

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2524

AFTER RECESS

1:45 p.m.

Present: All members. Bill Sheffield, Legislative Chairman, Alaska Visitors Association.

Alaska
Visitors
Assn.

Mr. Hohman called the meeting to order and introduced Mr. Sheffield, who distributed the attached material and spoke in behalf of the Travel Division budget.

Mr. Sheffield noted reductions have been made in the original request to reinstate \$223,000 into the budget, and the request is now to reinstate \$135,000. The reductions are as follows:

1. The Research Analyst position is still requesting an additional \$5,000 in order to hire a qualified person;
2. Media advertising, brochure, stamps, etc. can be reduced by \$25,000 for a request of \$375,000. The tourism industry spends about \$3 million per year to promote tourism in Alaska, and Mr. Sheffield said this is a relatively small request.
3. The \$50,000 request for a first class travel and trade show to be held in Japan has been reduced to a request for \$25,000. Matching funds will be received from the USTS.
4. Funding for a position of a facility development coordinator has been deleted. Mr. Sheffield reported that in testimony before the Senate Finance Committee, they had suggested that possibly another person in Economic Development could be authorized to do this work.
5. The matching fund grant program for the local communities to build tourist attractions had originally requested an increase of \$36,000 which has been reduced to an increase of \$26,000.

6. The travel account request has been reduced to an increase of \$4,000 for a total of \$31,500.

The result of the above reductions is an increase of \$135,000.

Mr. Sheffield distributed a diagram showing the effects of the tourist dollar (attached).

Mr. Fink asked how many tourists visit Alaska each year and Mr. Sheffield said it is difficult to get an accurate count but the estimate is 125,000.

Recess: The meeting recessed at 2:00 p.m.

ALASKA VISITORS ASSOCIATION

P. O. BOX 2208

ANCHORAGE, ALASKA 99501

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 *OK* \$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) *-125,000*

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. - \$25,000

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. Delete

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. - \$10,000
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. - \$3,000

IMPORTANT →
CONCLUSIONS: We therefore, gentlemen, respectfully request that you add to the Travel Division budget \$223,000 for an approximate total Travel Division budget of 1.1 million dollars. I cannot stress to 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.

FOR EVERY 100 TOURISTS VISITING AN AREA -

EACH DAY OVER A ONE YEAR PERIOD (36,500 VISITORS A YEAR)

THIS MEANS...



100 NEW JOBS



\$675,000
IN PERSONAL INCOME
EACH YEAR



INCOME TO SUPPORT
333 PEOPLE



\$130,000
IN BANK DEPOSITS



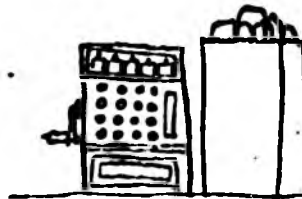
100 NEW HOMES
OR APARTMENTS



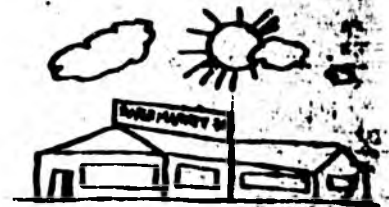
OWNERSHIP OF
133 PASSENGER CARS



TAX MONIES TO EDUCATE
42 SCHOOL CHILDREN



\$534,000 IN RETAIL SALES
AND SERVICE RECEIPTS
PER YEAR



SUFFICIENT SALES
TO SUPPORT 3 RETAIL
OR SERVICE ESTABLISHMENTS

PREPARED BY:
DEVELOPMENT DEPARTMENT
STATE OF OHIO

FOR INFORMATION ON
TRAVEL PROMOTION AND
TRAVEL INVESTMENT OPPORTUNITY
CONTACT:
TRAVEL AND TOURISM
DEVELOPMENT DEPARTMENT
BOX 1001, COLUMBUS, OHIO

AFTER RECESS

2:05 p.m.

Present: All members. Mr. James Carrington, Division of Corrections.

Div. of Corrections Mr. Hohman called the meeting to order and introduced Mr. Carrington, who distributed the attached report on PARTNERS. This is a volunteer group, working with juveniles and adults on probation, and the first year of operation 100 volunteers were trained in the Anchorage area. The original plan was to have the volunteers work with people on probation two hours a month, but most volunteers have been spending 20 hours per month. Mr. Carrington read the cost figures and caseloads handled from the attached report.

The program is quite promising since the community is becoming involved and resources are opening up in Anchorage, reported Mr. Carrington, and they would like to start moving out into the villages and rural communities next year. The funds provided by the state are from existing salaries, and the federal funds are granted on a 60/40 basis. Mr. Fink asked if these funds had been cut from the state budget and Mr. Carrington said it will be possible to get the federal funds if the project is approved by the Governor's office. He stated their concern was that with other priorities this project might be overlooked. If funds are approved by the Governor's office, grants will be received next year; however, the federal government is only able to grant for a three-year period and next year is the third year. Mr. Warwick asked where the funds are shown in the budget and Mr. Carrington said he did not believe it would show up in the budget since the funds are taken from existing salaries. Mr. Carrington concluded the services provided by the volunteer program will actually save money for the state and he just wanted the finance committee to be aware of the program.



PARTNERS

COMMUNITY VOLUNTEER AND PROBATIONER
IN A ONE TO ONE RELATIONSHIP

SUITE 424, MACKAY BLDG.
338 DENALI STREET
ANCHORAGE, ALASKA 99501

279-6684, EXT. 118

279-6734: 24 Hr. Phone

DIVISION OF CORRECTIONS
STATE OF ALASKA

March 23, 1971

Robert J. Gemignani, Commissioner
Youth Development and Delinquency
Prevention Administration
Dept. of Health, Education & Welfare
Social & Rehabilitation Service
Washington, D.C. 20201

Dear Mr. Gemignani:

The State of Alaska has had an emergency cut in state government funds this coming fiscal year in all departments. The Division of Corrections had planned to pick up the Partners Project (Volunteer Probation Project) this coming fiscal year, but the budget cuts have made this impossible.

The Partners' staff has determined during our first sixteen (16) months of operation that we can demonstrate the value that Volunteers have in Probation by:

1. The development of community participation (through the one-to-one relationship) has helped lower anti-social behavior of probationers.
2. The reduced institutionalization rate of probationers working with volunteers resulting in the savings in funds for the State and the taxpayer.

To continue the quality and effectiveness of this Project, we request a continuation grant for a third year of operation. Following is a detailed description of our proposal which with projection involves a total of 570 Volunteer Probation Officers' working with 380 probationers by the end of the third grant year, October 1971-72. Also, by the end of the third grant year we hope to provide services to 20 communities which comprise 71% of the state's population.

Robert J. Gemignani

March 23, 1971

THE RELATIONSHIP OF PARTNERS TO THE COMPREHENSIVE CRIMINAL JUSTICE PLAN FOR ALASKA, published by the Criminal Justice Planning Agency in Juneau.

- 1) Multi-Year Forecast of Results;
"Community-Based Corrections ... by 1975 Citizen Volunteer Probation Officers' for 50% of statewide caseload." (Page 411)
- 2) "At the present time, there are approximately 150 Citizen Volunteer Probation Assistants located at Anchorage, Fairbanks, Kenai Peninsula, and in Southeastern Alaska. This participation could be expanded into 500 or more within five (5) years with an extensive recruitment campaign--coupled with expanded volunteer programs. Utilizing citizen volunteers in probation, where a one-to-one relationship is possible, is felt to be one of the most promising answers to the dilemma of how to provide more adequate supervision of probationers and parolees in the community." (Page 276)

With this in mind, the pages preceeding the grant application, outline a three-year development plan for this Project state-wide with the compiling of volunteer man hours to be given and the reduction in the percentage of probationers who are institutionalized. (This is based on figures compiled during the first sixteen months of operation.)

Thank you for your consideration of this grant application.

Sincerely,

James H. Carrington

James H. Carrington
Supervisor, Partners

Edward B. Coleman

Edward B. Coleman
Regional Administrator
Grant Director

JHC:ds

THREE YEAR PLAN
October 1969-September 1972

**FOR DEVELOPMENT OF PARTNERS PROJECT-INCLUDING ESTIMATED
VOLUNTEER HOURS AND SAVINGS TO THE STATE OF ALASKA WITH
FEWER INSTITUTIONALIZED YOUTH**

I. Projected Number of Trained Volunteers for a 3 year period and probationers to receive supervision services. Out of the total volunteers 1/3 at any one time are either between assignment or temporarily unavailable. This is the reason for the number of probationers being two-thirds (2/3) of the volunteer strength. (See Chart #1 following) Following is the projection for volunteers to be trained and probationers to receive supervision each year.

Oct. 1969-70		Oct. 1970-71		Oct. 1971-72	
Vol. Tr.	Prob. Sup.	Vol. Tr.	Prob. Sup.	Vol. Tr.	Prob. Sup.
100	66	300	200	570	380

The Percentage of the State's Population To Receive Volunteer Services each grant year:

Percentage of state population covered by Volunteer Services			
Number of Communities	Total Population	% of Total State	
1969-70	1	124,542	41 %
1970-71	9	192,430	64 %
1971-72	20	215,588	71 %

II. THE VALUE OF VOLUNTEER HOURS GIVEN

Volunteers are asked to spend at least 2 hours a week (or 8 hours a month) with their probationers. We have discovered that the volunteers average at least 12 hours a month with their probationers. We estimate that their intensive one-to-one service rendered is worth to the state the hourly wage paid to a Probation Officer Trainee (\$4.50 an hour). An average probationer is on the Partners Project for eight months - giving a total of \$540 services a month or \$4,320 for the eight months with a probationer per year. On this basis, projected services for the three year period would give the following contribution by volunteer labor as follows:

	Probationers Served 8 mo. a yr. average	Value at 12 Hours a Month @\$4.50 per hr.
1969 - 70	66	\$ 28,512.00
1970 - 71	200	86,400.00
1971 - 72	380	164,160.00

III. A Study of the Revocation Rate Statewide

(When probation is revoked, a juvenile is institutionalized - lasting on the average of 6 months.) A study of revocation rate reveals that 22% of regular supervised caseloads are revoked - this holds also for the Anchorage area. During the first year of Partners operation, the revocation rate was 7% or 1/3 that of regular supervised caseloads. This we would expect from the intensive one-to-one relationship and more time spent by volunteers with the probationers than is allowed with the regular probation officer carrying 90 - 100 cases.

The McLaughlin Youth Center estimates the average time of institutionalization to be six months - which costs the taxpayer \$6,500 per child. Based on the differences in percentages between 7% and 22%, we project the savings as follows:

Grant Year	Total No. Prob. with Partners	22% Revoc. if on Reg. Caseload	7% Revoc. on Partners	Differences Between Percentages	Savings @\$6,500 per child per 6 months in an Institution
1969 - 70	66	15	5	10	\$ 65,000.
1970 - 71	200	44	14	30	195,000.
1971 - 72	380	84	27	57	370,000.
THREE YEAR TOTALS	646	143	46	97	\$630,000.

V. Partners Project - Funds spent by Federal & State Governments compared with volunteer contributions and funds saved by fewer institutionalized youths.

THE COST TO:

A. State & Federal Governments for a 3 yr. Program
Expenses 1969-70

Federal 60% \$43,113.00
State 40% 29,053.00
TOTAL 72,166.00

B. Volunteer Contribution during the same period.
Expenses 1969-70

Vol. Time \$28,512.00
Prob. not inst. 65,000.00
TOTAL 93,512.00

V. Partners Project (Continued)

A. State & Federal Governments for a 3 year Program

Expenses 1970 - 71

Federal 60%	\$ 44,299.00
State 40%	29,783.00
<u>TOTAL</u>	<u>74,082.00</u>

Expenses 1971 - 72

Federal 60%	\$ 54,136.00
State 40%	36,434.00
<u>TOTAL</u>	<u>\$ 90,570.00</u>

3 YEAR TOTAL \$236,818.00

B. Volunteer Contribution during the same period

Expenses 1970 - 71

Vol. Time	\$ 86,400.00
Prob. not inst.	195,000.00
<u>TOTAL</u>	<u>281,400.00</u>

Expenses 1971 - 72

Vol. Time	\$164,160.00
Prob. not inst.	370,500.00
<u>TOTAL</u>	<u>\$534,660.00</u>

3 YEAR TOTAL \$909,572.00

VI. Caseload Ratio of Partners' Staff to Probationers Matched with Volunteers

During the first year of Project operation, it is recommended that each Partners' Staff Member carry a caseload of 40 probationers and their volunteers. This may be expanded to 50 probationers and their volunteers during the second year.

To meet the projected goal of providing services to 500 probationers within the Project by 1975 the need for additional staff should be anticipated.

**THREE YEAR PROJECTION FOR THE DEVELOPMENT OF A
STATEWIDE USE OF PARTNERS (VOLUNTEERS IN CORRECTIONS)**

Region	Population	October 1969-70		October 1970-71		October 1971-72	
		Number Trained Vol.	Probationers Supervised	Number of Trained Vol.	Prob. Suprv.	Vol. Trained	Prob. Suprv.
State total 300,382							
NORTHERN							
Fairbanks	45,864			50	30	90	60
Bethel (Serving 50 villages)	2,176			10	7	20	14
*Nome	1,500						
*Kotzebue	2,375						
*Barrow	1,656						
	2,201						
SOUTHCENTRAL							
Anchorage	124,542	100	66	200	**135	300	200
Seward	2,010			10	7	20	14
Matanuska Valley	6,500			20	14	40	28
Talkeetna							
Willow							
Wasilla							
Palmer							
Valdez	1,008					10	7
Cordova	2,085					10	7
Kodiak	3,660					10	7
*Kenai	3,934						
*Homer	1,053						
*Bristol Bay Borough	3,347						
SOUTHEASTERN							
Juneau	13,338			10	7	20	14
Sitka	3,327					10	7
Petersburg	2,015					5	3
Wrangell	1,973					5	3
Ketchikan	6,703					15	8
*Metlakatla	1,011						
Haines	453					3	2
Skagway	677					3	2
Kake	437					5	3
Hoonah	730					4	2
TOTALS		100	66	300	200	570	380

-603-

3/26/71

*Projected Volunteer Probation Officer Services in 1972-73
**By July, 1971 one more Community Resource Officer will be needed in Anchorage

AFTER RECESS
2:20 p.m.

Present: All members. Mr. Van Houte, Alaska Education Association.

Alaska
Education
Assn.

Mr. Hohman called the meeting to order and said he had asked Mr. Van Houte to testify prior to the teachers' meeting, in order to be briefed on their requests. Mr. Van Houte said the teachers' meeting will bring representatives from the main interests of the educational units throughout the state, and one position they will take is that the 90% participation continue. They feel that financially and statistically they can justify the proposed bill to increase the funding to \$21,000, which is necessary due to increased costs and inflation.

Mr. Van Houte said another request will be to limit class size. The teachers can do a more workable job with a realistic class size, and there is presently a bill in to provide limits and regulations as to effective classroom size. Mr. Van Houte said the teachers felt the public should know that an effective job cannot be done with a large number of children in a teaching situation.

The teachers will also request adequate buildings, which is especially true in the rural areas where a number of schools don't meet what is considered decent standards. Mr. Van Houte reported there is a conflict with Public Works, who puts up the building with no regard to requests by the Department of Education.

Other areas of concern are State-operated Schools, where Mr. Van Houte's personal feeling is that the Governor's recommended figure of \$31 million should be appropriated in a lump sum with latitude allowed for the department to allocate funds as needed. Also Title funds must be allowed to be used, and Mr. Wright asked if these funds would not raise the budget. Mr. Van Houte said the figures would be

\$31 million from the state and \$1.2 million from the federal, through Title funds. Discussion followed on the pupil/teacher ratio and Mr. Van Houte said it is now 25 to 1. He said this is a distorted picture, however, because the overall number of students is divided into the number of teachers and the figures do not apply accurately to different schools. Mr. Wright explained the pupil/teacher ratio in Anchorage. Mr. Haugen noted the department has complete freedom with federal funds, and Mr. Van Houte said these Title funds are received for programs and are not involved with the legislature. Mr. Haugen said the funds don't seem to reach many schools in his district.

Recess: The meeting recessed at 2:40 p.m.

JOINT MEETING
SENATE AND HOUSE FINANCE COMMITTEES

MARCH 29, 1971

1:35 p.m.

Present: Members of the Senate and House Finance Committees and Senator Clifford J. Groh. Students from the University of Alaska: Dennis Dooley, Dan Wetzel, Fred Jack, Martha Jack, Chip Wagoner, Russ Clark, Jim Lentine; Jean Johnson, John N. Davies, David Christy.

University
of Alaska

Mr. Hohman called the meeting to order and introductions were made.

Dennis Dooley, student body president, stated testimony given today by the students would be candid comments expressing their real concern about the budget cuts. Opinions will be given from students in various programs, explaining the effects of the cuts. Mr. Dooley said he had one statement to make before calling on the students for testimony; which was the fact that Alaskans are united in a general feeling of anger at the interference in Alaskan affairs by people from outside the state. The only solution, in Mr. Dooley's opinion, is for Alaskans to take care of their own problems internally, and not look for outside help and guidance. He then introduced Russ Clark, an Alaskan student and a graduate of Juneau/Douglas high school. Mr. Clark spoke very briefly and noted he felt Alaskans should go to college in the state, rather than go outside. He added university programs are starting to grow.

Mr. Dooley then introduced Martha and Fred Jack, students who spoke on the rural school and course development going on at the University. Martha Jack said native students have peculiar or different problems and a program was initiated last year in order to aid these students, Student Orientation Services, or SOS. The program was developed with

oil money and has expanded from the original head counselor, Mr. Egan, to include another full-time counselor and three native part-time student counselors. The purpose of the program is to aid native and rural students with registration, advise academically, find rooms, and provide a tutoring service. The board is composed of 10 members. Increased enrollment is anticipated due to recruitment in high schools, and Mrs. Jack reported the program is just beginning to show results. The reduction in the budget will limit their activity, and prevent them from hiring another counselor. Fred Jack stated he was one of 250 native students on campus. The rural area high schools just don't prepare a student for college, he said. One of the projects in SOS is planning courses relevant to them as students, and ones which would help in other courses. The program is running smoothly, but the increased enrollment will require an increase in funds. The new courses needed include Alaska Native History, Alaska Native Literature, Home Economics (Skin Sewing), political session for the natives; i.e., land claims, involvement in state affairs, etc. Mr. Jack said these are not easy courses, and with the budget cuts it is not known if the courses will be offered. A coordinator is requested for the courses, and native instructors would be preferred, but Mr. Jack's understands these have not been budgeted.

Mr. Wright asked who was employed in this program at present, and what positions were requested. Mrs. Jack said there is a head counselor, a native graduate counselor, secretary, three part-time counselors, and tried to remember who else was in the program. Mr. Wright asked her salary and she answered about \$2.50 - 3.00/hour. Mr. Wright noted the wide variance between the budget document and her answers, and the students answered they were not familiar with what was in the budget.

Senator Ray then asked how the students knew the limitations on the budget due to the reductions and Mr. Jack said he had been advised by the head counselor, who had probably learned of the cuts from Dr. Theophilus. Senator Ray said the legislature budgets a lump sum amount to the University, and they budget accordingly. If the students could pinpoint exactly who is responsible for the cuts in programs, the legislature could put it in as a specific line item in order to be sure it is included. Chip Wagoner said this would be an excellent idea, since the "black hats" (Dr. Wood, the deans, and the budget director) determine which programs will be reduced. Mr. Wagoner asked the legislators present that if they felt the programs presented were necessary, please authorize them accordingly in a letter of intent. The university officials have decided the first thing to be cut will be new programs and next will be improvements to new programs. Senator Rettig said Mrs. Jack mentioned oil money and asked her what she meant. Mrs. Jack said last year the SOS program was started too late to be included in the budget and three oil companies contributed \$40,000 toward the program. Senator Hensley wished to emphasize the same point made by Senator Ray; the fact that the university officials make the budget decisions and the legislature is interested in what the students feel is needed. Mr. Wright noted he is still curious about the \$100,000 budgeted toward the SOS program, and would like to know where it is going.

Mr. Dooley introduced Dan Wetzel, a student in the Biology Department. Mr. Wetzel said he had two points to present: what will happen to the quality of education the student receives and what will happen to resource management in the state. Resource management is the area

of two big issues in Alaska - oil and environment. The state has the potential to train professionals in this field, but expanded programs and more instructors are necessary at the university in order to explore the potential. In answer to a question from Senator Ray, Mr. Wetzel said a broader spectrum should be provided, and diversification of the entire program. Senator Ray asked if the staff is putting too much emphasis on theses and Mr. Wetzel said no, not enough. Facts are needed for a solid base. Senator Hensley asked what programs in the department will be cut and Mr. Wetzel said new positions of an ecologist and assistant in Biological Sciences and a professor in the Department of Land Resources. Programs which need to expand will remain the same and new programs will not be started. Mr. Wright asked how many students were in this department and Mr. Wetzel said he did not know, but it had increased 54% last year.

Senator Butrovich explained the budget has increased in the last few years about 4-15%, but last year it increased from 12 million to 17 million. However, last year the state had \$900 million. This year the budget request jumped to \$25 million, and the state has other responsibilities beside the university. The legislature provides the money, they do not attempt to tell the Board of Regents what courses to offer. Mr. Butrovich concluded by saying the obligation of the legislature is to all the people of Alaska. Mr. Wetzel argued that there will be a return on the investment of funds in resource development.

Recess: The meeting recessed at 2:45 p.m.

AFTER RECESS
3:05 p.m.

Mr. Hohman called the meeting to order. Mr. Dooley introduced Jim Lentine, who said he was a third year student at the Business College. He testified that the biggest problem at the Business College was the turn-over in faculty due to the salaries offered to teachers. The salaries offered in the lower 48 are comparable to the University of Alaska's salaries, but the cost of living is much higher in College than any other university town. Mr. Lentine continued that the depth and scope of courses are not adequate. As a marketing student, he is very limited since there is only one marketing professor. The requested professor of logistics has been deleted, and a big problem facing Alaska now is goods and services transportation should be studied. He said the students are hurt and in the long run the state is hurt. Many of his friends went out of state, but Mr. Lentine felt Alaskan students should go to the University of Alaska and work toward providing good education for the state. He continued that all indications are funds will not be available for the computer information course, a two-year computer program offering an associate degree. The accounting department has two full-time professors, while students have increased 60%, and Mr. Lentine felt the student should be exposed to more points of view. He concluded that concern is expressed by students about faculty turn-over and the large number of students in the classes, and this year the students are attempting to get a representative on the committee to decide where the funds should be appropriated - toward which programs.

The next student to testify was David Christy, a 20-year resident and graduate of Juneau/Douglas high school. He explained the WAMI program, which is a pre-medical program involving Oregon, Washington, Montana, etc. The first year of medical school may be taken at the home state university, thereby taking the heavy burden off the medical school at the University of Washington. Federal funds provide most of the funding for this program, with the state share about \$7,500. Mr. Christy said if the legislators felt funds should be allocated to this program, a recommendation should be made to Dr. Rae accordingly. Chip Wagoner was introduced by Dennis Dooley. Mr. Wagoner discussed the university community and the problem developing. He said the university community is a normal small town, home to the student for nine months of the year. The students contribute to the community and right now have collected enough funds to buy an ambulance; however, they have been advised there is no place to put it. Student fees have increased \$10 to pay for the student activity center and to buy equipment for dorms. The biggest thing the student does is to help the university, and Mr. Wagoner asked who makes the decision for funding - not the legislature and not the students. He said the students feel they should have a say in the allocation of funds and letters of intent should be written by the legislature for programs they wished to support. It was his personal opinion that enrollment of out-of-state students should be cut, or tuition increased, although he was an out-of-state student. Mr. Wagoner continued they have been advised the student activity center will not be opened, although the building should be completed in August, due to lack of funds to pay janitors. Senator Butrovich said the state just managed to sell the

bonds, and are advertising \$13 million now for construction. He asked if the university is planning to build more buildings which will be unstaffed. Mr. Wagoner said it was his personal opinion that this information was given to get the students riled up, but, again, who makes the decision on where funding will go. Senator Butrovich said the university is the only department receiving money in a lump sum, and every other department is budgeted on a line item basis. This gives a distinct advantage to the university, since the legislature does not know or have control over spending of the funds.

Senator Hensley asked who paid for the students to come to Juneau and the answer was the ASUA.

Mr. Fink requested a letter be sent to the University asking if the student activity center is scheduled to open, or will building cease. Discussion continued on growth of the university, and Mr. Wagoner said student enrollment is increasing which creates the demand for further building projects.

Mr. Wright questioned the level of teaching in the upper level courses and said enrollment is dropping in the third and fourth year. Mr. Dooley said the teachers are not paid adequate salaries and leave. Programs should be expanded in upper division courses, since the students do feel the university is improving and will stay for higher level classes.

Mr. Dooley then introduced Mr. John Davies, a graduate student from the Geophysical Institute. Mr. Davies said he noticed a definite feeling that research is not well regarded, which is basically due to the fact that researchers are not good P. R. men. Expertise is available at the University of Alaska, but Mr. Davies believes the

general public considers research to be impractical. He proceeded to list the projects aided by research, mainly earthquake studies, and said the benefits that accrue to Alaska are many.

Mr. Dooley said in conclusion he had two points to make. Faculty salaries should be increased to bring them in line with other states and perhaps lessen turn-over, and \$25,000 should be included in the budget to cover new programs.

Mr. Warwick asked if the university was really over-crowded or if empty classrooms still prevailed, and Mr. Dooley said some courses are over-crowded, some are not. Tuition was questioned and Mr. Dooley said it is \$100 per year, plus activity fees, laboratory fees, etc. Mr. Wetzel said he feels it is a bargain and would not mind paying more tuition. Chip Wagoner repeated the fact that it was his opinion tuition for out-of-state students should be increased, but Mr. Dooley said one problem is that after one year the student is considered a resident.

It was mentioned that Mrs. Jack now had the answers to Mr. Wright's questions on personnel in the SOS program and she listed them as follows: Head Counselor, Mr. Egan, who students identify with strongly and feel his salary should be increased; Counselor; Financial Assistant listed in budget but not really in the department; administrative secretary, and three part-time girls. She said the positions requested are very important - an Admissions Counselor to aid students entering the university and a Senior Stenographer to take care of the secretarial load. The part-time students need the salaries paid, or perhaps could not stay in school.

Mr. Wright noted his personal feeling was that grants should be eliminated and loans increased. Discussion continued on the cost of

attending the university and the cost to the state to fund the school. Mr. Fink said he is not interested in a lot of concrete buildings or in the prestige involved in having a great university, but is more interested in providing a good, solid education. Also, there is always the possibility that a student would receive a broader, well-rounded education in schools outside the state, and this possibility should be considered. Mr. Davies agreed and said you can't be all things to all men. Discussion continued on the pros and cons of staying in Alaska for a college education.

Senator Hensley said the university should be for the students, and the legislature trusts the Board of Regents will give the students' views. Chip Wagoner added it would be helpful if a student were a member of the Board of Regents.

Adjourned: The meeting adjourned at 4:25 p.m.

HOUSE FINANCE COMMITTEE

March 31, 1971

8:10 a.m.

Present: All members. Robert L. Thomas, Deputy Commissioner, Department of Education; Merle M. Armstrong, Director, State-operated Schools.

State-operated Schools

Mr. Hohman called the meeting to order. Mr. Armstrong explained the department was not prepared at the last budget hearing since they had received the Governor's allowance the night before, and have now had time to review the revised budget. He distributed documents supporting the changes (attached), and said the budget is very conservative with no new programs added. Some existing programs have been cut, since the increased costs of operation offset the increase in the budget amount. Mr. Armstrong said they will eliminate any possibility of transferring any BIA schools into the state system this year. Mr. Hohman asked how many were contemplated and Mr. Armstrong said 20. The state Board of Education negotiated with the teachers last year to pay transportation of teachers from a central location to their station and back once a year, which has now been deleted from the budget and will create problems because the teachers will feel the state has not kept good faith. Mr. Hohman asked how many teachers were involved and the total cost and Mr. Armstrong said between 350 to 400 teachers at approximately \$150 per teacher for a total cost of \$60,000. The central points to which teachers would fly from remote areas were Juneau, Ketchikan, Anchorage and Fairbanks. Mr. Wright asked if the state-operated board has the same authority as the district board and Mr. Armstrong said their authority is somewhat nebulous since the new board has not met yet and are awaiting approval from the legislature.

\$33,000 was picked as it is a commissioner's salary. When the Board meets, they will pick a director and set a salary.

Mr. Wright asked if the cut-back in administration has resulted in a cut-back in support personnel and Mr. Armstrong said they will retain the current staff but new positions have been deleted.

Mr. Warwick asked what federal funds are included in the \$1.235 million administrative funds and Mr. Armstrong said they are not broken down, but are listed as total receipts. PL 874 is based on the cost of operation two years previous; therefore, the lag in an increase in federal funds. The general fund has increased substantially due to the teacher salary increase, the transfer of fifteen new BIA schools, and general inflation, according to Mr. Thomas. Mr. Fink asked why they are over maintenance level and Mr. Thomas said the tuition rate should help with increased state support, and it was his feeling it will be less than projected. Mr. Fink noted they mentioned a supplemental request may be necessary, and Mr. Armstrong said they feel they can live within the additional \$1 million funding, but will not know until school starts. If the department is just granted \$31 million in a lump sum, Mr. Armstrong feels they could do a better job since they could allocate during the year to necessary programs. He added the Board would make the allocations.

Mr. Wright requested a complete break-down of costs in District Office as to number of employees, travel, etc., and Mr. Thomas said this would be provided to the committee in a couple of days.

Mr. Warwick asked if the instructional TV will be retained at the Ft. Wainwright school and Mr. Armstrong said yes, this is included in the revised budget.

Recess: The meeting recessed at 9:00 a.m.

CORRECTION

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

Mr. Armstrong continued with the budget summary and said the enrollment projection has been held down and any increases will result in an increase in the pupil/teacher ratio. Administrative costs are 2.2% of the total budget, or \$1,235,000. This includes Board of Directors, Administrative Services, Instructional Services, and Pupil Enrichment Resource Center. Mr. Wright asked the correlation between the positions requested at this time and the chart on page 5 of the budget document and Mr. Armstrong said only the Director and the Deputy Director are listed on both pages. Mr. Wright asked for a run-down on positions on the chart and Mr. Armstrong said that many covered different fields but were staffed by one person. He itemized the positions deleted as follows: Director of Pupil Services, Assistant Superintendent, Facility and Operations, Superintendents in various areas have been reduced from a total of 23 to 20 at this time, Director of Program Services, and Assistant, Consultant Services. Mr. Hohman asked how they reduced the number of superintendents and Mr. Armstrong said districts are consolidated. In Facilities and Operations, Henry Gilbertson will continue coordinating with the Div. of Buildings the problems in custodial and maintenance in schools. Mr. Wright questioned administrative costs and Mr. Armstrong said they have been reduced from the original request of \$1.9 million to \$1.235 million. All areas have been reallocated in line with the Governor's budget.

Mr. Warwick noted on page 19 of the budget document a position is shown at \$33,800, while the same position (Director) is listed on the summary sheets distributed as \$24,000. Mr. Thomas said the salary is set by the Board, subject to the approval of the Governor, and

\$33,000 was picked as it is a commissioner's salary. When the Board meets, they will pick a director and set a salary.

Mr. Wright asked if the cut-back in administration has resulted in a cut-back in support personnel and Mr. Armstrong said they will retain the current staff but new positions have been deleted.

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Recess: The meeting recessed at 9:00 a.m.

March 29, 1971

The Honorable George Hohman, Chairman
Alaska State House Finance Committee
Pouch Y - State Capitol
Juneau, Alaska 99801

Dear Mr. Hohman:

		11/10/70 Original Request	3/29/71 Revised Allocations	Effective Decrease
District Office	01-05	\$1,927,800	\$1,235,000	(692,800)
Area Schools	10-40	32,237,600	26,698,900	(5,538,700)
Fed. Programs	50	-0-	-0-	-0-
State non-resident Tuition	60	1,340,000	1,000,000	(340,000)
Special Ed.	70	606,800	509,100	(97,700)
	80			
ARTTC	51	1,290,300	1,168,200	(122,100)
Bilingual Aides	82	252,300	238,800	(13,500)
ARSP	83	200,000	150,000	(50,000)
TOTAL		\$37,854,800	\$31,000,000	(6,854,800)

District Office 01-05

No new positions until "feasibility study" is completed and directions are given concerning organizational schema. Decentralization to Area Administrators is indicated where practical.

Area Schools 10-40

\$2,000,000 attributable to deletion of all projected BIA transfer schools for F. Y. 1972. Deletion of new classified positions. More realistic projection of pupils @ 18,000 students and staffing to achieve an increase in pupil/teacher ratio.

Deletion of additional teacher-aides maintaining only existing aides. Holding the line with respect to priorities on all commodities and equipment purchases.

State non-resident tuition 60

A supplemental request may be necessary after exact enrollments are firm. \$1,000,000 allotted as in past.

Special Education 70

Overall reduction in program increase to maintenance level only.

ARTTC 81

Maintaining current level with no program increase projected.

Bilingual Aides 82

Maintaining current level with no program increase projected.

Alaska Rural School Proj.

Cut of \$30,000 over current allocation due to minimal teacher turnover projected for F. Y. 1972.

State-Operated Schools feels that a lump-sum appropriation of \$31,000,000 is minimal but that with the authority of line-item changes, we can provide an adequate education program in the ensuing year.

Sincerely yours,

Merle M. Armstrong, Director
State-Operated Schools

IMA:smc

cc: The Honorable William Hensley

STATE-OPERATED SCHOOLS
Revised Expenditures

		100	200	300	400	500	900	TOTAL
District Ofc.	00	763,000	65,000	155,000	170,000	82,000		1,235,000
Board	01)							
Commissioner/Supt.	02)							
Admin. Svs.	03)							
Instructional Svs.	04)							
PERCY	05)							
Area Schools	10-40	20,228,900	70,000	1,500,000	2,800,000	400,000	1,700,000	26,698,900
Federal Prog.	50	-0-	-0-	-0-	-0-	-0-	-0-	-0-
State non-resident Tuition	60	-0-	-0-	*1,000,000	-0-	-0-	-0-	1,000,000
Special Education	70	424,100	15,000	35,000	25,000	10,000		509,100
Supplemental	80	-0-	-0-	-0-	-0-	-0-	-0-	-0-
ARTTC	81	945,200	40,000	180,000	3,000	-0-		1,168,200
Bilingual Aides	82	138,800	10,000	80,000	2,000	8,000		238,800
ARSP	83	-0-	-0-	150,000	-0-	-0-	-0-	150,000
		22,500,000	200,000	3,100,000	3,000,000	500,000	1,700,000	31,000,000

*Possible supplemental Request:
was/ \$1,340,000

-620-

3/31/71

STATE OF ALASKA
 Dept. of Administration
 Budget & Management Div.

BUDGET SUMMARY

For the Fiscal Year Ending June 30, 1972

BUDGET REQUEST UNIT (1)		1969-1970 Actual (2)	1970-1971 Authorized (3)
District Office	00	731,333	923,000
Board of Directors	01		(28,400)
Director/Superintendent	02		(621,200)
Administrative Services	03		.
Instructional Services	04		
Pupil Enrichment Resource Center	05		(273,400)
Area School Programs	10-40	6,202,191	24,806,600
Federal Programs	50	763,047	2,570,000
Non-resident tuition payments	60		
Special Education	70		443,400
Supplemental Programs	80		
Alaska Rural Teacher Training*	81		451,300
Bilingual Aides	82		
Alaska Rural School Project	83		180,000
TOTAL EXPENSE (Col. 2)		17,696,571	
AMOUNT LAISED (Col. 2)		352,765	
TOTAL		18,049,336	29,374,300
SOURCE OF FUNDS			
FEDERAL FUNDS		6,087,236	13,178,600
STATE FUNDS		1,438,200	4,071,000
SPECIAL FUND			
SPECIAL FUND - TRUSTEE ACCOUNT			
AMOUNT FOR CAPITAL EXPENDITURES		3,523,900	12,124,700
TOTAL		6,049,336	29,374,300
NUMBER OF FULL-TIME POSITIONS		1,159	1,398
NUMBER OF PART-TIME POSITIONS			
FULL-TIME EQUIVALENT POSITION (FTE)			
NUMBER OF MAN MONTHS		11,119	13,709

*TC/COP

-621-

3/31/71

CCBF

AGENCY	State-Operated Schools	50
OPERATING PROGRAM	District Summary	0
ACTIVITY		
FUNCTION		

1971-1972 ESTIMATED

Department Request (4)	Increase (Decrease) (5)	Governor's Allowance (C) (S. O. S)	Legislative Allowance (2)
1,927,800	1,004,800	1,235,000	
53,100			
94,200			
785,800			
493,100			
501,600			
32,237,600	7,541,400	26,698,900	
-0-	(2,570,000)		
1,340,000	1,340,000	1,000,000	
606,800	163,400	509,100	
1,290,300	839,000	1,168,200	
252,300	252,300	238,800	
200,000	20,000	150,000	
37,854,800	8,480,500	31,000,000	
17,979,700	4,801,100	16,045,900	
-0-	(4,071,000)		
19,875,100	7,750,400	14,954,100	
37,854,800	8,480,500	31,000,000	
1,855	457		
3	3		
104	104		
21,340	7,631		

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

EXPENDITURES BY OBJECT
and
SOURCE OF FUNDS

Preliminary
Revised: 3/29/71

AGENCY	State-Operated Schools	50
OPERATING PROGRAM	District Summary	0
ACTIVITY		
FUNCTION		

For the Fiscal Year Ending June 30, 1972

CODE (1)	EXPENDITURES BY OBJECT (2)	1969-1970 Actual (3)	1970-1971 Authorized (4)	1971-1972 ESTIMATED			
				Department Request (5)	Increase (Decrease) (6)	Governor's Allowance (7) (S. O. S.)	Legislative Allowance (8)
100	PERSONAL SERVICES	13,017,206	20,358,300	26,461,100	6,102,800	22,500,000	
200	TRAVEL	85,514	104,000	617,700	513,700	200,000	
300	CONTRACTUAL SERVICES	1,800,258	2,113,100	3,952,400	1,839,300	3,100,000	
400	COMMODITIES	1,307,697	2,300,400	3,737,200	1,436,800	3,000,000	
500	EQUIPMENT	147,784	363,500	1,078,800	715,300	500,000	
600	LANDS AND STRUCTURES						
700	GRANTS, CLAIMS AND SHARED REVENUE						
800	MISCELLANEOUS						
900	INTER-AGENCY CHARGES	1,338,112	4,135,000	2,007,600	(2,127,400)	1,700,000	
	TOTAL EXPENSES (Col. 3)	17,696,571					
	AMOUNT LAPSED (Col. 3)	352,765					
	TOTAL	18,049,336	29,374,300	37,854,800	8,480,500	31,000,000	
CODE	SOURCE OF FUNDS						
	FEDERAL RECEIPTS (Sec 02-15)	13,087,236					
316	P. L. 874		12,793,800	16,000,000	3,206,200	16,045,900	
318	Johnson O'Malley		1,048,000	1,274,700	226,700		
373	Fish and Wildlife		179,800	180,000	200		
	Teacher Corps & Career Opp. Act		95,000	325,000	230,000		
	Bilingual			200,000	200,000		
	PROGRAM RECEIPTS (Sec 02-15)						
	INTER-AGENCY RECEIPTS (Sec 02-15)	1,438,200					
969	State Level Fed Prog. SOS Fed Voc Ed		3,133,000	-0-	(3,133,000)		
	SPECIAL FUND School Lunch						
	SPECIAL FUND RESERVE ACCOUNT						
	UNRESTRICTED GENERAL FUND	3,523,900	12,124,700	19,875,100	7,750,400	14,954,100	
	TOTAL	18,049,336	29,374,300	37,854,800	8,480,500	31,000,000	

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3/31/71

CLASSIFICATION TITLE (1)	PCN (2)	Pay Rge (3)	No. Sal. (4)	68-69		69-70 Auth.		1970-1971 ESTIMATED				Gov. Allowance			Legis. Allow.		
				Annual Amount (5)	No. Pos (6)	No. Mo. (7)	Annual Amount (8)	Dept. Request			Increase (Decrease) (12)	No. Pos. (13)	No. Mo. (14)	Annual Amount (15)	No. Pos. (16)	No. Mo. (17)	Annual Amount (18)
								No. Pos. (9)	No. Mo. (10)	Annual Amount (11)							
1 Director	1-28	25	1666		1	12	19,992	1	12		(19,992)						
2 Director	1-28	26	2001				(Re class)			24,012	24,012						
3 Deputy Director	1-23	23	1681		1	12	17,844	1	12	20,172	2,328						
4 Principal Educ. Spec.		22	1585		3	36	50,436	2	24	38,040	(12,396)						
5 Senior Educ. Spec.		20	1412		8	96	119,328	8	96	35,552	16,224						
6 Senior Educ. Spec.	E.O. 20	20	1412		1	12	(E.O. 20-JOM)	1	12	16,944	16,944						
7 Supply Officer III	1-13	17	1133				(Transfer)	1	12	13,596	13,596						
8 Supply Officer I	1-75	12	787		1	12	8,496	1	12	9,444	948						
9 Secretary II		11	732		2	24	15,912	2	24	17,568	1,656						
10 Secretary I	1-29	10	680		1	12	7,488	1	12	8,160	672						
11 Statistical Clerk II		9	631		2	24	13,896	2	24	15,144	1,248						
12 Clerk Steno III	1-101	9	631				(Federal Programs)	1	12	7,572	7,572						
13 Clerk Steno II		8	586		3	36	19,260	3	36	21,096	1,836						
14 Clerk Typist III	1-104	8	586				Federal Programs)	1	12	7,032	7,032						
15 Supply Clerk I		8	586				(Transfer)	2	24	14,064	14,064						
16 Clerk Transcriber II	1-49	7	545		1	12	6,036	1	12	6,540	504						
17 Messenger II	1-213	6	506		1	12	5,664	1	12	6,072	408						
18																	
19 Sub-Total							284,352			361,008	76,656						
20																	
21 Temporary Employees							(Federal Programs)			14,000	14,000						
22 Prin. Education Spec. (Error)							13,838				(13,838)						
23 Employee Benefits 12%							39,810			43,320	3,510						
24 Employee Benefits 6%										840	840						
25																	
26 Bonding										32	32						
Outstanding Enc. (Col. 5)																	
SUMMARY																	
Permanent-Full-time Positions					(1)				29				29				
Permanent-Part-time Positions					24												
Temporary (Full Time Equivalent)																	
No. Man Months						288			348				348				
TOTAL ANNUAL AMOUNT				314416.			338000			419,200	81200			419200			

AFTER RECESS
1:10 p.m.

Present: George Hohman and Herbert D. Soll, Public Defender.

Public
Defender,
Office of
Governor

Mr. Soll was present to testify on the budget which had been returned to program maintenance of \$562,700, reduced from their original request of \$635,000. He stated this figure does not really represent program maintenance, since the budget is based on only a guess of what it would take to operate the agency. This is the first full year of operation, and Mr. Soll stated to supply the basic program as required by the statutes would require another \$194,000. This was the request stated at the last budget hearing; Mr. Soll said bearing the committee members' statements in mind, he has searched for alternatives to reduce the budget request.

Mr. Soll contacted UCLA in connection with their work study program, which releases students to work with agencies for practical experience. This program is described in detail in the letter and request forms attached. The Bar Association has voted to authorize this program by a vote of 7 to 1. Three law clerks have been requested and would cost as much as one attorney, resulting in a 2/3 savings.

Two attorneys have been requested, also justified on the request forms attached. One would be an Attorney V and one would be an Attorney III. The Attorney III is not really a new position, since a part-time employee is currently employed, but Mr. Soll felt this individual should be added to the staff as a full-time employee. Candidates are on hand for the Attorney V position.

Mr. Soll concluded that the services of public defenders must be

provided or the court will appoint a private attorney and submit his bill to the Public Defender department. This would result in a request for a supplemental appropriation.

The changes listed result in a request for an additional \$76,000, reduced from the original increase of \$194,000.

Adjourn: The meeting adjourned at 1:20 p.m.

The Honorable William A. French
Governor of Alaska
Anchorage

March 11, 1971

Herbert D. Roll
Public Defender
Anchorage

Public Defender Herbert D. Roll
Anchorage, Alaska

The 1971 - 1972 proposed budget for our agency was approved last October at \$15,000 by the budget panel committee. I recently learned that this figure is no longer your recommended budget for the Public Defender Agency.

An examination of the state's financial situation has prompted a decision to revert to the program maintenance level of the present year's budget which is \$552,700. As a member of this administration, I can well appreciate this decision. I will continue to support it by limiting our agency to practical and necessary expenses.

We approach the coming year's budget at a decided disadvantage. The other agencies and departments have been operating for a sufficient period of time to have developed a basis of experience upon which a meaningful projection can be made. Intelligent determinations are possible as to whether programs will be abandoned or continued; whether services should be increased or decreased. In the case of our agency, we are completing our first full year of operation on a budget which was only a guess as to the amount required to discharge the obligations passed on to us by the statutes and the Constitution.

When it became apparent to us that the present budget was insufficient to carry on the duties required of us by statute, we employed every improvisation conceivable to finish the present fiscal year without a deficit. In this we shall succeed.

We now face a new and difficult challenge. The Supreme Court will soon publish a decision which we are certain will require us to represent all persons unable to hire private counsel if they face imprisonment upon conviction.

The Public Defender Act directs us to represent indigent persons detained for, or under charge of, a "serious crime." The statute goes on to define "serious crime" to include:

- (5)(A) "A criminal matter in which a person is entitled to representation by an attorney under the Constitution of the State of Alaska or the United States Constitution;"...

Until now we have been able to set our own definitions of the term "serious crime." Particularly in the Third Judicial District (including Anchorage) and the Yukon-Kosokwim Area, we have been unable to represent persons charged with serious misdemeanors, and we have limited our assistance to felony cases.

Anchorage, alone, represents a probable increase of more than 1,000 cases per year. New courts in Kodiak and Kenai will be making increasing demands upon our staff as the Department of Law will open a prosecuting office to serve the Kenai Peninsula-Kodiak Area. The large area served out of Bethel has received little more than our good intentions on our present budget.

Since our current operating budget was not based on the experience of past years' budgets, I am appealing to you to reconsider what a program maintenance level budget would have been had we been favored by this experience.

In attempting to provide only basic services in meeting our legal requirements, I have devised a system whereby we can operate with \$76,200 more than the present inadequate figure. This plan would employ the use of three senior law students from UCLA Law School. That institution has offered a program which would maintain three law clerks, earning academic credit, in Alaska during the coming fiscal year. On March 26, 1971, the Board of Governors of the Alaska Bar Association approved my proposal to allow these law students to participate in District Court proceedings in misdemeanor cases. This means that our staff attorneys in Anchorage and Fairbanks would be freed of the time-consuming daily arraignments, bail motions, and other preliminary proceedings. They would also be qualified to try cases of a simple nature. Total cost of the law clerk program would be \$23,700.

Because of the increased pressure from courts outside of Anchorage, we must have the man-power to allow one attorney to be out of the office (in Kenai, Kodiak, Cordova, and Bethel) approximately 50% of the time. The demands of the Anchorage courts will not permit this from the present staff level even if our case load were not increased with the pending Supreme Court decision.

March 11, 1971

I am asking for one new position for an attorney in the Anchorage office. Without him, we cannot come close to meeting our responsibilities in the areas mentioned above.

Finally, you have my request for an Attorney III. This position would also be in Anchorage. In reality, it is not a new position, because adjustment within the Agency, which was done to keep within this year's budget, caused us to hire a temporary employee to prepare and research all of our appeal matters for all five offices of the agency. Because of the superior library, this position is in Anchorage. Our request for making this position a permanent one is necessary to give this proven employee the security and benefits provided by a partially-exempt position within the personnel system.

Herbert D. Soll

Herbert D. Soll

HDS:msu

STATE OF ALASKA
 Dept. of Administration
 Budget & Management Div.

REQUEST FOR NEW POSITION

For the Fiscal Year Ending June 30, 1972

PROPOSED POSITION TITLE Attorney V RANGE 25 LOCATION Anchorage
 TYPE OF POSITION Permanent Full Time REFERENCE: 02-13B, LINE _____

AGENCY OPERATING PROGRAM	Governor's Office	01
	Public Defender	70
ACTIVITY		
FUNCTION		

CODE (1)	EXPENDITURE BY OBJECT (2)	EXPENDITURES (3)	DETAIL OF RELATED EXPENSES (4)
100	PERSONAL SERVICES	28,375	Salary 24,252 plus benefits 4123
200	TRAVEL		
300	CONTRACTUAL SERVICES		
400	COMMODITIES	300	Statutes & rules 150; supplies 150
500	EQUIPMENT	765	Desk 200, chair 80, bookcase 60, dictating unit 425
TOTAL		29,440	

NARRATIVE JUSTIFICATION:

The present staffing of the agency cannot provide equal representation for citizens living at a distance from the traditional judicial centers of the state. An orderly plan for agency development called for the establishment of offices in the cities where new Superior Courts were created in the Third Judicial District. In addition the large area served out of Bethel was to receive an attorney. In view of the limitation on program expansion, the opening of any new offices has been set aside for future consideration. This position will be primarily responsible to provide services to Kodiak, Kenai Peninsula and Bethel.

CERTIFICATION BY DEPARTMENT HEAD	DATE

APPROVED CLASSIFICATION	
CLASS CODE	
RANGE	
APPROVED BY	
EFFECTIVE DATE	
LOCATION	
PCN	

-629-

3/31/71

STATE OF ALASKA
 Dept. of Administration
 Budget & Management Div.

REQUEST FOR NEW POSITION

For the Fiscal Year Ending June 30, 1972

PROPOSED POSITION TITLE Attorney III RANGE 22 LOCATION Anchorage
 TYPE OF POSITION Permanent Full Time REFERENCE: 02-13B, LINE _____

AGENCY OPERATING PROGRAM	<u>Governor's Off</u>	CODE <u>01</u>
	<u>Public Defender</u>	<u>70</u>
ACTIVITY	_____	
FUNCTION	_____	

CODE (1)	EXPENDITURE BY OBJECT (2)	EXPENDITURES (3)	DETAIL OF RELATED EXPENSES (4)
100	PERSONAL SERVICES	22,760	Salary 19,454 plus benefits 3,306
200	TRAVEL		
300	CONTRACTUAL SERVICES		
400	COMMODITIES	300	Statutes & rules 150; Supplies 150
500	EQUIPMENT		
TOTAL		23,060	

APPROVED CLASSIFICATION
 CLASS CODE
 RANGE
 APPROVED BY
 EFFECTIVE DATE
 LOCATION
 PCN

NARRATIVE JUSTIFICATION:

The trial court duties of the agency has taxed the legal staff beyond its ability to research and prepare appellate briefs for the Supreme Court. This position will provide one person to do all of the appellate work for the five offices maintained by the agency. This reorganization has already taken place in that it became necessary to hire a temporary employee to meet the demands of the Supreme Court calendar of these cases on appeal.

CERTIFICATION BY DEPARTMENT HEAD

DATE

-630-

3/31/71

STATE OF ALASKA
 Dept. of Administration
 Budget & Management Div.

REQUEST FOR NEW POSITION

For the Fiscal Year Ending June 30, 1972

PROPOSED POSITION TITLE Law Clerk RANGE 9 LOCATION Anchorage & Fairbanks
 TYPE OF POSITION Temporary (3 positions) REFERENCE: 02-138, LINE _____

AGENCY	<u>Governor's Office</u>	CODE	<u>01</u>
OPERATING PROGRAM	<u>Public Defender</u>		<u>70</u>
ACTIVITY			
FUNCTION			

CODE (1)	EXPENDITURE BY OBJECT (2)	EXPENDITURES (3)	DETAIL OF RELATED EXPENSES (4)
100	PERSONAL SERVICES	23,700	3 @ 7452 plus benefits of 448 each
200	TRAVEL		
300	CONTRACTUAL SERVICES		
400	COMMODITIES		
500	EQUIPMENT		
TOTAL		23,700	

APPROVED CLASSIFICATION	
CLASS CODE	
RANGE	
APPROVED BY	
EFFECTIVE DATE	
LOCATION	
PCN	

NARRATIVE JUSTIFICATION:

Under present staffing the agency has been unable to undertake the representation of cases charged with serious misdemeanors in the Third Judicial District and the Bethel Kuskokwim, lower Yukon portions of the Second and Fourth Districts. Much of the time that would be spent, by an attorney attending to such cases in the District Court, would be on matters of a less complicated nature. Other states have successfully developed programs to provide for law students, under the direction of a licenced attorney appearing in assignments, pleas, bail motions and less complicated trials. The U.C.L.A. School of Law has offered to provide us with three such students at all times to assist in the handling of cases in the District Court while receiving academic credit.

CERTIFICATION BY DEPARTMENT HEAD	DATE
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-631-

3/31/71

JOINT MEETING
SENATE AND HOUSE FINANCE COMMITTEES

April 1, 1971

4:10 p.m.

Present: Members of the Senate and House Finance Committees; Deputy Commissioner Freer of the Department of Administration and Mr. Charney, Director of Budget and Management; and Mr. Graham Taylor, Vice-President of Management Analysis Center Incorporated.

**PROGRAM
BUDGETING**

Chairman Butrovich called the meeting to order and turned it over to Mr. Taylor. Mr. Taylor referred to the briefing report, "Improving the Budget Process in Alaska", which his firm had prepared. He stated that implementation of the proposals contained in this report would achieve the full intent of the Executive Budget Act, which was passed last year, at the end of a three-year period. He went through the introductory section of the report which shows some of the defects in the present budget process. Following this there is a summary of recommendations cited in the following order: Budget Cycle, Issue Process, Budget Framework, Budget Preparation, Capital Budgeting, Budget Review, Budget Execution, Program Evaluation, and Organization, Staffing and Training. (See the report for details on the above recommendations--starts on page 3.)

Sen. Ray asked about the reorientation to provide necessary staff support on page 7. Mr. Taylor said that they were suggesting that three analysts be added to the Division of Budget and Management and two budget technicians who would be half clerical and half budget analysts. He went on to say that they recommend a training program be conducted by an outside contractor.

Sen. Ray asked the cost to conduct such a program. Mr. Taylor said that the total/^{additional}cost is \$100,000 which would include the training program. This, he said, would be a one time cost between May of

this year and May of next year. The recurring cost would be approximately \$150,000 a year, primarily for the Division of Data Processing and the Division of Budget and Management.

Sen. Lewis asked if this meant a total this year of \$250,000 and was told that it did. He then asked if legislators were to be trained to understand program budgeting. Mr. Taylor said that they would be trained. However, he didn't know whether there would be training for the full legislature or just for committees primarily involved or for members who desired training. The \$150,000 is not for the training but for studies on personnel. The training portion is \$15,000 off the total \$100,000. There will be fairly brief sessions--one day workshop for the capitol, three day workshops for the operating people like the division managers and senior staff people, the legislature would not demand more than one or two days training.

Sen. Lewis stated that presumably Mr. Taylor's firm would be the contractor. He asked if there were any other states which had implemented program budgeting.

Mr. Taylor said that they had worked out plans for Hawaii, Colorado, New Mexico and Utah to varying degrees. Hawaii has adopted it to the fullest extent and more than is being recommended for Alaska.

Sen. Rettig asked about the budget framework cited on page 4. He wondered about converting into one program functions now conducted by three departments and whether this would mean wiping out departments as they now exist. Mr. Taylor said no, that it was only for the budget making process.

Sen. Rettig said there was a high degree of cost accounting and wondered if departments working together on a program would share

the cost of personnel. Mr. Taylor answered that that would not be the case. There was in fact a deliberate rule against it. People would not be chopped down the middle.

for example
Sen. Rettig asked/who would be responsible for transportation objectives when departments were combined. Mr. Taylor answered that the departments involved would have an appropriation level and a program level. The people in charge make the objectives within the groupings. Sen. Rettig asked if the contributions of each department could be measured. Mr. Taylor said that they could.

Mr. Fink asked why they were not recommending reorganization of the Departments, and Mr. Taylor answered that they didn't need to if information could be pulled out when the budget is prepared.

Sen. Rettig said that they recommend to accomplish this during a three-year period so it all has to be undertaken now. He asked if it wouldn't be wiser to undertake one aspect of the arrangement for a couple of years so that it could be approached without risking the entire program. Mr. Taylor said that is not what they have seen in other states. When only a certain degree of the program is approached, they are leaving the rest of the state alone and losing 99% of the benefit of program budgeting. The major benefits of the plan are 1) change in the way in which the budget process works, mainly using more analysis, and 2) that pieces of the budget are linked together in the program sense. Thus, if only one program is taken, 9/10 of the state's activities are untouched.

Mr. Taylor said that they were not recommending that everything be done simultaneously. They want to start out with the high pay-off areas, first getting analysis into the budget making. The issue process will begin next month and thus program policy will be issued

next month. In July the budget manual will be proposed. The various changes in accounting and code systems and computers would be deferred nine months. Budget reviews would be in 18 months and capital improvements are two years away. However, the entire state is covered at each station. It is important to view the whole budget rather than to refine small pieces of it. Even with only slight improvement there is more pay-off in the budget as a whole.

Sen. Rettig referred to the sample which has been prepared for the committee. He didn't feel it could really tell them anything.

Mr. Taylor said that it shows what they have the right to expect three years from now on every level of the state.

Sen. Rettig said that without reorganization of departments, they wouldn't be able to call in the Commissioner of Administration to account for his part in budget allowances. Mr. Taylor stated that they would be asking him to account for budget allowance in different programs.

Sen. Rettig asked if the accounting would be in dollars and Mr. Taylor said that it would. There would still be line items, but there would be more cross-indexing plus all state funds. There would be comparisons between state, federal, and local programs. They are not suggesting sacrificing any information in the budget now, but adding these other things as a supplement.

Sen. Lewis asked about the \$50,000 which has already been paid to Management Analysis Center, Inc. Mr. Taylor said that money is for the document they prepared, which is now being printed and for another of other studies concerning Alaska's budget.

Sen. Lewis asked if the firm could produce recommendations from some other state, and Mr. Taylor stated that no state has yet gone

all the way with program budgeting. Hawaii, for example, has a program which is only one year old.

Mr. Taylor said that they are suggesting that all monies for all departments be reappropriated each year and thus no money would be funded without specific approval each year.

Mr. Haugen summarized the point by saying that they would start out with zero and develop a budget step by step for each program.

Mr. Taylor said that they are using the term "zero based budget review" for that process. To do that for the entire budget is too much at one time. They are thus suggesting that all programs go through it once every three or five years. All new programs would come under this process. In addition, if certain programs were felt to require it, they would be put through.

Mr. Haugen asked if they would get evaluations of state and federal programs and Mr. Taylor said that they were proposing that the source of funds for all programs be projected for five years so that if federal funds are taken, their impact could be seen. Mr. Taylor said that the procedures made one year become the basis for the next year and discrepancies can be found and questioned.

Adjournment: Meeting adjourned at 5:10 p.m.

HOUSE FINANCE COMMITTEE

April 2, 1971

8:10 a.m.

Present: All members.

Dept. of Fish & Game Mr. Hohman called the meeting to order and Mr. Ditman and Mr. Haugen reviewed the budget for the Department of Fish & Game.

Under the Office of the Commissioner, Personal Services, the amount allocated was \$172,300. The Juneau Planning Coordinator was deleted and an Executive Secretary was funded to the Board of Fish & Game.

An Attorney IV and a Legal Secretary were added for a total addition of \$39,155 (including 17% benefits). The attorney position is to be transferred from the Department of Law.

Travel - \$13,500. COAST meetings were deleted. Travel to the Environmental Qual. Commission was deleted since the Department of Environment should take this responsibility. All outside travel was deleted except for the Commissioner's travel.

Contractual Services - \$8,400.

Commodities - \$2,000. \$1,000 was added for a desk and supplies for the new attorney.

Equipment - Raised to \$1,000 due to the addition of the attorney.

In the Division of Administration, there was a reduction in travel from \$4,600 to \$3,500. Outside travel was deleted for a Special Course on Personnel Administration and Western States Fiscal Officers Meeting.

The only outside travel allowed is for the Federal Aid Conference.

Recess: The meeting recessed at 9:15 a.m.

HOUSE FINANCE COMMITTEE

1:00 p.m.

PRESENT: All present except Messrs. Ditman, Warwick and Wright. Mr. Eric Wohlforth was also present to discuss his upcoming confirmation. Mr. Hohman asked if any members had questions. Mr. Fink wanted to know if his attitude had changed on purchasing of loans. Mr. Wohlforth said not at this time. Mr. Fink told him that he would oppose his confirmation based on this point. Mr. Wohlforth said they were buying VA loans; loans are offered by Commerce; and they expect submission of agricultural loans in a short period of time which they will evaluate and may purchase. The philosophy on these loans, according to Mr. Wohlforth, is that so far as they are doing something, they have an obligation to get into those areas where there is definitely a social need. Mr. Haugen and Mr. Wohlforth discussed briefly HOUSE BILL NO. 102 (relating to loans for commercial fishing purposes). Mr. Wohlforth said he hoped Mr. Fink realized he did not oppose the concept of any loan program that meets a need in the state but it is the revenue expense projection that is his particular concern. He mentioned the Alaska Housing Finance Agency (which would be created by HOUSE BILL NO. 167) would provide for funding and handling notes purchased by the Department of Revenue and the amounts would be allowed on an annual basis based on revenue projections. Mr. Wohlforth said when the state gets into long term loans they have to have something in the future, especially if loans are not marketable.

Mr. Haugen commented that there would be a certain fatality rate that would have an impact on the general fund and Mr. Wohlforth agreed that it would.

Mr. Fink and Mr. Wohlforth discussed the objections by the Director of Model Cities to HOUSE BILL 167 and Mr. Wohlforth said he had talked to him about it prior to its introduction, hoping to dispel his doubts.

There being no further questions, the meeting adjourned at 1:30 p.m.

HOUSE FINANCE COMMITTEE MEETING

April 4, 1971

10:15 a.m.

Present: All members except Messrs. Wright and Fink.

DEPT. OF

NATURAL RESOURCES

Chairman Hohman called the meeting to order.

Mr. Degnan, who worked on the subcommittee for the Department of Natural Resources, presented the following figures for the

budget:	Administration	\$262,700
	Land Management	2,182,800
	Geological Survey	825,200
	Oil & Gas	398,300
	Agriculture	
	Off. of Director	115,800
	Plant Industry	54,500
	Animal Industry	261,800

The committee discussed the small grain incentive. Mr. Hohman said this is a five year program offered in one of its initial years because of drought conditions in the valley.

Mr. Warwick asked what would happen if this money was not used.

Mr. Haugen said ordinarily it would lapse. Mr. Hogan said he did not imagine an executive order could hold this over. Mr. Ditman asked how much of the \$80,000 appropriated last year had been expended. This information was not readily available and the committee decided to have the staff check this.

Under the Loan Fund Capital, Mr. Warwick said these loans were "In really sad shape." Mr. Warwick referred to page 374 of the budget (\$59,000 is for repayment of the Teacher's Retirement System and \$79,000 for PERS.) Mr. Warwick said they have a high rate of delinquency.

Mr. Hohman asked for the subcommittee's recommendation. Mr. Warwick said if the program is to remain they should give them additional funds to operate rather than additional funds to loan. He felt they have too much money to loan. He wondered who had the final say on approving loans. Mr. Hogan felt the Commissioner was involved in the decision making. Mr. Haugen asked what percentage of loans are delinquent over one year.

Mr. Warwick said there are \$2,600,000 in balances and they have \$100,000 in the bank. Mr. Hohman directed the subcommittee to check this out. He requested that the people from this department be asked to appear before the committee.

Under Oil and Gas the Governor's Revised Allowance of \$398,300 was accepted. Mr. Warwick said one of the reservoir engineers has been vacant and the subcommittee did not see fit to put this back. If the position is going to be needed they will be able to come up with the money somehow, Mr. Warwick added.

Mr. Haugen asked about the \$500,000 for the geological study.

Mr. Warwick said this is separate from the budget but that it is his feeling they should allow it. Mr. Hogan pointed out that there were two \$500,000 items.

Mr. Hohman moved they accept the Governor's revised allowance of \$76,300 for the Loan Fund Admin., \$150,000 for the Loan Fund Capital and \$40,000 for the Small Grain Incentive with the committee's questions noted and when additional research is done they will be opened back up. Mr. Hohman also moved that the committee accept the Division of Parks maintenance level with

the same understanding. The figures are: Parks, Off. of Director \$206,200; Planning \$108,700; Operations and Maintenance \$329,300; Construction \$89,500 for a total of \$733,700.

Mr. Warwick objected. Mr. Hohman said they would leave this at the maintenance level and if they find out after discussing this with the Division of Parks that their case is justified they will make adjustments accordingly. Mr. Warwick agreed.

Mr. Hohman moved the figure of \$5,101,500 for the total figure for the Department of Natural Resources. No objection.

Mr. Hogan said there were two \$500,000 studies -- one for the pipeline construction monitoring and one for the geophysical study. Mr. Hogan pointed out that they had heard conflicting testimony on this -- the Commissioner thought it would achieve the desired goals and Mr. Burrell said it would not. Mr. Hogan said this is in the budget bill as introduced. Mr. Warwick thought it was appropriate to take this up in the budget for the Department of Natural Resources. He said the subcommittee more or less agreed it should go in this budget. He moved and asked unanimous consent that they put in \$500,000 for the geophysical study for seismic work. Mr. Hogan asked about the other study and Mr. Warwick said they had not allowed for this. The committee briefly discussed this. Mr. Haugen said the oil companies had indicated they did not want to join the state in this if the information was to be made public. Mr. Warwick said the Commissioner had indicated there were companies that favored this. He read from the Governor's budget message regarding this.

Mr. Hohman requested that the Department of Natural Resources be asked to testify on Tuesday morning at 8:00 a.m. in regard

to the agricultural loan fund, small grain incentive and
the Division of Parks appropriation bill.

The committee went into a bill session at 11:15 a.m.

AFTER RECESS

5:05 p.m.

Mr. Hohman set up the following budget closeout schedule for the balance of the week:

Mon.	4/5	5:00 p.m.	Economic Development
Tues.	4/6	8:00 a.m.	Natural Resources
		1:30 p.m.	Fish and Game
Wed.	4/7	9:00 a.m.	Department of Transportation (bill session) HOUSE BILL NO. <u>247</u>
		6:30 p.m.	Court System, Department of Law
Thurs.	4/8	1:30 p.m.	Department of Education
		6:30 p.m.	Military Affairs, State Operated Schools
Fri.	4/9	8:00 a.m.	Legislature
Sat.	4/10	10:00 a.m.	Health & Welfare
		2:00 p.m.	Public Works

Economic
Development
(Closeout)

Mr. Warwick made the following suggestions on final figures for the Department of Economic Development:

Office of
Commissioner

Office of Commissioner: \$247,700 (same as Revised Gov.'s allowance)

Mr. Warwick explained that this was maintenance level plus the requested mail stuffing machine for \$24,000.

Field Office
Anchorage

Anchorage - 0 -. Mr. Warwick explained that this was also the same as the Governor.

Industrial
Development

Industrial Development: \$499,138 (same as Revised Gov.'s allowance)

Mr. Warwick said this was maintenance level plus \$25,000 for the film they are doing on Alaska which is going to be shown on nationwide television.

Mr. Haugen referred to earlier testimony given by the Commissioner that everything was at a standstill in the state and that she (Mrs. Ryan) was going to have to slow down and take a look at things they are promoting in Industrial Development because it is in conflict sometimes with the ecological problems. He wondered if that was what she really meant. He thought the commissioner should have a year to look into this; however, he stated he would support her in anything she has in this area. Mr. Haugen added that he would rather see the money spent in tourism at this time.

TRAVEL

Mr. Warwick gave the figure of \$893,800 which was \$114,600 over the program maintenance figure (\$779,200).

Mr. Warwick increased this in two areas: the research analyst that both the Travel Division and Visitors' Association wanted for purposes of combining statistical information, and which they will be able to do at a range 12. They had originally requested this for a range 16 but Mr. Warwick said he had been told that now they had a secretary who could do the work and she was a range 12 (\$14,629 including benefits). The second area of increase was for the \$100,000 for increased advertising (code 300). He said maintenance level for advertising was \$263,000 and this would add \$100,000.

Mr. Ditman asked what had been deleted from the Governor's revised request for Travel Division and Mr. Warwick replied that it was "quite an accumulation of garbage."

Mr. Hohman asked for a breakdown on where the Governor had arrived at \$867,562 (revised Governor's allowance figure) and Mr. Warwick did not have this breakdown.

Small
Business
Development

Mr. Warwick gave the figure of \$37,500 for Small Business Development, which is the same as the Governor's revised allowance.

TOTAL

New total for Department of Economic Development is \$1,678,167.
There being no further questions meeting adjourned at 5:45 p.m.

HOUSE FINANCE COMMITTEE

April 6, 1971

8:15 a.m.

Present: All members with the exception of Messrs. Degnan and Wright.
Dale Wallington, Deputy Commissioner; F. S. Honsinger, DVM, State Veterenarian; and Harry Asse, Administrative Officer, Department of Natural Resources.

Natural Resources Mr. Hohman called the meeting to order and said the committee wanted to hear further testimony on budget requests for the Division of Parks, Agricultural Loan Fund, and Small Grain Incentive. He turned the meeting over to the sub-committee chairman, Andy Warwick.

Small Grain Incentive Mr. Warwick asked for an explanation of Small Grain Incentive and Mr. Wallington replied this was a piece of legislation passed three years ago which set up a subsidy price per bushel on grain over the price in Seattle on a sliding scale. It was originally a seven-year program, and it was extended for one more year. Each year the subsidy is supposed to go down about \$5 per bushel. \$20,000 has been paid out this year from the appropriation for grain harvested; and with the anticipated increase in the Big Delta area, \$40,000 may be required next year. They are almost doubling the acreage in the Big Delta area. Messrs. Degnan and Wright entered the meeting at 8:25 a.m.

Agricultural Loan Fund Mr. Warwick then questioned the Agricultural Loan Fund and Mr. Honsinger distributed an Operating Statement and a Balance Sheet through March 31, 1971 (attached). To summarize the report, Mr. Honsinger said \$2,840,000 was appropriated to the loan fund and presently there is \$3,022,000 in the fund, with a surplus balance of \$85,000. Mr. Fink asked what was done with the property the department repossessed in January and Mr. Honsinger said most of it has been sold. Mr. Honsinger

believed they have gained \$18,000 from the sales, which are sold on the same basis as the Division of Lands with a 10% down payment. Mr. Fink said Eric Wohlforth said loans will be submitted to the Department of Revenue for purchase, and asked why the loan fund is requesting more money. Mr. Honsinger said they have just started negotiating with them on the possibility of them picking up third mortgage notes. \$500,000 has been submitted in the last week and they have not heard from the Department of Revenue. Mr. Warwick asked where the money from the repossessed property went and Mr. Honsinger said it is returned to the loan fund. In answer to another question, Mr. Honsinger said there is \$114,000 listed as bad debts, but there is still a surplus of \$85,000. Mr. Warwick noted that, taking loan fund administration into consideration, it seems administration may be understaffed. Mr. Honsinger replied they did add another loan fund examiner to the staff and collections are up from a year ago. Discussion returned to the possibility of having the Department of Revenue pick up the loans and Mr. Honsinger noted they charge 1/2% for administrative costs, which the loan fund cannot pay. By law the loan fund can only charge 6% and most loans are made at 5-1/2%. Mr. Wright asked why the interest was so low and Mr. Honsinger said the intent of the law is to provide low interest loans. Mr. Wright could not see why loans were made at such a low interest rate and Mr. Fink explained the theory behind the low rate was that the land could not support any higher interest rate. Mr. Honsinger noted the farmers home loan fund has not made any loans in Alaska recently and the banks will not finance.

Mr. Fink asked how they arrived at the figure requested in the budget and Mr. Honsinger said last year they had requested \$300,000 and the request was the same this year. Between 1962 and 1966 no funds were allocated for this fund, and they borrowed from the teachers and employees retirement fund, paying back at 5% and loaning out at 4-1/2%. The guidelines now provide for financing 80% of any loan. Mr. Hohman asked to what date did the \$114,000 bad debt figure apply and Mr. Honsinger said up to the current time. There is now under litigation some \$80,000, but most of the losses occurred three or four years ago. Collections are way up within the last ten months, up 83% from last year due to adding a loan examiner to the staff. Mr. Wright asked when a loan is considered delinquent and Mr. Honsinger said it depends on the repayment plan, some are on a monthly repayment and some on an annual repayment. The loans, however, are delinquent the day after the due date. Delinquency is sometimes not a true reflection of the status of the loan fund, Mr. Honsinger continued, and said payments may be made after the crops are in. If a loan is delinquent, another one may be considered in order to provide funds for another crop. Mr. Honsinger said some delinquent notes are very good risks, but you do find repeaters on the delinquent list from 1965-66-67. Mr. Wright asked if Mr. Honsinger was in charge of the loans in those years, and he said no, it was a loan examiner. He has been on the Board, but the Director of Agriculture is in charge of the program. There have been four directors since 1953. Mr. Wallington said the improvement in loans is due to a board being appointed instead of a loan examiner, and the board makes the loans after the examiner recommends them. Mr. Hohman asked who is on the board and Mr. Honsinger

said it is a five-member voting board: Chairman Robert McVeddy, Vice President, Alaska State Bank; Lewis Beaty, Kodiak; Robert Gillas, Homer; James Vickaryous, Palmer; and Paul Nistler, Big Delta.

Div. of
Parks

Mr. Warwick then questioned the Parks Division and said there has been more emphasis on Parks than in other areas, and this division is somewhat above the maintenance level. Mr. Wallington said this was correct, since when making up the budget they went through the Lands Division and pulled out figures that actually applied to the Parks program. Some \$989,000 was requested, which amounted to a 40% increase in the budget, but the Director of the Division of Parks said this was the minimum amount he could request. Matching fund programs complicate the budget, Mr. Wallington added. Mr. Asse explained that the figures do not look correct, but on page 440 of the budget document an attempt is made to show the various sources of funds. When the Division of Parks was created, it was necessary to pull the figures from the Division of Lands, and typing, clerical support, rent, etc., were all broken down to get a true figure. Mr. Wallington said the legislature created over one million acres of state parks last year, and mainly for political reasons a separate division was set up. Mr. Warwick asked what new parks are planned and Mr. Wallington said the only capital improvements are to add 20 additional units at Chilkoot Lake. All others are in the planning and design stage. As to why the budget is going up, parks are a resource and will continue to increase. The discussion turned to personnel and it was noted that an employee to pick up the trash from barrels was required to have a college education. Mr. Asse said the position is three ranges above a laborer, but a laborer can't be used to operate the truck and maintain a schedule.

The position also entails patrol work and issuing tickets to offenders in the parks, and Mr. Fink noted it was cheaper to have this man do both jobs than to hire a patrolman to police the area.

Pipeline Monitoring

Mr. Warwick said \$500,000 was put in the budget by the Governor for pipeline monitoring. Construction will be delayed, but Mr. Warwick understood the state is doing some work with Alyeska in the conservation field and asked where the money came from. Mr. Wallington said the present personnel are doing some work, under other program funds, and the \$500,000 appropriation will not be spent unless needed. It was Mr. Wallington's understanding that Natural Resources is to contract with the BLM for surveillance of the land, and that they were building a staff to monitor the pipeline. Mr. Warwick said the federal government expects to be reimbursed for any pipeline monitoring, but Mr. Wallington noted the state has no contract with them for reimbursement. It may be one of the stipulations of the permit, however. Mr. Warwick asked if \$500,000 was to be put in the geophysical division and Mr. Wallington said it won't be a new division, but will go into geological survey to evaluate leases.

Mr. Fink then questioned the \$50,000 for an oil and gas study. Mr. Wallington said it was his personal opinion that the department would be duplicating work on this study. There is no indication of how valuable the program will be until the lease sale at Cook Inlet. If the sale results in more active bidding and more competition, then perhaps the \$500,000 study would be worthwhile. Mr. Fink noted the state may be open for suit if wrong information is given.

Recess: The meeting recessed at 9:10 a.m.

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND

OPERATING STATEMENT

1970-71 FISCAL YEAR

MARCH 31, 1971

BEGINNING SURPLUS BALANCE (7-1-70) \$ 158,933.71

INCOME:

AGRICULTURAL INTEREST INCOME 67,984.21

IRRIGATION INTEREST INCOME 3,837.67

GAINS ON LOANS 17,409.57

TOTAL INCOME 89,231.45

DISBURSEMENTS:

ADMINISTRATION EXPENSE 39,410.13

PRIOR YEAR EXPENSES 1,839.24

INTEREST EXPENSE 5,330.17

LOSSES ON LOANS 114,772.47

TOTAL DISBURSEMENTS 162,362.01

ENDING EARNED SURPLUS (3-31-71) 89,803.15

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND

BALANCE SHEET
1970-71 FISCAL YEAR
MARCH 31, 1971

ASSETS

CASH WITH TREASURY	\$ 194,884.72
AGRICULTURAL LOANS	2,372,338.55
IRRIGATION LOANS	<u>455,073.26</u>
TOTAL ASSETS	<u><u>3,022,296.53</u></u>

LIABILITIES

TEACHERS RETIREMENT SYSTEM	\$ 19,327.68
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM	78,083.53
RETIREMENT FUND ADJUSTMENT (PENDING)	<u>(917.83)</u>
TOTAL LIABILITIES	96,493.38

SURPLUS

OTHER FUND CONTRIBUTION	\$ 2,840,000.00
DEFERRED SURPLUS	<u>85,803.15</u>
TOTAL SURPLUS	2,925,803.15
TOTAL LIABILITIES AND SURPLUS	<u><u>\$ 3,022,296.53</u></u>

AFTER RECESS

3:20 p.m.

Present: All members except Mr. Wright.

DEPT. OF LAW Mr. Fink suggested the figure of \$2,417,700 for the

Administration and Operation. Mr. Fink said this is \$50,000
Adm. and Operation

more than the program maintenance level. This \$50,000 is for the Cook Inlet case and Mr. Haugen requested that this be a separate line item. Mr. Fink had no objection and the committee decided to show this as a separate line item.

Reimbursable Services Mr. Fink suggested the figure of \$362,900

and he said the difference between this figure and maintenance level is an inter-agency charge of \$34,000 that the Department of Public Works is paying to the Department of Law for an attorney. Mr. Haugen asked how much of the total appropriation is for lawyers. He said they were proposing to take an attorney out of the Department of Law budget and put this position in the Department of Fish and Game. This attorney is to be physically located at the Department of Fish and Game. Mr. Fink said the cost for an Attorney IV in
Adm. and Operation Juneau would be \$24,252 plus 17 per cent for benefits.

Mr. Wright entered the meeting.

The committee decided to delete \$28,400 from personal services and transfer this to the Department of Fish and Game.

Mr. Fink said the figures would be:

Admin. and Operation	\$2,339,300
Reimbursable Services	362,900
Cook Inlet Case	50,000
	<u>\$2,752,200</u>

This was a total of \$2,389,300 from the General Fund.

Mr. Hohman noted there was \$100,000 difference between the program maintenance level in the budget and the sheet sent over from the Dept. of Administration showing the Governor's Revised Allowance. This was discussed. Mr. Fink did not know what this difference was but noted that the figures he had suggested were based on maintenance level, plus \$50,000 for the Cook Inlet case.

Mr. Hohman questioned the Attorney who was shown for Public Works was \$34,000 while the committee had taken \$28,400 for the Attorney they wished to put in the Department of Fish and Game. Mr. Fink explained that Public Works has travel, contractual services, etc. included while the Attorney for Fish and Game had only personal services.

COURT SYSTEM Mr. Fink said he was ready with his suggested figures for the Court System. Mr. Hogan said there was a problem with this budget as the budget books show \$5,569,897 was appropriated for the current year and the law shows that \$5,074,300 was appropriated. He did not know where the additional \$500,000 came from. Mr. Hohman requested that Mr. Hogan check into this. (See page 658(a) for results)
Mr. Fink gave a brief summary of how he had arrived at the following suggested figures: (see pages 659-660)

Supreme Court	\$652,500 (original maintenance)
Administration	791,900 (a little above maintenance)
All Judicial Districts	5,415,200
Standing Committee on Rules Changes	0

Commission on Judicial
Qualifications

7,600

Mr. Fink said one other item that the Court System had requested was \$295,500 for capital improvements and he felt this should be included. He read the breakdown of this figure (see page 661). Mr. Fink said this would make the total for the Court System \$6,867,200.

DEPT. OF PUBLIC WORKS

Division of Aviation

Commissioner Easley, Mr. Granger, Mr. Kaldor;

Department of Public Works, and Mr. Charney, Budget and Management, entered the meeting.

Commissioner Easley distributed information to the committee on budget cuts to be replaced in the Division of Aviation (see pages 662-663).

Commissioner Easley explained that when the Governor announced the revised budgets the new budgets were prepared very rapidly. He said when he later reviewed the Division of Aviation budget he felt he should inform the Governor of the impact of these cuts in Aviation. He said the Governor's Advisory Committee had voted 4 to 1 to request this additional \$318,000. Mr. Easley said many of the airfields involved in jet aircraft would not be able to maintain the fields. Jet aircraft requires higher maintenance. He said they have lights for night operations and they do not have funds for electricity to turn them on. Mr. Easley noted they have recommended \$318,000 which will give an absolute minimum funding for maintenance and operation

of the Division of Aviation. He said as a means of compensation (although this will not reduce the general fund) there will be a reduction of capital improvements. He said they will reduce the international airports operational cost by \$950,000.

He said there is a reduction in the anticipated revenue at the international airports of about \$2,500,000 and it is necessary to cut both the operating expenses as well as the capital improvements. Mr. Hohman asked Mr. Easley if he could explain this shortfall in revenue. Mr. Easley said it is because of the pipeline slowdown, the Viet Nam slowdown and a few industry strikes. He said there has been a general reduction in passenger flights. Mr. Easley said when revenues do not come in they have to cut down operating expenses accordingly.

In answer to Mr. Fink, Mr. Granger said instead of \$11,000,000 they are going to realize about \$8,100,000 at the two international airports. This is roughly \$3,000,000 short and they are going to have to compensate for it accordingly, Mr. Granger added.

Mr. Fink questioned what had transpired since the last time the Commissioner had appeared before the committee to result in this need for additional \$318,000. Mr. Easley said they had only three days to come up with the cut and after going over this again he felt it was necessary the impact of the cut in Aviation be called to the Governor's attention. Mr. Fink asked if there was money somewhere else in the budget to cover this. Mr. Easley said he has gone over this for nearly three weeks in an effort to do this but he felt when they started talking about no electricity to turn on landing lights this was "pretty tight". He said the military is going to surplus the Kodiak airport and they will be ready to give it to the state

as soon as the state announces they are ready to take it over. Mr. Easley said they have recently purchased 86 items of equipment for bush airports for which they have no funds to pay rental and no funds to pay people to operate them. Mr. Fink asked Mr. Charney why he had voted against this (Mr. Charney had cast the dissenting vote in the Governor's Advisory Committee regarding this). Mr. Charney said he did not vote against this because he did not feel the expenses were necessary. He felt they should not raise the total budget and that perhaps they could make a savings in some other area. He said there is still some money in Communications (Highways may be another source). Mr. Charney felt the Review Committee did not spend enough time looking into other areas where they might offset this.

The representatives from the Department of Public Works and Mr. Charney left the meeting.

UNIVERSITY OF ALASKA The Governor's revised recommendation of \$17,900,000 for the University of Alaska was suggested and approved by the committee.

Adjournment: There being no further business the committee adjourned at 4:40 p.m.

MEMORANDUM

State of Alaska

TO: Robert N. Reeves, Administrative Director
Alaska Court System

DATE : July 7, 1970

FROM: Richard Freer, Director
Division of Budget & Management

SUBJECT: Fiscal 1971 Authorization.
Additional allocations to
fund costs related to Salary
Increases, Public Employees
Retirement, and Health
Insurance

The Alaska Court System is eligible for an additional \$468,200 to fund costs related to new legislation as follows:

Judicial Salary Increase	\$252,100
Salary Increase - Classified	94,600
Public Employees Retirement	95,000
Health Insurance	26,500
	<u>\$468,200</u>

152,500 from 41-

Except for the \$152,500 appropriated directly to the Alaska Court System for Judicial salaries, documents to reflect these additional allocations will be processed during the latter part of fiscal 1971 just as those to reflect the salary increase for fiscal 1970.

① Increase to \$179,600 on classified increases only
Return 1/8/70

File

Transfer from:

Court Salary Increases	152,500	(41-42-01-00)
Admin " "	350,700	(02-20-01-00)
	<u>Total - 503,200</u>	

Code voucher transfer

ALASKA COURT SYSTEM
ANALYSIS OF BUDGET BY PROGRAM LEVELS
FISCAL YEAR 1971-72

SCHEDULE I

1971-72 Program Maintenance Level 7,084,008

ADD:

Maintenance of Existing Program or Service Level 1,987,900

Amended Existing Program Service Level 9,071,908

ADD:

New Program Increases 634,297

Total Amended Budget 9,706,205

LESS:

Possible reduction in jury fees 216,845

Total 9,489,360

**ALASKA COURT SYSTEM
PROGRAM MAINTENANCE LEVEL
FISCAL YEAR 1971-72**

SCHEDULE II

Original Budget-Program Maintenance Level 6,511,075

ADD:

First Judicial District

Probation Officer to replace former Health & Welfare Investigator	14,600	
Increased Jury Costs	37,689	
Increased Autopsy Fees	6,242	
Equipment for Probation Officer	370	
Sub-total - First Judicial District	58,901	58,901

Second Judicial District

Increased Jury Costs	5,902	
Increased Autopsy Fees	1,248	
Sub-total - Second Judicial District	7,150	7,150

Third Judicial District

Two Probation Officers to replace former Health & Welfare Investigators	29,260	
Maintenance of Anchorage Court Building	33,000	
Rental of Equipment for Transcribing	9,120	
Increased Jury Costs	176,189	
Increased Autopsy Fees	10,237	
Supplies for Transcribing	1,600	
Equipment for Probation Officers	740	
Modification and Leasehold for Family Court	110,944	
Sub-total - Third Judicial District	371,090	371,090

Fourth Judicial District

Probation Officer to replace former Health & Welfare Investigator	15,753	
Maintenance of Fairbanks Court Building	27,000	
Increased Jury Costs	79,220	
Increased Autopsy Fees	7,242	
Equipment for Probation Officer	377	
Sub-total - Fourth Judicial District	129,592	129,592

Administrative Section

Increased Pension Benefits and retired Judges	6,200	
Sub-total - Administrative Section	6,200	6,200

Proposed Budget-Program Maintenance Level 7,084,008

**SUMMARY OF PROPOSED PROJECTS
1972 - 1977 CAPITAL IMPROVEMENTS PROGRAM**

AGENCY: ALASKA COURT SYSTEM

PRIOR. NO.	NAME OF PROJECT	Year in which funding is requested					
		FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977
70-01	Juneau Superior Courts	10,000					
70-02	Ketchikan Courtroom Facilities	87,000					
70-03	Sitka Superior Court	6,000					
70-04	Nome District Court Facilities	5,000					
70-05	Barrow District Court Facility	8,900					
70-06	Kotzebue Magistrate Court Facility	8,900					
70-07	Fort Yukon Magistrate Court Facility	8,900					
70-08	Fairbanks Superior Court Facility	42,900					
70-09	Alaska State Court Libraries	117,900	117,900	117,800			
Special State Funds							
Other State Funds		295,500	117,900	117,800			
Federal Funds							
Local Funds							
Other (specify)							
TOTAL		295,500	117,900	117,800			

DEPARTMENT OF PUBLIC WORKS
DIVISION OF AVIATION
AIRPORT OPERATIONS - 13.51

BUDGET CUTS TO BE REPLACED

300 Contractual Services

330 - Utilities - Deadhorse, Naknek, South Naknek, and Wainwright electricity for runway lights	\$ 5,900
340 - Equipment repairs	6,000
350 - Transportation - shipment of equipment, fuel and supplies to Deadhorse and shipment of material and equipment to Gulkana and Hoonah	16,000
390 - Other Contractual Services. Maintenance at newly lighted airports at Birchwood, Brevig Mission, Gambell, Naknek, Noorvik, Savoonga, Selawik, Shishmaref, South Naknek, Tanunak, Tooksook Bay, and Wainwright. Maintenance for naval station, Kodiak Airport if acquired. Same applies to Lake Yakutaga, Minchumena and Skwentna	158,800

400 Commodities

Sheets 140 through 144.

440 - Non-vehicle fuel. Heating fuel for 10 houses/shops now on order	9,800
450 - Maintenance materials - materials for Hoonah and Deadhorse. Asphalt for crack sealing on seven airports - stripping paint for Cordova and Glycol for six airports in connection with runway ice control	18,000
460.- Vehicle parts and fuel - vehicle parts and fuel for Deadhorse and Hoonah and for the 86 pieces of new equipment now on order	20,000
490 - Miscellaneous parts and supplies - runway lighting material for Deadhorse, Hooper Bay, Naknek, and Wainwright. Also rewire of Tanana runway lights	3,500

500 Equipment

Pickup trucks, office furniture for eight airports, deep freeze and range for Aniak quarters and complete set of furnishings for Nome Dormitory. Also shop equipment and tools for Cold Bay, Dillingham, Anchorage Shop, Kotzebue, Tanana, Barrow, and Gaïena	30,000
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900 Inter-Agency Charges

936 - Equipment pool rental charges. Use in paying rental to the revolving fund for the new equipment on order (86 new items of equipment)

\$50,000

TOTAL

\$318,000

HOUSE FINANCE COMMITTEE MEETING

April 8, 1971

4:00 p.m.

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

DEPT. OF MILITARY AFFAIRS

Mr. Hohman moved the revised Governor's Allowance for the Department of Military Affairs. The committee briefly discussed this.

Alaska National Guard	
OTAG & State Armories	\$619,300
Air National Guard	289,400
Army National Guard	82,700
Federal Scout Armories	165,300
Camp Carroll	34,700
	<u>1,191,400</u>
Alaska Disaster Office	
Administration Program	279,200
ADO Participants	45,000
Community Shelter	34,600
Radiological	31,100
Dusting Program	38,000
	<u>427,900</u>
Civil Air Patrol	92,600

This is a total of \$1,711,900.

DEPT. OF PUBLIC SAFETY

Mr. Hohman moved the revised Governor's Allowance for the Department of Public Safety:

General Administration	175,500
Div. of Tech. Services	706,700
Div. of State Troopers	6,123,300
Div. of Fire Prevention	275,500

This is a total of \$7,281,000.

The committee discussed the Criminal Justice Information System (this is explained on page 36 of the budget).

Mr. Haugen explained the federal funds for this come from

the Criminal Justice agency. This is transferred as inter-agency receipts to the Department of Public Safety.

Mr. Fink requested that vacancy and turnover sheets be obtained. The committee discussed the budget for the Department of Public Safety and adjourned at 5:10 p.m.

HOUSE FINANCE COMMITTEE

April 9, 1971

8:20 a.m.

Present: All members.

Legislature's
Budget

Leg.
Affairs
Agency

Mr. Hogan passed out new sets of the budget for Legislative Affairs. He said this new budget had not been worked up to conform with other budgets but it would be in that form after the committee had discussed the budget.

100

Mr. Hogan referred to \$1,474,100 on page 5, personal services (code 100) of which \$632,900 is the sum paid to legislators. This includes salaries and benefits but does not include per diem. \$359,300 is for salaries paid to temporary legislative employees. Mr. Hogan pointed out that this had been budgeted on a 120-day session but in view of the fact that legislators' per diem is now limited to 90-day session, he recalculated this for 90 days for 90 employees which would be \$293,269 including benefits. He noted that in the current budget, they had budgeted for 79 employees; however, there are currently 95 on the payroll. Therefore, he used the figure of 90 days and 90 employees to arrive at the \$293,269.

There are five new positions and Mr. Hogan referred to testimony by Mr. John Elliott, Executive Director, at an earlier meeting where he told the committee that it had now been decided the agency did not need the machine operator (requested on page 9 of the budget book). Therefore, the request was decreased to four new positions -- two in Anchorage and two in Fairbanks. With the decrease to the four positions, this

4/9/71

would bring that figure to \$60,000 in lieu of the requested \$69,700.

Mr. Fink commented that \$9,300 was not a starting salary for secretaries in Anchorage; he felt it was too high. Mr. Hogan said these new positions were to service legislators and the general public in the Anchorage and Fairbanks areas.

200

With reference to page 15 of the budget book, Mr. Hogan said that the transportation costs within Alaska (code 210) was for \$19,200 which broke down to an average of \$320 per member. The committee protested this figure in view of the fact that for many of the members it was only a matter of \$50 or so and only those coming from the northwest would even come close to \$320 for round trip airfare and baggage. Mr. Haugen requested the executive director to furnish the committee with an actual transportation cost and baggage allowance for each member for travel to and from the most recent legislative session and wanted this information for this afternoon's meeting.

220

Under per diem (inside Alaska), this figure was reduced from a 120-day session to 90 days, thus going from \$258,000 to \$189,000.

240

Under per diem costs outside of Alaska (code 240) Mr. Fink requested a breakdown from the director for the whole fiscal year.

The per diem for outside travel was reduced to the current year level of \$30,000, which was a \$20,000 cut from the requested \$50,000.

This reduced the total request for travel from \$327,200 to \$238,200.

300

Under contractual services (code 300) the only substantial increase, according to Mr. Hogan, was under code 380 (professional fees and services) where the legislators special allowance for \$240,000 had been inserted. (This had previously been allocated under personal services). The balance of code 380 is for the Levy contract, reporting services, etc. Mr. Haugen mentioned the fact that there currently are two reporting services just to "keep peace in the family." Mr. Warwick could see no sense in buying both services, he felt they were about the same calibre.

Mr. Fink requested the individual cost for each reporting service, along with a breakdown on the Levy contract and any other services under code 380. Mr. Ditman commented certain functions, e.g., voting machines, are "locked in" and wanted a list of those expenses itemized.

Mr. Fink questioned code 390 (other contractual services) and wanted to know how the \$6,000 would be used. Staff was requested to obtain this information from the director.

500

The request for \$11,200 for equipment was explained by Mr. Hogan as mainly being for the proposed new offices. There was a request for \$6,000 (included within the \$11,200 for six dictating machines and six transcribers. Mr. Warwick requested that more information be obtained on these -- where they would be used and why the need for so many. Mr. Hogan said that the agency did have some of this equipment but some of it had "disappeared." There is very loose control on equipment.

800

Under "miscellaneous" there is a request for \$55,000 and the committee requested that Mr. Elliott also supply a breakdown