to the finance committee when typed. HB 119 and another bill to be introduced concern the travel division and Mr. Seymour may be requested to testify later on these bills. However, now the Alaska Travel Division budget is of primary concern. The industry has grown since 1960 on an annual basis of 10%, sometimes 15%. The industry has grown from No. 4 to No. 3, and soon may pass timber. Based on projections from the University of Alaska, the travel industry will employ more people than any other by 1980. The Alaska Travel Division has not kept pace with the budgeting and Mr. Seymour believes it is long past due for a major change. In 1970, for the first time, there was space available in Alaska for accommodations, even in Fairbanks. The tourist traffic looks fair for 1971, but the business traffic will drop, resulting in a high vacancy factor in Anchorage and Fairbanks. A supplemental appropriation may be requested for promotion funds for middle and late summer and early fall. The industry reacts quickly and Mr. Seymour feels they are in a position to pick up slack which other industries are unable to pick up.

Services provided by the Alaska Travel Division are "borrowed" by other agencies, with no payment. Sometimes a bill will be sent, but the

# **CORRECTION**

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

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|                    |   |                                       |  |                                 |
|--------------------|---|---------------------------------------|--|---------------------------------|
| <b>FIRST YEAR</b>  | English, Composition<br>Social Science<br>Natural Science       | Mathematics<br>Science                | Physical Education<br>Social Science<br>Natural Science          | English<br>Science              |
| <b>SECOND YEAR</b> | Nurse Anatomy and<br>Physiology<br>Social Science<br>Statistics | Nurse<br>Anatomy<br>and<br>Physiology | Microbiology<br>Eng. Directed Biology<br>Eng. Human Conservation | Nursing<br>Project              |
| <b>THIRD YEAR</b>  | Social Science<br>Nursing II<br>Nursing I                       | Nursing<br>Seminar                    | Statistics<br>Nursing II<br>Nursing III                          | Nursing<br>Independent<br>Study |
| <b>FOURTH YEAR</b> | Elective<br>Nursing C<br>Nursing III                            | Elective                              | Elective<br>Nursing IV<br>Nursing IV                             | Nursing<br>Seminar              |

NOTE: Activities, 3 required; recommend taking during first two years.

**COOPERATIVE AGENCIES**

- |  |  |
|--|--|
| Alaska Area Division of Indian Health                          | Association for Retarded Children of Anchorage, Inc. |
| Alaska Board of Nursing  | Greater Anchorage Area Borough Health Department     |
| Alaska Native Medical Center                                   | Greater Anchorage Area Borough School District       |
| Alaska Nurses Association                                      | John Lap Hays  |
| Alaska Psychiatric Institute                                   | Providence Hospital                                  |
| Alaska State Department of Health and Welfare                  | Ridgeview Manor Nursing Home                         |
| Alaska State Hospital Association                              | United States Air Force Hospital, Elmendorf AFB      |
| Alaska State Medical Association                               | United States Army Dispensary, Ft. Richardson        |
| Alaska Treatment Center for Crippled Children and Adults, Inc. | Cooperative Consultant Institution                   |
| Anchorage Community Hospital                                   | University of Washington School of Nursing           |

The establishment of the College of Nursing at Alaska Methodist University was made possible from the combined financial resources of the federal government; State of Alaska, Department of Health and Welfare; and Alaska Methodist University.

**ALASKA METHODIST UNIVERSITY**  
Anchorage, Alaska 99504

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Non-Profit



**COLLEGE OF NURSING**

**BE INVOLVED**  
**Be a Nurse**  
**be a nurse with a degree**

COLLEGE OF NURSING  
FY 72

|  | <u>AMU</u> | <u>State</u> | <u>Federal</u> | <u>Total</u>      |
|--|------------|--------------|----------------|-------------------|
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agencies do not pay for photographer services, public relations assistance, etc.

One recommendation is to reclassify the Research Analyst presently classified in range 16 up to a range 20, resulting in an additional \$5,000.

Mr. Seymour showed reports from Hawaii, where one of the strongest points is their travel division. Data prepared there is the type needed in Alaska if we are to grow and prosper. The Research Analyst position should be upgraded and a person hired who can design a sophisticated program in statistics, similar to the one prepared in Hawaii. The industry represents \$40 million in annual income and Mr. Seymour believes \$5000 could be added to this position.

Advertising and printing costs are going up and the budget has been cut. In advertising, an ad for one page, one magazine, one time costs \$23,000, and could increase to \$89,000, which is the price for an ad in National Geographic. However, about half of the tourists coming to Alaska are pre-ticketed and are reached through these publications. Mr. Seymour stated they have proven results. Last year \$114,000 was spent by the Alaska Travel Division, with 70,000 inquiries as a result. A feedback research program found 14,000 parties traveling to Alaska, or 35,000 people. The \$114,000 worth of advertising cost the state \$3.50 per person, and it is estimated that each person spent \$350 while in Alaska - a 100% return on the investment. According to Mr. Seymour, the market has not even been touched, since advertising has not been done on a broad national manner and almost the same results would occur from another \$100,000 investment.

In foreign travel, the Alaska Travel Division is prepared to go to Japan on sales missions. USTS will provide matching funds for the promotion of foreign travel, and Mr. Seymour recommended reinserting \$50,000 in the budget to follow through on this program. The state at this point makes no effort to reach the 1-1/2 million people passing through the Anchorage airport every year, who are potential customers. All package tours originate in Seattle, and no tours originate in Anchorage or Fairbanks. Mr. Seymour is recommending a Facility Development Coordinator at a cost of \$25,000 including office space and equipment, and said this will be an investment and returns will be immediate.

The volume of tourists require that they pass through areas on an assembly line basis. It was shown last year when there was a bottle-neck due to lack of space in Mt. McKinley national park. There was an expansion program through the federal government, and the park is now booked solid for next year. Community grants are requested to revert back to \$86,000 from the cut to \$50,000, since many small communities benefit from this program. The grants assist in developing brochures, placing signs, upgrading local tourist attractions, etc. The travel budget has been cut, which will adversely affect the value of the personnel.

Mr. Seymour concluded that they need every advertising dollar they can get. The facilities are here, and a small investment produces a large return. The program is past due and he requests serious consideration be given their budget.

Recess: The meeting recessed at 8:35 a.m.

NOTES FOR PRESENTATION

BY F.A. SEYMOUR, EXECUTIVE DIRECTOR

TO THE HOUSE FINANCE COMMITTEE March 11, 1971

AND THE SENATE FINANCE COMMITTEE March 12, 1971

Juneau, Alaska

The main course of my presentation today will be directed to the budget of the Alaska Travel Division, now being considered by your committee. The Alaska visitor industry has been growing during the last decade at approximately 10 percent per year, and all the projected data we have available today indicates that with proper stimulation by the Alaska State Travel Division our industry could continue this growth rate. We find that growing competition of other destination areas, increased advertising costs and local community requests for assistance dictates that a substantial increase in the Travel Division's budget is past due.

It is our understanding, at this time, the existing Travel Division budget before you totals \$875,000. We request an increase in that figure of \$223,000. Specific recommendations are as follows:

1. Upgrading of the proposed position of research analyst to the position of research director at a range 20 salary or higher. This would necessitate an approximate additional funding of \$5,000. ( use HVB samples)
2. The media advertising and printing account, we have been advised, is now set at three hundred-thousand dollars. We recommend that this figure be increased by \$100,000, for a total of \$400,000. It is our belief that additional monies will generate additional traffic within a 12 month period that will not only replace the monies invested by the State in tax revenue, but will bring an increase in tourist expenditures to 5-10 million dollars in the State of Alaska. We know the state spent in 1970 \$114,000 in media advertising, which resulted in 70,000 inquiries. Of the 70,000 inquiries, it was later determined by research that 14,000 parties actually came to Alaska. An Alaskan party averages 2.3 persons and therefore, this program is a major contributor in bringing 35,000 people to Alaska, at a cost to the state of approximately \$3.50 per person. The average Alaskan tourist spends \$350.00 in Alaska during their stay here. The results then are a 100 percent return for the investment. (use advertising samples)
3. We request that you budget \$50,000 for the purpose of foreign travel promotion. It is our understanding that there are currently no funds budgeted for this. The Japanese market is ready to be developed. The Japanese now account for 20 per-

cent of the tourism industry in Hawaii. This developed from almost zero four years ago. There is now available at group rates for 40 or more persons, \$250.00 round-trip air fares from Tokyo to Anchorage or Fairbanks. Our industry is now preparing a travel mission to Japan in mid November. We will be expending thousands of dollars in advertising and sales promotional activities to develop this market. We would appreciate something more than a token assistance by the state. There is the possibility that matching funds, dollar for dollar, may be available for this type of program from the United States Travel Service after July 1, 1971.

4. We request the funding for the position of a visitor facility development coordinator at an estimated total cost of \$25,000. This individual should be concerned with the balanced development of both private and public facilities concerned with the visitor industry throughout this vast area. It is our understanding there are no funds currently in the budget for this position.

5. Matching Fund Grant Program. It is our understanding that this fund is currently at \$50,000. We request that it be increased by \$36,000 to a total of \$86,000. There are four grant programs within this total. Each community being eligible to receive up to \$1,000 from each of the 4 programs.

1. Matching Fund Program for the operation of visitor information centers in communities.
2. Matching Fund Program for funds for the printing of community brochures.
3. Matching Fund Program for upgrading and maintenance of visitor attractions. (totem parks, etc.)
4. Matching Fund Program for the creation and installation of adequate markers and signs.

6. Travel Account. It is our understanding that this account is now set at \$27,500. We respectfully request that it be increased by \$7,000. Obviously we cannot expect people in the Travel Division to sell Alaska inside Alaska and therefore travel outside Alaska is absolutely necessary. At the same time travel within the state by representatives of the Travel Division is necessary to facilitate coordination on a state-wide level of an industry that ranges from Ketchikan to Barrow.

**IMPORTANT** →

CONCLUSIONS: We therefore, gentlemen, respectfully request that you add to the Travel Division budget \$225,000 for an approximate total Travel Division budget of 1.1 million dollars. I cannot stress too strongly that this is not an expenditure, but an investment. This industry has the capability of responding quickly to an investment. You can provide jobs (pay-roll) and cash register sales throughout the length and width of Alaska with this small, but vital investment.

AFTER RECESS  
8:50 a.m.

**Present:** All members. Frederick P. McGinnis, Commissioner; V. L. Iverson, Director, Division of Administrative Services; Donald K. Freedman, M.D., Director, Division of Public Health; Roger Lang, Division of Public Health; Leif Thorne-Thompson, Division of Public Health; Department of Health & Welfare.

Div. of Public Health  
Mr. Hohman called the meeting to order. Welfare payments were questioned and Mr. Warwick asked how long payments will continue; welfare has a bad name and perhaps it is too easy for people to remain unemployable. Dr. McGinnis said jobs are available, yet people are not trained and the people and jobs available do not mesh. The gap should be removed by trying to upgrade the skills of the unemployable people.

Mr. Hohman left the meeting at 8:55 a.m. and Mr. Degnan asked the representatives from the Department of Health & Welfare to refer to the Division of Public Health budget. Dr. McGinnis said they would begin with Laboratory programs and Dr. Friedman distributed a report of the budget requests (attached). A general description of the Laboratory program was given by Dr. Friedman, and he said their primary function is to provide diagnostic laboratory services, with thousands of samples coming in every year. This provides an early detection of human and animal disease. Rabies examinations are done on the heads of diseased animals suspected of dying from rabies. Studies are also done on environmental hazards; air, water, etc. Dr. Friedman stated the laboratory is capable of performing seven

major kinds of testing: 1. Diagnostic Bacteriology; 2. Bloodtyping and Rh factor; 3. Serology; 4. Fungus Diseases; 5. Environmental Bacteriology; 6. Sanitary Bacteriology and Chemistry; 7. Screening for PKU disease. Most of these tests cannot be performed by a private laboratory due to lack of equipment and technology; however, the state does license laboratories throughout the state that are capable of testing. It is the state's responsibility to protect the public by providing these tests. Tests done in rural areas are sent to the state lab for analysis, and the cost to the state is approximate \$2 to \$2.50 per test. It is rather difficult to be exact, since various tests require different amounts of time, according to Dr. Friedman, but Mr. Wright requested further information on the cost. In answer to a question by Mr. Fink, Dr. Friedman said there are approximately 20 qualified private labs in the state. The state, however, must keep control over the quality of testing done by the private laboratories. Mr. Fink suggested it may be cheaper to utilize private labs and there should be no duplication of effort. Dr. Friedman said last year the legislature passed a bill to encourage the state to work with private labs and check efficiency, train personnel, etc., since private labs seek and need this help. In answer to further questions from the committee, Dr. Friedman said said the state is getting good value for its dollars on equipment since some is 20 - 30 years old. The staff works overtime and many do not get paid overtime, but they are dedicated employees. Testing has increased by thousands throughout the years, yet there has been a small increase in personnel. Mr. Fink questioned the capabilities of private labs and Dr. Friedman said very few are as large as the

state laboratory.

Mr. Wright left the meeting at 9:25 a.m.

Considerable discussion continued on the responsibility of the state lab and Dr. Friedman said it is for the public's protection that the state maintain control and quality check of testing procedures.

Four of the basic responsibilities of the state lab are: 1. Distributing vaccines and serum, 2. Laboratory certification and consolidation, 3. Provide tests necessary in epidemics; for example, the hepatitis in Ketchikan last year, 4. Private training courses for improvement of all laboratory facilities in the state.

Dr. Friedman noted the authorized budget is \$370,300, the additional funds required to maintain the same program \$82,400, and the Governor's allowance is \$452,700. Dr. Friedman then referred to the detail of the budget listed on the report distributed (attached). The \$22,500 requested for reclassification is necessary, according to Dr.

Friedman, because the job titles and classifications have been locked-in for years. For example, the Juneau laboratory is still referred to as a "small laboratory" and the director is paid accordingly. Microbiologists require reclassification since they have the same responsibility as employees classified in higher ranges, and a request has been made to reclassify from a range 18 to a range 20. Mr. Haugen asked what step the range would be and Mr. Iverson said it would be up to the Division of Personnel.

Mr. Wright returned to the meeting at 9:40 a.m.

Mr. Degnan asked if the Micro-biologists are kept busy and Dr. Friedman said the original budget request asked for more Micro-biologists in order to keep up with the workload. Mr. Degnan then questioned the technicians and Mr. Thorne-Thompson said they are in need of

an additional lab technician; however, there is no request for one. Mr. Degnan asked if the balance is appropriate between Micro-biologists and lab technicians and Dr. Friedman said yes.

Mr. Wright requested a breakdown for the last five years of the tests performed and the number of staff required and Dr. Friedman referred to a chart attached to the report he had distributed. Mr. Wright said this showed the number of tests, but not the number of employees, and would appreciate receiving the ratio of staff to tests for the last five years.

Mr. Warwick asked how much floor space is in the Fairbanks lab and the answer was 2,682 feet.

Dr. Friedman returned to explaining the budget requests and Mr. Warwick asked how many tests were performed each day. Dr. Friedman said approximately 200 per day is a realistic figure. Mr. Warwick noted the figure of 85,042 specimens examined by the lab and said there are not enough people in the state to warrant such a large number. Dr. Friedman said the tests are not all performed on human specimens. Mr. Warwick then asked why these tests were not performed in private laboratories and Dr. Friedman said the state can perform tests that the private labs are incapable of doing. The state lab also test prisoners. Two years ago the legislature passed a bill authorizing the state lab to treat minors with venereal disease.

Mr. Wright returned to the theory that it would be cheaper to contract the tests to a private lab, and he is interested in the cost factor. Mr. Fink added the state should not be taking over services which people should provide for themselves, and this is the reason the budget is sky-rocketing in Health & Welfare. Dr. Friedman said the services are essential and the health care provided now is needed by the people.

Mr. Warwick asked what would happen if the budget were cut in half and Dr. Friedman said it would be difficult to know what to cut and feel safe.

Recess: All members left the meeting at 10:10 a.m.; therefore it was decided to call a recess.

AFTER RECESS  
10:25 a.m.

Present: Messrs. Degnan, Hohman and Haugen. Representatives from the Department of Health & Welfare.

Mr. Degnan called the meeting to order and Dr. McGinnis said the Department of Health & Welfare will develop figures for the finance committee on the comparable costs for contracting tests to private labs versus tests conducted by the state lab. Dr. McGinnis also pointed out that the questions by the committee in the earlier meeting indicated the committee was under a misapprehension of the function of the state laboratory. The tests are required by statute, and must be done by the state. It is not an optional matter, and not a service provided to people, but a legal requirement to maintain control of disease as written in the Alaska Statutes.

Mr. Haugen asked if seafood testing was done on fish and Dr. Friedman said not routinely. If disease is suspected, a test will be done, but Dr. Friedman said they are not required by law to do the tests.

The Division of Alcoholism was discussed next, and Dr. Friedman said they are responsible for the study and treatment of the problem, but do not operate any rehabilitation centers. Twelve community projects have now been approved, implemented through city and borough government funds. Comprehensive programs will be set up and

training program started. The department has a great deal of audio-visual material, which will be distributed. Part of the funds in the budget go for a limited scholarship program. Twelve projects have been approved so far, but ten additional requests are in for which there are no funds. Mr. Haugen requested a list of communities participating in the program and the funds provided by the state and local communities. He also requested a list of the communities requesting the program for which funds are not available.

Mr. Haugen then questioned the large increase in the budget request and asked if the law says the state must participate in grant programs. Dr. Friedman said the policy has been 75% state funds and 25% local. There has not been any federal money appropriated for alcoholism up until now, but the President just signed a new bill and it may be funded this year.

Mr. Thorne-Thompson distributed a report on Child Health and the budget for this division was discussed. (Report attached) Dr. Friedman said they provide money and guidance for crippled children from needy families and operate a center in Anchorage for retarded children. Testing is being done for hearing defects in children. It also provides funds to public health nurses and physicians who work at the Family Planning Clinic at the Anchorage Health Department, which is the only family planning unit in the state.

Dr. Friedman then referred to the report distributed and added 24-hour per day emergency service is provided in crippled children's services. The staff is on call for accident cases and emergency surgery. They hope to treat children so they will not be disabled

adults. Dr. Friedman explained the charts and graphs (attached). The services have increased each year and a total of 3,000 youngsters will be cared for this year; 1,700 of them will be new cases. The average time required on each case is 7.8 years. Federal funds are in this program on a matching basis, and the federal government has been increasing maternal child health funds during the last few years. \$20,000 is put in by the state and \$20,000 by the federal; then the federal provides an additional \$23,000, so about 30% of the entire budget is state funded. Mr. Haugen noted the reclassification requests. The Child Study Center is a program covering mentally retarded children. About 114 children from all over the state are evaluated and then referred for special training in the schools. The study is done in Anchorage and there is considerable cost involved in bringing children in with their parents or guardians. Next year the department is proposing sending a team to various areas: Bethel, Fairbanks, and one or two more outlying areas. They would perform extremely vital evaluations concerning learning problems. The parents pay whatever they can, depending on income; however, from 100 case studies last year, only one case was able to pay. 99 were on welfare or from low income families. The problem occurs from birth defects, diet of the mother deficient during pregnancy, injuries or diseases to the brain. Mr. Wright and Mr. Warwick returned to the meeting at 11:00 a.m. and Mr. Hohman left the meeting.

The communicative disorder program covers a speech and hearing program for youngsters who are hard of hearing. Mr. Haugen noted the reclassifications requested in this budget, creating a large increase.

Mr. Warwick asked why there are so many reclassifications this year and Mr. Iverson said the supervisors determine eligibility and submit an application to the Division of Personnel, who study the position and determine if a reclassification will be granted. Another way of doing this is when the Division of Personnel covers a type of job and reassigns all employees to a different range. Mr. Warwick said there is a great percentage of unemployed throughout the state and these people should be happy to have jobs. Dr. Friedman said these are professional people, dedicated and well-trained, who could find a job anywhere in the country. Dr. Friedman continued by saying the hard of hearing children must be found and treated before it becomes a problem affecting adults. He described the method of testing and said it was started at age 4. The UASC program began two years ago and was done in conjunction with the Easter Seal Society. Mr. Wright questioned the rationale behind this program and Dr. McGinnis said the department should exercise creative leadership and expect more services from the BIA. He said it seems tragic that these children should be faced with hearing defects and the program should start at an earlier age, possibly 2 or 3. 18% of all Native children in Alaska are affected by this disorder, and all responsibility should not rest with the Department of Health & Welfare. If hearing is impaired, it will affect everything else - learning, employment. In Anchorage and Fairbanks the problem is being checked, but in the rural areas very little has been done. Mr. Wright continued discussing cost of the program and Dr. Friedman said aides have been employed to do routine screening. The people working on the problem throughout the state have met to discuss how to utilize their staff in the most efficient manner. All work being done throughout the state should be done in one system.

Dr. Friedman summarized the Child Health budget and said the request would be for maintenance level plus \$3900, if the supplemental of \$150,000 is approved.

Mr. Warwick asked what would happen if the reclassifications are not approved, and Mr. Iverson said some are budgeted for and some are not. If the reclassifications are approved, the money will be used for the salaries, and if not approved the money will be used to fund vacancy and turn-over which has historically been removed from budgets.

Dr. Friedman stated the travel increase of \$17,600 covers the increase of per diem from \$21 to \$30 per day and the 8% tax which the state is now required to pay on air fare. Mr. Wright requested a breakdown of the nature of work and the reasons for people travelling. Dr. Friedman said it is the state's function to cover areas not covered by any other agency.

Dr. Friedman explained the increase of \$84,400 consisted of increased costs in medical and hospital care for crippled children, increased postal rates, printing costs, rent and utilities. The equipment account represents a reduction of \$29,700.

Mr. Warwick said the last departments mentioned were rather vague and asked the function of the Family Planning Coordinator. Dr. Friedman said this coordinator would have special training and knowledge in family planning, one or two year courses in schools. The person would develop programs throughout the state, meeting people's needs. Dr. Friedman added the bush area is being taken care of by Native Health Service doctors and Public Health nurses. A center is provided in Anchorage, but none other in any Alaskan area. The legislature last year said they would put in \$25,000 if the federal government put in \$75,000, and they have just received word that the federal will fund.

Mr. Warwick asked if all federal grants received last year were expected this year and Dr. Friedman said they have not received definite word, but believe they will be approved. Mr. Iverson said when federal receipts are not forthcoming, the department goes to Budget & Management and deletes state funds. The appropriation is reduced, and the department does not spend money they don't have. Dr. Friedman added that when they received approval last week of the \$75,000 for family planning, the department also received word that \$125,000 additional funds have been granted for family planning for the Natives. The President set aside \$10 million for Indians health and welfare and the funds will come from this new National Center for Family Planning and Population Control fund.

Public Health Nursing was discussed and a report was distributed explaining the budget requests (attached). The public health nurse program is correlated with other services provided by the Department of Health & Welfare and the total maintenance level is \$1,793,500.

Dr. Friedman read the report and there were questions on nurses salaries. Mr. Iverson said if the legislature raises salaries, the budget will be short. Mr. Warwick noted the Governor's budget allowed for the salary increase in accordance with the salary survey, and Mr. Hogan said there is an amount of \$4-1/2 million allocated for this.

Recess: The meeting recessed at 12:10 p.m.

| Code  | Classification    | Governor's Allowance | Increase/Decrease over FY '71 | Reason   | Detailed Justification   |
|---|-------------------|----------------------|-------------------------------|--|--|
| Authorized Budget for FY '71  |                   | -----                |                               | \$370,300  |  |
| Additional Funds Required to maintain same Program Level for FY '72 |                   | -----                |                               | 82,400   |  |
| Governor's Allowance - FY '72                                       |                   | -----                |                               | 452,700  |  |
| 100   | Personal Services | \$300,200            | \$55,200                      | <p><u>ANALYSIS OF MAINTENANCE LEVEL FUNDS</u></p> <p>1) FY '71 salary costs based on old salary scale. Wage increases, fringe benefits.<br/>\$29,700</p> <p>2) Increase 3 part-time laboratory aides from 3 months to 6 months each.<br/>\$3,000</p> <p>3) Reclassification<br/>\$22,500</p> | <p>New pay scale effective July 1, 1970 increased salaries and fringe benefits for 21 full-time and 4 part-time positions. Same staffing for FY '72</p> <p>Salary Increases Authorized by<br/>1970 Legislature (6%) - - - - - \$13,400<br/>Recovery of Vacancy<br/>and Turnover - - - - - 2,800<br/>Increased Employee Benefits (5%) 13,500<br/>\$29,700</p> <p>\$3,000 Maintenance level increase to provide for high school and college students interested in careers in health, medicine or environmental health. Specific duty assignments in the laboratory. Orientation provided on the job in contact with health professionals.</p> <p>Staffing patterns under study to provide a career development system for advancement of professional and clerical staff in line with duty assignments and responsibilities. Department giving strong support to proposals and wish to implement reclassification if approval is granted. Essential for maintenance of current staff.</p> |

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3/11/71