

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2525

of this.

In addition, there is a request for \$4,200 which carries no explanation. Mr. Hohman directed the staff to immediately send a memorandum to Mr. Elliott requesting answers to all of the above unexplained items.

100

Returning to code 100 (personal services) Mr. Hogan referred the committee to page 7 of the workbook and explained that of the 18 fulltime positions, five of these would be authorized for the new Finance Division: Budget Analyst (PCN 0002); Budget Analyst (PCN 0016); Fiscal Counsel (PCN 0013); Administrative Assistant III (PCN 0012); and Secretary (PCN 0017). By deleting these five positions (salaries and benefits) personal services would be reduced to \$289,491 for Legislative Affairs. Legislative Finance Division would then have \$110,930. Mr. Hogan noted a great disparity between personal services in Legislative Affairs Agency for 13 positions and Legislative Audit Division with 13 positions -- approximately \$50,000. Mr. Warwick asked about the two budget analyst positions and fiscal counsel. He wondered if the third position had been filled. It had not been filled since Mr. Martini left a year ago and Mr. Hohman asked if it was needed. Mr. Hogan felt that it was. Presently, there is one fulltime staff member for the House and one for the Senate. He said the alternative to this would be to have the three assigned to both houses but be specialists on certain budgets and assist both House and Senate with that particular budget when it is before either of the committees. For a number of years there was only one fiscal analyst and this would be the same concept. Mr. Warwick

stated that the purpose of the House Committee and the Senate committee is to get two perspectives on the same thing and he thought this would be lost. Mr. Hogan disagreed and said it would just mean they are starting out with the same knowledge -- the philosophic difference is in the body. The other alternative, Mr. Hogan said, would be for separate staffing for servicing each committee, but this means a duplicate operation and it costs more to operate. Most of the smaller western states have a staff that services both committees for economy reasons. In discussing the services of a fiscal staff, Mr. Hogan pointed out that the House committee has more time to work on the budget since they only serve on the one committee. The Senate, being the smaller body, must have its members serve on other committees, therefore, they do not have the time to devote to the budget that the House members have. Mr. Hogan thought if the staff could review budgets before the committees arrive in Juneau, the committees could then concern themselves with real policy judgments instead of getting tied up with individual amounts.

Leg.
Audit

Mr. Hogan said there is a disparity on salary level between Legislative Audit and Legislative Affairs staff and he thought it a possibility that the committee might want to determine who in the organization is worthwhile and to bring in some new blood.

Mr. Warwick asked about the supervisor and Mr. Hogan said he would be retiring this month. Discussion on HOUSE BILL NO. 14 ensued and the possibility that the supervisor could eventually be replaced by the auditor and that the auditor,

according to the Constitution, must be a CPA.

Meeting recessed at 9:30 a.m.

The committee considered sending the following letter; but after receiving information that the Legislative Affairs budget was to be reviewed that afternoon with the new Legislative Council, it was decided to hold the letter.

MEMO

TO: John Elliott, Executive Director
Legislative Affairs Agency

FROM: George Hohman, Chairman *GH*
House Finance Committee

The following information has been requested by the House Finance Committee in time for this afternoon's meeting:

1. Furnish actual transportation costs and baggage allowance for each member for travel to and from the most recent legislative session (code 210, page 15);
2. Breakdown the exact travel and per diem costs for a full year for Council members and Legislative Affairs staff (code 240, page 15);
3. Itemize professional fees and services, e.g., Levy contract, reporting services, etc., proposed above the \$240,000 required for legislators' special allowance;
4. List those contractual services, e.g., voting machine maintenance, typewriter repair, etc., that are "locked in" costs;
5. Detail other contractual services (code 390, page 16) proposed at \$6,000;
6. Under code 500, please explain need for \$6,000 worth of dictating and transcribing equipment and explain where the balance of the requested equipment will be used;
7. Please explain code 800 (page 19) for \$55,000 labeled

AFTER RECESS

4:00 p.m.

Present: All members.

Dept. of Fish & Game Mr. Hohman called the meeting to order and the sub-committee (Messrs. Ditman and Haugen) for the Department of Fish & Game listed the following budget figures:

Office of Commissioner

Code 100:	\$171,800
200:	27,900
300:	8,800
400:	1,000
500:	1,000
	<u>1,000</u>
	\$210,500

The Governor's Revised Allowance was \$234,300. Under Code 100, (on April 16 these positions were reinstated) delete two Deputy Commissioners/ Add an Attorney IV and 1/2

Secretary for a total addition of \$37,000 (Attorney IV at \$28,400 and 1/2 Secretary at \$5,000, including benefits). Money has been transferred from the Department of Law for this purpose.

Code 200, outside travel deleted except for the Commissioner.

Delete COAST meeting and Environment Qual. Commission meeting.

Administration

The Governor's Revised Allowance was \$846,700. Travel reduced from \$4,600 to \$3,900 for a total of \$846,000.

Board of Fish & Game

Code 100:	\$29,800
200:	28,200
300:	8,300
400:	1,800
500:	700
	<u>700</u>
	\$68,800

The Governor's Revised Allowance was \$32,300. An Executive Secretary and a Secretary have been added to code 100.

Information & Education

Code 100:	\$75,700
200:	5,000
300:	20,900
400:	6,800
500:	500
900:	<u>1,200</u>
	\$110,100

The Governor's Revised Allowance was \$111,700. Three outside trips have been deleted in code 200.

Hatcheries

Mr. Ditman read the following figures for Hatcheries:

Code 100:	119,600
Code 200:	4,000 *
Code 300:	25,000
Code 400:	32,100
Code 500:	1,300
Code 900:	<u>6,100</u>
	\$188,100

* The only change in the Governor's Revised Allowance is in travel and Mr. Haugen indicated this is to eliminate unnecessary outside travel.

Habitat Development

Mr. Ditman read the following figures for Habitat Development

Code 100:	152,500
Code 200:	18,000
Code 300:	15,100
Code 400:	5,500
Code 500:	1,500
Code 900:	<u>9,600</u>
	\$201,600

The Governor's Revised Allowance was \$214,100. There was a general reduction in all codes and outside travel. Mr. Warwick questioned whether these changes would effect federal receipts. The total for Administration is \$1,625,000.

Mr. Wright entered the meeting.

COMMERCIAL FISHERIES

Management

Mr. Ditman read the following figures for Management:

Code 100:	1,610,400
Code 200:	95,000
Code 300:	424,700
Code 400:	85,000
Code 500:	50,000
Code 900:	<u>175,300</u>

\$2,440,400

The Governor's Revised Allowance was \$2,478,800 and the cut was a general reduction and outside travel.

Research

Mr. Ditman read the following figures for Research:

Code 100:	684,600
Code 200:	45,000
Code 300:	130,000
Code 400:	45,000
Code 500:	20,000
Code 900:	<u>90,000</u>

\$1,014,600

The Governor's Revised Allowance was \$1,050,700.

Research and Development

The following figures were read:

Code 100:	226,900
Code 200:	15,000
Code 300:	44,000
Code 400:	25,000
Code 500:	4,500
Code 900:	<u>79,400</u>

\$394,800

The Governor's Revised Allowance was \$400,000.

Anadromous Fish

Mr. Ditman read the following codes:

Code: 100	296,800
Code: 200	13,500
Code: 300	75,000
Code: 400	21,000
Code: 500	5,000
Code: 900	<u>80,400</u>

\$491,700

The Governor's Revised Allowance was \$500,000. This is a general reduction in codes 300, 400, and 500. Mr. Haugen explained outside travel had been cut. Mr. Warwick noted that this is a federal program and there is no general fund money. Mr. Haugen read what this funding had been in 1970-71 and felt this general reduction should be left at the total of \$491,700.

Test Net Fishery

The Governor's Revised Allowance was \$86,500 and Mr. Ditman allowed the figure of \$80,000 and he explained the division could determine where these cuts would be taken. Mr. Haugen explained that in code 400 the subcommittee had decided on a general reduction for Commercial Fisheries. In code 500, equipment, the subcommittee felt in relationship to last year's funding this allowed an adequate amount to do the job. They did not feel the division could justify the amount of equipment requested.

The total figure for Commercial Fisheries is \$4,421,500.

GAME

Management

Mr. Ditman read the subcommittee's figures for Management:

Code 100:	157,200
Code 200:	8,000
Code 300:	45,800
Code 400:	8,400
Code 500:	-0-
Code 900:	<u>11,100</u>

\$230,500

The Governor's Revised Allowance was \$231,200 and the only change the subcommittee made was to delete \$700 for code 200 for outside travel.

Federal Aid

The subcommittee recommended the following for Federal Aid

Code 100:	1,608,500
Code 200:	130,000
Code 300:	400,000
Code 400:	100,000
Code 500:	40,000
Code 700:	75,000
Code 900:	<u>127,500</u>

\$2,481,000

The Governor's Revised Allowance was \$2,587,700 and the subcommittee noted this was a general cut and a deletion of outside travel.

The total for Game was \$2,711,500.

Mr. Warwich noted this total is \$224,000 above the maintenance level.

PROTECTION

The subcommittee recommended the following:

Code 100:	1,489,600
Code 200:	113,000
Code 300:	260,000
Code 400:	94,000
Code 500:	45,000
Code 900:	<u>373,800</u>

\$2,375,400

The subcommittee recommended that total of \$2,375,400 which is an

increase over the Governor's Revised Allowance of \$2,368,100. Mr. Ditman explained that the increase in codes 100, 300, 400 and 500 is to add seven casual or part-time protection officers (2 in Southeast, 2 in Cook Inlet, 2 in Prince William Sound and 1 in Kodiak).

LEGISLATIVE
INTENT

Code 200, travel, had been decreased by \$700 and Mr. Haugen recommended legislative intent that the committee does not agree that requests for outside travel are justified and strongly urges deletion in the Division of Protection.

BOUNTIES

The committee decided on the figure of \$25,000 for Bounties. This is the same as the Governor's Revised Allowance.

SPORT FISH

Management

The subcommittee recommended the following figures for Management:

Code 100:	453,900
Code 200:	35,000
Code 300:	49,400
Code 400:	20,000
Code 500:	5,000
Code 900:	<u>10,500</u>

\$573,800

The Governor's Revised Allowance was \$583,300 and the committee accepted the figure of \$573,800. This is a general reduction in codes 400 and 500 and Mr. Ditman explained outside travel had been deleted from code 200.

Federal Aid

Mr. Ditman read the following figures for Federal Aid:

Code 100:	590,800
Code 200:	48,000
Code 300:	90,000
Code 400:	45,000
Code 500:	45,000
Code 800:	29,000
Code 900:	<u>26,600</u>

\$874,400

The Governor's Revised Allowance was \$893,400.

Special Programs

The Governor's Revised Allowance of \$60,700 for Special Programs was disallowed. In its place the committee substituted \$60,700 for Sport Fish Stocking.

The total for the Department of Fish and Game is

The committee recessed at 5:45 p.m.

AFTER RECESS

5:45 p.m.

Present: All members except Mr. Hohman. Mr. Tracy Kaldor from the Department of Public Works was also present.

DEPT. OF
PUBLIC WORKS Mr. Kaldor was present to give testimony regarding the budget cuts. He presented the committee with an analysis of budget cuts (see pages 671 and 672).

The international airports had been cut \$1,000,000 and Mr. Kaldor explained that in looking at the revenues for this year they are not going to get anticipated revenues. They are going to hold the maintenance down and they went through the budget and cut \$1,000,000, Mr. Kaldor added.

Mr. Wright left the meeting.

Mr. Fink requested a copy of the revenue report for February and March and also whatever the Department had showing new projections. Mr. Fink asked if there was any way to switch money out of the international airport fund. Mr. Kaldor said no, these are dedicated funds and just for these two airports.

Mr. Fink felt the business in the Anchorage airport had been good and he did not see how the projections could be down.

In answer to Mr. Fink, Mr. Kaldor said some of the money in international airports pays for administration. He said \$185,000 was shown for this year and \$180,000 for last year. Mr. Fink asked what other area the international airport contributes to and Mr. Kaldor said Design got \$155,000 this year and \$153,000 last year. Mr. Fink asked about equipment. Mr. Kaldor explained that they buy the equipment, give it to the Department of Highways and then they rent it to Public Works. This is the working capital fund

and this pays for equipment when it is time to replace it.

Mr. Haugen asked how the Department is making out on this and Mr. Kaldor said "we are not". He said Highways would not replace a piece of equipment unless they purchased it.

The committee discussed this.

In answer to Mr. Fink, Mr. Kaldor said they purchased \$304,000 in equipment at the Anchorage airport.

Mr. Fink asked if the Department keeps possession of the equipment at all times. Mr. Kaldor said yes. Mr. Fink asked if there were any advantages in having Highways maintain the equipment. Mr. Kaldor said they felt they could maintain the equipment at the airports cheaper than the Department of Highways. The committee briefly discussed this and Mr. Kaldor left the meeting.

RECESS: The committee recessed at 6:00 p.m.

DEPARTMENT OF PUBLIC WORKS
DIVISION OF AVIATION

ANALYSIS OF BUDGET CUTS

Anchorage International Airport

100 Personal Services

Cancel new positions	Civil Engineer II	\$ 16,800	
	Supply Officer II	11,616	
	Firefighter Guard	103,680	
	Storekeeper II	10,008	
	Maint. Mech. II	21,576	
	Painter	10,788	
	Auto Equip. Oper. I	8,640	
	Overtime	97,488	
		<u>280,596</u>	
	Benefits 17%	47,701	
		<u>328,297</u>	
Regular Overtime		<u>254,119</u>	\$582,416

200 Travel

Cancel all outside travel			9,100
---------------------------	--	--	-------

400 Commodities

Reduce clothing	\$ 4,000	
Reduce maintenance and cons. materials	23,000	
Reduce professional fees	<u>500</u>	
		27,500

500 Equipment

Cancel following items under 510 1, 2, 5, 6 (cut 1 truck), 13, 14, 16, 15A, 19, 20, 21, 22, 23, 24		196,200	
Cancel following items under 520: All items of equipment for new positions cancelled above		4,000	
Cancel all items 65 thru 113		22,584	
Cancel all items 118 thru 122		<u>8,200</u>	
			230,984
Sub Total			850,000

Fairbanks International Airport

100 Personal Services

Cancel new positions	F.F.G. Training Off.	\$ 20,016
	Benefits 17%	<u>3,403</u>
		23,419
Reduce Overtime		<u>126,581</u>
	Sub Total	<u>150,000</u>
	GRAND TOTAL	\$1,000,000

AFTER RECESS
6:30 p.m.

Present: All members.

DEPARTMENT OF ADMINISTRATION

Office of the Commissioner

Mr. Warwick recommended \$329,100 for the Office of the Commissioner.

This is the same as the Governor's Revised Allowance.

Personnel Mr. Warwick recommended \$744,800 for the Division of Personnel.

This is also the same as the Governor's Revised Allowance.

Budget and Management Mr. Warwick recommended the Governor's Revised Allowance of \$513,800. He explained that this figure included \$100,000

for program budgeting. The committee discussed whether this would be put to bid. Mr. Hogan said he did not think there was any doubt that the firm presently doing the study on this would continue and he did not think Administration envisions going to bid.

LEGISLATIVE INTENT

The committee decided that legislative intent shall be that the legislature shall request that Budget and Management provide the two finance committees with a detailed analysis of the money spent on program budgeting up to January 1, 1972.

Mr. Hohman said he understood this is going to require more money.

Mr. Warwick felt that this was covered in the Division of Finance.

Division of Finance Mr. Warwick recommended the Governor's Revised Allowance of \$495,200 for the Division of Finance.

Division of Supply The Governor's Revised Allowance was \$789,000 and Mr. Warwick recommended the figure of \$738,300. He explained that codes 100, 200, 300 and 500 were slightly higher than maintenance 'n the

Governor's Revised Allowance but he could see no justification for this increase.

Data

Processing The Governor's Revised Allowance was \$1,974,700

and Mr. Warwick recommended the figure of \$1,824,700. Mr. Warwick explained that the Governor had asked for an additional \$150,000 for Data Processing but at this time it was being denied.

Pioneers' The Governor's Revised Allowance was \$1,983,000
Home

however Mr. Warwick explained this did not take into consideration HOUSE BILL NO. 64 (appropriating to the Department of Administration, Alaska Pioneers' Homes) which had passed out of the finance committee on January 29, 1971. Mr. Warwick recommended the figure of \$2,015,000. Mr. Hogan was to obtain the breakdown of this for Sitka, Fairbanks and Palmer.

Employees

Benefits The Governor's Revised Allowance was \$358,800. However,

Mr. Warwick recommended the figure of \$345,300 which is maintenance. Mr. Warwick said that there was no narrative and he could see no reason to go above maintenance. This was \$181,700 for Public Employees' Retirement and \$163,600 for Teachers' Retirement.

Surplus

Property The Governor's Revised Allowance was \$141,800 and Mr. Warwick recommended \$139,400 which he explained is the maintenance level.

Revenue Mr. Warwick recommended the Governor's Revised Allowance of
Sharing \$6,500,000.

Mr. Warwick explained this makes the total for the Department of Administration \$13,645,600 of which \$12,727,900 is from the general fund.

Adjournment: The meeting adjourned at 6:50 p.m.

HOUSE FINANCE COMMITTEE

April 10, 1971

10:30 a.m.

Present: All members.

Dept. of
Health &
Welfare
CLOSEOUT

General
Admin.
Office
of
Commis-
sioner

Mr. Degan suggested the following figures for Office of Commissioner and a comparison of the Governor's revised figures are shown with the committee request.

	<u>Governor's</u>	<u>Committee</u>
100	195,700	178,700
200	9,800	8,000
300	13,200	13,200
400	2,100	1,900
500	2,300	2,300
900	<u>2,600</u>	<u>2,600</u>
	\$225,700	\$206,700

Mr. Degan stated the reason for the decrease in personal services was due to the deletion of an information officer. He said the deputy commissioner that was to be deleted because of the 9-month vacancy factor was reinstated.

Admin.
Services:

Mr. Degan stated this would be the same level as the Governor's revised figure: \$1,172,200.

Compre-
hensive
Planning

The following figures were approved by the committee:

	<u>Governor's</u>	<u>Committee</u>
100	135,700	135,700
200	53,100	40,000
300	23,800	23,800
400	3,800	3,800
500	400	400
900	<u>7,100</u>	<u>7,100</u>
	\$223,900	\$210,800

Mr. Wright felt that the committee figure for travel was too high. Mr. Hohman said he would have the staff research travel in all areas. Mr. Haugen moved and asked unanimous consent that it be decreased to \$22,000. Mr. Hohman objected. Mr. Degnan said it would depend on whether the committee wanted the board to operate or not. That kind of cut would probably mean they could not meet. An alternative, Mr. Degnan noted, was to reduce the size of the board, but Mr. Wright disagreed and thought the reduction should just be in the money. Mr. Haugen pointed out that this year it is 75/25 federal matching but within a few years it would all be state money. Mr. Ditman amended the motion by Mr. Haugen to \$40,000. No objection to the amendment and motion to adopt new figure of \$40,000 for travel carried 5-2.

Office
Aging

Mr. Degnan said this would be the same level as the Governor's revised figure: \$209,300.

The drop in federal funds for Office of Aging was commented upon by the committee. Funding for 1969-70 had been \$377,942 for federal and for 1970-71 this had decreased to \$146,100. Mr. Degnan said the \$146,100 is in error and should be \$128,000 which means it had dropped \$18,000 from the original forecast. Mr. Hohman requested that Mr. Hogan check this figure and suggested to the committee that they take the figure as requested by Mr. Degnan and if there is any objection, then those who are interested could research it as a subcommittee.

TOTAL: New total for General Administration is now: \$1,799,000.

Public
Welfare
Adminis-
tration
100

Mr. Degnan referred to page 143 of the workbook (Book I) and said he was deleting the Social Worker V which would be a \$19,656 (including benefits) decrease and by deleting this position they could merge the central office position with the Southeast Regional office. Mr.

Degnan then referred to page 145 of the workbook and wanted to delete the Regional Welfare Officer and Social Worker III from Southeast Regional Office. He said the purpose for this was to reorganize so that the central office could function as the regional district office also. This would mean a savings of \$38,512 (including benefits). Under Juneau District Office, Mr. Degnan said to delete two Social Worker III's which would be a decrease of \$31,505. On page 147 of the workbook, under the Ketchikan office, Mr. Degnan deleted one Social Worker III.

In Anchorage (same page) Mr. Degnan deleted Social Worker VI and three Social Worker III's with the idea of reorganizing the Anchorage office and putting it under the Southcentral Regional Office.

He stated this would be a total deduction of \$84,156 on page 147.

Under Fairbanks, he deleted a Social Worker V and said this could be handled by the Northern Regional Office.

Mr. Degnan, in the Nome office, added in a Clerk Typist II that had been deleted by the 9-month vacancy factor. He said this was a total of 11 positions deleted and one position added back in, for a total decrease of 10 positions, thereby decreasing personal services by \$185,580 for a new total of \$2,028,900. All other figures in this category would be the same as the Governor's revised request.

200

Mr. Wright disagreed with the \$87,300 figure for travel and felt if they were going to delete 10 positions, this should, along with other categories, of necessity go down. Mr. Hohman pointed out that per diem had increased almost 50 percent from \$21 to \$30 per day and air fares had gone up 15 percent.

Mr. Hohman agreed, however, that this along with all of the other

areas of travel in the Department of Health & Welfare should be looked at very closely and get an exact figure as possible to Mr. Wright's suggestion. He said they would review all of the travel as one item after this had been gone over by the department and Mr. Hogan.

300

On contractual services, the revised figure by the Governor of \$314,800 was compared by Mr. Wright to the \$188,700 for 1970-71 and thought this was a tremendous increase.

The following figures were those adopted by the committee and all figures conform to the Governor's revised request with the exception of the personal services (which had originally been \$2,214,500):

100	\$2,028,900
200	87,300
300	314,800
400	21,300
500	11,400
900	<u>48,200</u>
	\$2,511,900

Staff
Development

Mr. Haugen moved that this program be "zeroed" out, and Mr. Degnan amended this to the 1970-71 level of \$186,700, which was the Governor's revised request. Motion carried 5-2.

The following figures were accepted:

100	43,200
200	14,000
300	127,200
400	1,500
500	<u>800</u>
	\$186,700

WIN

The Governor's revised figure of \$748,100 was accepted by the committee.

Adult
Public
Assistance

The Governor's revised figure of \$7,125,300 " " "

C

" " " " " \$8,556,400 " " "

<u>Food Stamp</u>	The Governor's revised figure of <u>\$418,300</u> was accepted by the committee
<u>Gen. Relief</u>	" " " " <u>\$290,400</u> " " " " "
<u>Medical</u>	" " " " <u>\$2,329,700</u> " " " " "
<u>CWS/JC</u>	" " " " <u>\$1,533,700</u> " " " " "

The new total for the Division of Public Welfare is: \$23,700,500.

Mr. Degnan said at a later time he would reinstate in the Food Stamp program the following positions: 3-121 Eligibility Worker II Nome
3-133 " " " Kotzebue

(Page 296, lines 20 and 26, for total of \$22,700.)

LEGISLATIVE INTENT:

With reference to Book I, Division of Public Welfare, AFDC, page 234, under Code 390 (Other Contractual Services) Operation Upgrade, the committee wanted legislative intent to state that under the existing budget for AFDC that this is to be funded as requested at the \$200,000 level. It is \$150,000 federal funds and Mr. Degnan termed it a "high visibility program."

MENTAL HEALTH

Program Admin. Mr. Degnan stated the only change in Program Administration from the Governor's revised request was a decrease from \$8,200 to \$6,500 in travel, which would change the total from \$142,500 to \$140,800.

Office of Mental Retardation

The Governor's revised figure of \$42,600 was accepted by the committee.

Comm. MH Services

" " " " \$452,200 " " " " "

Hosp./Nurs. Home Contracts

Mr. Degnan said the department had made an error in preparing this budget and that the contractual services code should be changed from \$357,100 to \$345,100. All other figures as suggested by the

Governor's revised budget were accepted which gave committee new total for Hospital Nursing Home contracts of \$363,500 instead of \$375,500.

Review
Hospital

The Governor's revised figure of \$2,299,900 was accepted by the comm.

" " " " " \$3,421,800 " " " " "

P.
Program

" " " " " \$98,100 " " " " "

I-IN
Trng.

" " " " " \$25,000 " " " " "

Comp. Comm.
Centers

" " " " " \$ 116,500 " " " " "

TOTAL

The revised committee total for Division of Mental Health is \$6,960,400

Environ-
mental
Health

Environ-
mental
Health-Gen.

The Governor's revised figure of \$916,600 was accepted by the comm.

Mr. Wright expressed his displeasure as he had done at the time the committee had reviewed this budget with the Commissioner. He felt the regional offices could be combined and saw much duplication as the division was presently structured.

Legislative
Intent

Mr. Haugen requested that the final report show legislative intent that a seafood sanitarian be stationed in Seward from May 1 until September 1 and they are to do this within the funds appropriated in this budget. There was no objection to this request.

It was also requested that travel in this area be carefully scrutinized along with the entire travel budget for Health and Welfare.

Water
Pollution
Control

The Governor's revised figure of \$148,300 was accepted by the comm.

Water &
Sewer Grant The Governor's revised figure of \$2,000,000 was accepted by the comm.

Air
Pollution
Grant The Governor had originally requested \$50,000 for this category,
then when he came in with his revised figure this was deleted.
Messrs. Wright and Fink requested that this amount be restored to
the budget and there being no objection, it was requested that
the intent of the committee be shown that this program was to be
restored, for the full amount of \$50,000.

TOTAL The revised committee total for Division of Environmental Health
was \$3,114,900.

Meeting recessed at 12:30 p.m.

Intent: All members except Mr. Fink.

Division of
PUBLIC
HEALTH

Program
Administra-
tion

Mr. Degnan said that under Program Administration he reduced travel by \$5,200 from \$30,200 to \$25,000 and left all other codes the same as requested in the Governor's revised request. The new total was therefore \$510,400 in lieu of the original request of \$515,600.

Community
Health

The Governor's revised figure of \$514,500 was accepted by the comm.

Laboratories

Mr. Haugen moved that the request for Laboratories be reduced from \$452,700 to \$200,000. Mr. Wright commented that this was the "lousiest" section of all and he thought they had a little "kingdom" set up here. Mr. Hohman moved that the committee accept the Governor's revised figure of \$452,700 and directed that Mr. Wright come back with a suggestion to do something with this particular section. The committee accepted this recommendation.

Office
Alcoholism

The Governor's revised figure of \$428,100 was accepted by the committee

Child
Health

" " " " \$1,005,500 " " " " "

Public
Health
Nursing

Mr. Degnan referred the committee to Book III (Division of Public Health), Public Health Nursing, page 830 and recommended deleting the Public Health Nursing Supervisor II, and combining this operation with the Division Office in Juneau.

Legislative
Intent

Legislative intent was requested and approved by the committee, showing the Public Health Nurse II should be stationed in Wrangell, which would be a deletion of the Juneau position and an addition of the Wrangell position. Mr. Haugen emphasized the

tremendous need for this person in Wrangell since there is only one doctor and she must service the BIA school, the mill and the general needs of the town. On page 834 of the workbook, the Public Health Nurse Supervisor II in the Northern Regional Office, Fairbanks, was deleted. Mr. Hohman moved and asked unanimous consent that the Public Health Nurse II in the South-central Regional Office in Bethel be reinstated. This had been deleted due to the nine-month vacancy factor. Mr. Warwick wondered if this should be listed as a new position.

Mr. Degnan, referring to his request that the Public Health Nurse Supervisor II in Fairbanks be deleted stated he wanted this to come under the Northern Regional Office so that this would come under the whole region.

Mr. Warwick said he would rather have the same number of bodies but just have one head. He thought maybe they should delete the Public Health Nurse Supervisor II and put in a PH Nurse II or III, and that way they could have the same number of positions but one less chief. Mr. Degnan thought that would work out all right. Mr. Degnan then referred to page 836 and added a Public Health Practical Nurse which had originally been taken out due to lack of housing. Mr. Wright asked if there was new housing now and Mr. Degnan said there were several women from that community who were already living there who would not need housing and he said there was also a trailer that was not being used. He deleted the position of Public Health Practical Nurse (on page 835 of the workbook) in the City of Fairbanks and transferred that position to Unalakleet.

To summarize the above changes, there were three deletions (one

in Juneau and two in Fairbanks) and four additions (one in Wrangell, Fairbanks, Unalakleet and Bethel).

100 The new total after the increases and decreases in positions for personal services is now \$1,284,200 which is \$19,000 decrease from the Governor's revised request of \$1,303,200.

200 Mr. Degnan reduced travel from \$163,700 to \$150,000.

700 Under Grants, Claims and Shared Revenue, Mr. Wright moved and asked unanimous consent for this category to be increased from \$50,000 to \$175,000 (see page 873 of the budget workbook) for the nursing program at AMU. He said this is the exact amount needed to fund the program. There being no objection, this was increased to \$175,000.

To show a comparison between final figures for the committee and the Governor's revised request, they are as follows:

	<u>Governor's</u>	<u>Committee</u>
100	1,303,200	1,284,200
200	163,700	150,000
300	145,100	145,100
400	38,600	38,600
500	12,000	12,000
700	50,000	175,000
900	<u>62,500</u>	<u>62,500</u>
	\$1,775,100	\$1,867,400

TB CONTROL The Governor's revised figure of \$411,600 was accepted by the comm.
TOTAL New total for the Division of Public Health is \$5,190,200.

Division of Corrections Mr. Degnan recommended the committee accept the Governor's revised request of \$8,622,200 for the Division of Corrections. Mr. Hogan pointed out that there had been an error in computation by the department and that the correct total for those figures presented should be \$8,626,400 and the committee accepted this

figure.

AL
The new total for the Department of Health and Welfare will be held until revisions such as in travel have been made.

There being no further business the committee adjourned at 3:30 p.m.

HOUSE FINANCE COMMITTEE

April 12, 1971

9:15 a.m.

Present: All members with the exception of Messrs. Fink and Wright.

Dept. of
Public
Works
CLOSEOUT

Mr. Hohman called the meeting to order. The budget request for the Department of Public Works was discussed and there were questions as to the exact appropriation requested and the funding of Aviation Fuel Tax. Mr. Tracy Kaldor, Administrative Director, Department of Public Works, was called to explain these questions to the committee.

Mr. Kaldor reviewed the figures prepared by the finance committee and said they were in accordance with his figures. The Aviation Fuel Tax should be listed as \$1,561,600, with the balance listed under General Fund (\$18,784,100), for a total funding of \$31,504,000.

Messrs. Fink and Wright joined the meeting at 9:30 a.m.

The sub-committee recommended acceptance of the Governor's Revised Allowance for the Department of Public Works for a total appropriation of \$31,504,000.

Recess: The meeting recessed at 9:45 a.m. for a bill session.

Present: All members.

DEPT. OF LABOR Mr. Degnan had worked on the subcommittee for the Department of Labor budget and reported he was ready with his recommendations.

Administration Mr. Degnan said that travel would be handled in the same manner as the Department of Health and Welfare except where people have been transferred. He said the travel should go with the people being transferred.

Office of the Commissioner The committee decided to accept the Governor's Revised Allowance of \$290,100, for Office of the Commissioner.

Fisherman's Fund Mr. Degnan recommended the Governor's Revised Allowance of \$213,600.

Employ the Handicapped Mr. Degnan recommended the Governor's Revised Allowance of \$6,200.

Wage & Hour Mr. Degnan recommended the Governor's Revised Allowance of \$156,900.

Industrial Safety Mr. Fink pointed out that the Commissioner had recommended a \$10,000 cut in travel in Industrial Safety. Mr. Hohman moved a total of \$530,500 (which is what the Governor requested). This is \$365,100 for Safety and Electrical Inspection and \$165,400 for Pressure Vessel Inspection.

Workmen's Compensation Administration Mr. Degnan recommended deleting the Workmen's 100: Compensation Examiner on line 1, page 95, of the budget.
200: He recommended reducing the travel to \$32,000 (page 101 of the budget).
500: Mr. Degnan recommended allowing \$950 in equipment (page 107).

Second Injury Mr. Degnan recommended a figure of \$120,000 for the Second Injury. This is the same as the Governor's Revised Allowance.

Employment Security Grants

On page 122 of the budget, Mr. Degnan recommended deleting the Regional Manager position, line 3. Mr. Degnan recommended deleting one Claims Examiner I. Mr. Warwick questioned this. Mr. Degnan explained that they had 12 claims examiners last year and they had asked for two more this year. He had allowed only one.

Page 126 of the budget showed an Employment Interviewer I being reclassified downwards to a Manpower Rep. Aide. Mr. Degnan recommended that this be left at the same level. This position is PCN 5-158. Mr. Fink questioned how much is being taken out of this budget. He pointed out there is only \$60,000 from the general fund and the rest is federal funds. He thought it looked like Mr. Degnan was recommending more cuts than the amount of general fund involved. Mr. Degnan recommended that the Employment Interview Aide on page 127, line 7, be upgraded to a Manpower Specialist, range 14. He also recommended that a Clerk Typist II, range 7, be added under Bethel on page 127. Mr. Fink questioned this. Mr. Degnan said this covers a large area and right now they are operating out of Anchorage. He said this particular person would service the whole Bethel area.

On page 135, Mr. Degnan recommending allowing three Accounting Clerk II's, line 18 (4 were shown in the budget).

Mr. Wright left the meeting.

Mr. Degnan recommending deleting the Manpower Economist II, line 8 on page 139. Mr. Warwick questioned why this should be deleted -- he said they have increased the number of people in this area. Mr. Hohman pointed out that federal dollars were involved in this.

Mr. Joe LaRocca entered the meeting.

Mr. Hohman recommended tentatively accepting the Governor's Revised Allowance of \$4,423,400 for Grants. He said they would have the staff check with the Department of Labor on areas the committee was concerned with.

WIN The committee tentatively accepted the Governor's Revised Allowance of \$504,700.

CAMPS The committee tentatively accepted the Governor's Revised Allowance of \$67,400.

LEGISLATIVE INTENT Mr. Haugen moved that legislative intent be that a special report on CAMPS be given to the legislature at the beginning of the session next year. Mr. Hohman also requested they be asked for a report on what they are doing this year.

MANPOWER TRAINING The committee accepted the following figures for Manpower Training. This is the same as the Governor's Revised Allowance.

Administration	454,300
OJT	112,000
New Careers	308,200
Hire	184,700
Skill Center	-0-
Advisory Council	-0-
World of Work	-0-

Recess: The meeting recessed at 4:55 p.m.

AFTER RECESS
5:00 p.m.

Present: All members except Mr. Wright.

DEPT. OF HEALTH AND WELFARE

200: The committee reverted to the Department of Health and Welfare budget and discussed alternatives for decreasing the travel budget. Mr. Hogan had prepared the following report giving

T R A V E L A L T E R N A T I V E S F O R H E A L T H & W E L F A R E

	<u>Projected Actual for 1970-71</u>	<u>Revised Request</u>	<u>Authorized for 1970-71</u>		<u>Program maintenance level for 1971-72 *</u>
General Admin.	\$ 45,532	\$ 89,700	\$ 74,800	+	\$ 19,272 = 94,072
Public Health	280,276	450,500	368,700	+	92,592 = 461,292
Mental Health	54,264	94,200	79,000	+	17,635 = 96,635
Public Welfare	193,238	184,900	176,400	+	43,862 = 220,262
Corrections	186,730	181,200	159,000	+	34,607 = 193,607
Environ. Health	<u>65,862</u>	<u>129,500</u>	<u>77,000</u>	+	<u>21,748</u> = <u>98,748</u>
	\$825,902	\$1,130,000	\$934,900	+	\$229,716 = \$1,164,616

⁴ 125,000

* Program maintenance level would fund current year's travel budget with 43% and 12% increases for per diem & travel.

Mr. Fink thought the amount of the projected actual for 1970-71 -- \$825,902 -- would be plenty for this coming year. Mr. Hogan said he had asked Mr. James McClain from Health and Welfare if there would be any difference in the spending pattern for the last half of the fiscal year since this projection was based on

the spending of the first half, and Mr. McClain said he could see no difference. Mr. Fink moved the figure of \$934,900 which was the authorized figure for 1970-71 for travel and there being no objection the figures as shown in the third column of the computation were approved by the committee for travel.

DEPARTMENT OF EDUCATION

General

Administration

Board of Education

Mr. Hohman announced the committee would now close out the Department of Education.

The Governor's revised figure of \$28,800 was accepted by the committee.

Office of the
Commissioner:

The Governor's revised figure of \$152,600 was accepted by the committee.

Advisory
Commissions

The Governor's revised figure of \$85,600 was accepted by the committee.

Scholarship
Loans

In discussing an amount of \$2,500,000 for scholarship loans

Mr. Fink pointed out that vocational education would be added as well as boosting the amount for loans up to \$2,500 per student, if the finance committee bill passed. Mr. Warwick brought up the thought that if no suit was brought on the funds going to AMU and the bill that would include vocational education and raise the loans to \$2500 does not pass, then that much money would not be needed. Mr. Hohman said they could go back to the \$1.4 million proposed by the Governor if the bill does not pass.

Mr. Fink said if the finance committee bill does not pass, then he has another bill that picks up vocational education, that he thinks they should introduce. Mr. Hogan said they could write out two line items in the budget, one for scholarship loans

and one for contractual agreements and he suggested the committee spell it out in intent if they do not want to fund grants.

Committee accepted the \$2,500,000 for scholarship loans, thus increasing the Governor's recommended figure by \$1,100,000.

Planning & Research: Mr. Warwick recommended the figure of \$207,600 which was the maintenance level for this program. (The Governor's revised figure was \$299,000 so this was a \$91,400 decrease.)

Staff Development: Mr. Warwick thought this program should be reduced from the Governor's revised request of \$10,000 to -0-. He said when the witnesses appeared before the committee, their testimony did not make much sense. Mr. Ditman noted this was 100 percent federal funds (see page 83 of workbook I), so Mr. Warwick said in that case he would recommend \$10,000 which was accepted by the committee.

Publications: Mr. Warwick recommended decreasing the Governor's revised request of \$97,600 to \$85,400 which is maintenance level and a decrease of \$12,200. No objection.

Educational Broadcasting Commission Mr. Hohman recommended picking up the RCA proposal for Bethel/Aniak for \$250,000 which would include staff and programming cost. Mr. Hohman said that RCA had said they wanted \$627,000 which would take care of landline leases. Mr. Hohman thought they could get it for \$250,000, however, the difference for the total of \$627,000 would include program costs shown in the following breakdown:

Staff and organization	\$150,000
Alaska Public Radio Programming	25,000
Alaska Public TV Programming	75,000
National Public TV Programs	15,000
Lower Kuskokwim/Yukon Network	250,000
Native Language Programming	25,000
Live Newscasting	30,000
	<u>\$570,000</u>
Contingency	57,000
	<u>\$627,000</u>

Mr. Warwick asked if matching funds were available and Mr. Hohman said no, this would be a general fund expenditure. He said \$250,000 of this would go to RCA and the rest would go into development of programs at the University which would be under the direction of Mr. Northrup. Mr. Warwick said that under new programs the federal government contributes the hardware.

Mr. Hohman said the federal government has contributed \$500,000 for equipment and that was a grant that was just announced.

Mr. Warwick said he would like to understand better what this is and wondered if this tied in to HOUSE BILL NO. 297 (creating Public Communications Commission). Mr. Hohman said that was the funding for the Alaska broadcasting, etc. Mr. Fink asked what committee had HOUSE BILL NO. 297 and Mr. Hohman said it was in Commerce Committee.

Mr. Warwick asked if this money would set up a TV station in the Bethel area and Mr. Hohman said it would provide funding for the RCA proposal at Bethel/Aniak and provide TV for 50 villages and also telephone service. Mr. Fink asked if this would be an annual contribution and Mr. Hohman said he was not sure. They are asking \$667,000 a year but he did not think they would have to do that. He thought it could be spread out among different agencies and he reiterated that he thought \$250,000 would be enough to get them committed to go ahead. The Department of Defense, according to Mr. Hohman, is willing to participate up to \$500,000 for the three military installations in that area. BIA has indicated interest but not a figure; Public Health

Service is interested; and Yukon/Kuskokwim Health Service is also interested. Mr. Hohman went on to say that the people from Sesame Street are willing to come up and develop an Alaskan-oriented program, and he felt that some of these funding problems would be solved by things like that. He added that Canadian Broadcasting has also generated a lot of programs. Mr. Warwick pointed out that the department request was \$1,425,800 for this and the biggest portion was for the educational TV system for Anchorage and that \$450,000 of this was from the federal government for the hardware. Also, there were two new radio stations (see information describing this on page 101 of the workbook). Mr. Warwick commented that this program might be more equitable and that there were many areas that did not have stations; however, Bethel does already have one. Mr. Degnan said one of these stations is for Kotzebue. Mr. Hohman moved and asked unanimous consent that the committee accept \$798,000 for Educational Broadcasting Commission. Mr. Fink said he would go along as long as it was tentative. Mr. Hohman noted that the Governor is supposed to come down with a support package for this.

SOS Board

of Education: This item was transferred to the State-Operated School budget.

The following figures show the comparison between the Governor's revised recommendations and those accepted by the committee:

	<u>Governor</u>	<u>Committee</u>
Administration		
Board of Education	28,800	28,800
Office of Commissioner	152,600	152,600
Advisory Commissions	85,600	85,600
Scholarship Loans	1,400,000	2,500,000
Planning and Research	299,000	207,600
Staff Development	10,000	10,000
Publications	97,600	85,400
Educational Broadcast Comm.	131,800	798,000
SOS Bd. of Educ.	-	-
	<u>\$2,205,400</u>	<u>\$3,868,000</u>

Administrative Services

Director Mr. Warwick said he was recommending the maintenance level of \$104,100 rather than the Governor's revised figure for the Office of the Director.

Budget & Accounting: Mr. Warwick also recommended maintenance level of \$188,900 for Budget and Accounting.

Statistical Services: The Governor's revised figure of -0- was accepted by the committee.

Support Services: Mr. Warwick recommended the maintenance level of \$88,100.

School Lunch: The Governor's revised figure of \$971,400 was accepted by the committee. Mr. Warwick said that by adding \$500,000 they will only be increasing general fund expenditure by \$16,000 and the balance is federal. It is for including additional schools and an increase in the program, according to Mr. Warwick, and he added that this is, for many children, their only meal

of the day. It was mentioned that President Nixon had promised this in his campaign.

Federal

Programs: The Governor's revised figure of \$3,904,000 was accepted by the committee. Mr. Warwick said the increase over the prior year was all federal receipts, and there is the possibility more federal funds are forthcoming even though they do not show here.

The following figures show the comparison between the Governor's revised figures and the committee figures for Administrative Services:

	<u>Governor</u>	<u>Committee</u>
Administrative Services		
Director	\$115,100	\$104,100
Budget and Accounting	190,400	188,900
Statistical Services	0	0
Support Services	91,000	88,100
School Lunch	971,400	971,400
Federal Programs	<u>3,904,000</u>	<u>3,904,000</u>
Total	\$5,271,900	\$5,256,500

Instructional Services

Mr. Warwick recommended all of the Governor's revised figures for Instructional Services with the exception of Teacher Education and Certification which he said he was recommending the maintenance level of \$67,500. The figures, for comparison purposes are as follows:

	Governor	Committee
Instructional Services		
Director	86,800	86,800
Consultant Svcs.	309,600	309,600
Teacher Ed. & Cert.	69,400	67,500
Correspondence	137,600	137,600
Special Educ.	<u>100,400</u>	<u>100,400</u>
Totals	\$703,800	\$701,900

District School Support

Mr. Hogan pointed out that if the committee wanted to prevent what happened last year (when there was more money in the appropriation than was needed so the balance was pro-rated among all schools) is to under-appropriate the program, then at the end of the session next year, come in with the actual amount and fully fund the program at that time. Mr. Degnan asked for the amount that was actually needed and Mr. Hogan did not know that figure. Mr. Hohman felt they should accept the figure of \$68,500,000 until they hear from Mr. Thomas in Education who might be able to give them a set figure. Mr. Warwick recommended the \$68,500,000 and stated that was the maintenance level figure as opposed to the Governor's revised recommendation of \$69,300,000.

Foundation Program

Pupil Transportation

Mr. Warwick recommended the maintenance level of \$4,575,000 and Mr. Fink questioned this as the area that the department had confused by omitting State Operated Schools, in turn State

Operated Schools thought that Education had put it in their budget. Mr. Warwick agreed and said they should then put in the Governor's revised figure of \$5,185,000.

Tuition; Johnson-O'Malley Aid; Juveniles in Detention were all left at the Governor's revised figures (see chart below for District School Support.)

Sabbatical Leave

Mr. Warwick recommended \$32,500 which was the amount they actually spent in the past year. It was pointed out that this can be controlled by the amount of money available.

Revenue Sharing and Debt Service were accepted at the Governor's revised figures (see chart below). Mr. Warwick reminded the committee that revenue sharing came from the program where people worked in state buildings, etc.

The following figures show the comparison (for District School Support) between the Governor's revised figures and those accepted by the committee:

	Governor	Committee
District School Support		
Foundation Program	69,300,000	68,500,000
Pupil Transportation	5,185,000	5,185,000
Teacher Retirement	2,500,000	2,500,000
Tuition (1)	150,000	150,000
Johnson-O'Malley Aid	208,000	208,000
Juveniles in Detention	50,000	50,000
Sabbatical Leave	60,000	32,500
Revenue Sharing	1,700,000	1,700,000
Debt Service	<u>2,800,000</u>	<u>2,800,000</u>
Totals	\$81,953,000	\$81,125,500

Vocational Education

Mr. Warwick said that a lot of this program depends upon receipt of federal funds and that this department has them "over a barrel". The committee discussed the problems they had had this year with the supplemental vocational rehabilitation (HB 66) and the fact that the promised \$1 million did not materialize.

General Program

Mr. Haugen said he wanted to add \$25,000 to the General Program for the SEAED program in Ketchikan. This is to take care of the hatchery appropriation that Fish and Game is going to give up. Mr. Haugen talked to Mr. Thomas in the Department of Education and he said to put it in a line item for SEAED for operating cost of the Ketchikan hatchery that they are terminating in Fish and Game, and Mr. Thomas said they would attempt to train people who will work there. Mr. Warwick recommended the Governor's revised figure plus the \$25,000 for a total of \$1,662,900 in the General Program.

Community colleges:

Mr. Warwick recommended the Governor's revised figure of \$550,000 for Community College; however, Mr. Fink thought there was no growth in this whatsoever. He said this was last year's figure and thought it should increase. The committee accepted the figure of \$550,000.

DTA Community programs:

The Governor's revised figure of \$473,000 was accepted by the committee. Mr. Fink said he would prefer to cut this and put it in Community Colleges. It was noted that this was the area where the fire training program was funded and Mr. Hohman said as he understood it, they are going into bush areas and training fire fighters. Governor's revised figure of \$366,700 was accepted by the committee.

Kill center

Mr. Haugen asked how this was funded and Mr. Fink said he understood it was 1/3 - 1/3 - 1/3. The committee accepted the Governor's revised figure of \$1,042,200.

Regional & boarding schools

Director

Mr. Warwick pointed out that the only big increase in this section is in the Director's office and he recommended \$55,800, the maintenance level. Mr. Hohman said the increase is federal

receipts (JOM funds) of \$350,000, so therefore he recommended the Governor's revised figure of \$305,000. Mr. Warwick thought they should appropriate at maintenance level then if the federal receipts come in, they can appropriate it. He could see no increase for programs, but Mr. Hohman disagreed. Mr. Degnan referred to page 427 of Workbook II, Code 700, where they listed the following projects:

Kodiak School District supplemental programs (Special reading and work experience) --	\$ 50,000
U. of A. curriculum and program dev. for reg. schools and BHP	<u>\$150,000</u>
Total	\$350,000

Mr. Warwick felt they were asking for \$350,000 for a program they had been able to handle in the past for \$55,000.

Mr. Hohman read to the committee from page 415 of the Workbook II, citing the fact that the division is expanding at a very rapid rate and that "... projections for the fall of 1972 show 1500 students in the Boarding Home Program with five Regional Schools and two cottage operations, with an estimated \$7,500,000 budget."

Mr. Warwick said they expand those division to compensate for it and he said that on page 429 of the workbook II, that more than 10 percent went for personal services and 10 percent for travel, and that under dormitories it was even worse. Now they say, according to Warwick, they need another \$250,000 in the Director's office to run it and he didn't think they did. It is all going into salaries, he felt, and they ran it last year without it. Mr. Hohman asked what they were hiring in terms of new people, and Mr. Warwick read from page 418, where they had requested four new positions and received two. Mr. Warwick said

they simply didn't know what the federal funds would be and if the committee appropriated it, they will be "sticking their necks out." If they get \$55,000 they can still obtain the federal funds. Mr. Hohman requested that the committee approve the Governor's revised figure of \$305,000 for the Director's office and then check it out.

Mr. Haugen asked who was the head of it and Mr. Hohman said James Harper. Mr. Haugen asked that he and Mr. Thomas appear before the committee on the next day and this was arranged for Tuesday morning. Mr. Hohman asked if this was satisfactory and Mr. Warwick replied, "not entirely." The figure of \$305,000 was tentatively approved, pending the meeting with Mr. Harper.

**Boarding Home
Program:**

The Governor's revised figure of \$2,423,400 was tentatively accepted by the committee.

Dormitories:

The Governor's revised figure of \$1,243,900 was tentatively accepted by the committee.

Total:

The Regional and Boarding Schools total of \$3,972,300 was tentatively accepted.

**State
Libraries:**

Mr. Hogan distributed copies of a memorandum to Mr. Hohman from Richard B. Engen, Director, Division of State Libraries, concerning a request for \$2,500 for a study for centralization of state library services (see pages 713 - 715). Mr. Warwick noted that the Governor had asked for quite a bit more than maintenance level (\$745,000) and he recommended the maintenance level of \$590,000. The committee accepted this figure but decided to ask Mr. Thomas about this when they have the meeting with him and Mr. Harper.

**Vocational
Rehab**

Mr. Warwick recommended the whole program at the Governor's

revised request of \$2,369,900. No objection.

Mr. Haugen asked about the supplemental and Mr. Degnan said that was HOUSE BILL NO. 66 where they had asked for \$200,000 and the committee had allowed \$150,000. Mr. Haugen asked about projected federal receipts for this year and Mr. Warwick said it is approximately \$1.1 million. Mr. Haugen thought there should be legislative intent after what happened when last year's federal funds were decreased for this program by \$1 million. Mr. Warwick said this year they took the lowest amount for estimating purposes. Mr. Haugen still felt legislative intent should be given instructing the department that the program is not to be in gear unless the funds are in hand. Mr. Warwick said he wanted that for the whole budget, in other words if federal funds do not come in, cut down state funds just as a "rule of thumb." He felt it should be right in the budget document so that if next year the departments have overspent because they did not get federal funds, then they'll "have them."

Mr. Hohman moved that the committee accept the figure of \$31,000,000 for State-Operated Schools. Mr. Fink objected because he thought Mr. Wright, who was at the dentist, should be here since he had spent a lot of time researching this budget and Mr. Fink wanted to hear what he had to say about it. Mr. Hohman said then the motion would be held in abeyance.

Meeting adjourned at 6:30 p.m.

State
Operated
Schools

MEMORANDUM

State of Alaska

TO: The Honorable George Hohman
Chairman House Finance
Alaska State House of Representatives

DATE : April 12, 1971

FROM: *Richard B. Engen*
Richard B. Engen, Director
Division of State Libraries
Department of Education

SUBJECT: Study for Centralization of
State Library Services

Proposal for a Study of State Government Library Resources and Services and the Practicability of Centralization

As requested in your Memorandum the following statement on centralization of library functions in State government is submitted.

There are now fourteen departments and sixteen library collections in these departments and the Governor's Office aside from the collection in the Division of State Libraries. Libraries are also maintained in Juneau by the Supreme Court, the Superior Court, and the Legislative Affairs Agency. These governmental library collections vary from a few shelves to several rows of shelves. About 25% have specific positions assigned for library responsibilities other than standard clerical duties. The current need for this study proposal is based on the planned relocation of several agencies in the new State Office building.

The problems which arise from the proliferation of separate library collections can be briefly stated:

1. Limited accessibility of materials to other State personnel;
2. Duplication of expensive reference materials, periodicals, and general trade books;
3. Inefficiency and inaccuracy derived from the use of non-current materials;
4. Multiple handlings of Federal government publications;
5. Lack of adequate professional supervision of library activities, budgeting, expenditures, and planning.

Some specific examples of these problems are:

1. AUTOMATION (periodical of interest to various offices involved with data processing) was received by a Department but patrons referred by the State Library were unable to locate needed copies since backfiles were not consistently kept. The State Library now subscribes and maintains backfiles.
2. Duplication of ENVIRONMENT REPORTER (a set of five, loose-leaf volumes with new and replacement pages concerning environmental problems, laws, and reports received weekly for interfiling) at an annual subscription of \$296.00.

MEMORANDUM

The Honorable George Hohman

page 2

April 12, 1971

3. An edition of the CODE OF FEDERAL REGULATIONS which had been twice replaced by new editions was discovered in use as current material in one of the law libraries. This particular problem has been resolved by transfer of the old edition to the State Library which maintains the backfile and keeps the current edition always on hand.
4. It is unknown how many agencies receive copies of the FEDERAL REGISTER the CONGRESSIONAL RECORD and other U. S. Government publications. As a Federal Depository library the State Library receives a large variety of U. S. Government publications without charge and can select additional items at any time. Since depositories receive items before they appear in the general catalogs of the Printing Office, there is considerable advantage to agencies that coordinate their requests or acquisitions.

Overlapping files of materials are accompanied by the problem of uneconomical multiplicity of orders for the materials. If orders are lumped better discounts are a real possibility. Compounded by the overlapping materials acquisition of the agencies is the space problem.

The advantages of centralization include:

1. Sharing of resources and elimination of unnecessary duplication of materials.
2. Reader space can be more efficiently used and allocated to individual carrell seating or to larger tables depending on expected usage.
3. Collections of periodicals and reports can be developed on microfilm and microfiche and microform readers and reader/printers can be shared.
4. Bibliographic tools and periodical indexes can be shared to fully utilize the collections and provide a more complete searching for information.
5. Professionally trained staff more able to assist individual researcher.
6. Storage is more efficient because of control of duplication in acquisition of material and ease of discarding all but last copy of material after rush of use is completed.

An example of centralizing like functions was recently demonstrated in Washington. The Washington State Library issued a consolidated film listing of all state agency films. These films were transferred to the State Library where a central booking operation was established. Bringing all films together allowed for automatic cleaning and checking of films because of the quantity and a more efficient use of storage and personnel.

The study of State governmental libraries at this time would assist in determining program goals and directions for the future development of information resources in State government. We recommend that the study investigation include for each library:

MEMORANDUM

The Honorable George Hohman

page 3

April 12, 1971

1. Purpose
2. Subject areas interest
3. Collection inventory - standard and specialized reference, periodicals, other
4. Funding - sources and expenditures
5. Agency determination of reference shelf actual needs. (Agencies would require immediate access to the Alaska Statutes, for instance, as at present).

The evaluation and correlation of the information gathered should develop recommendations concerning:

1. Common location
 - a. Space for readers
 - b. Space for collection
 - c. Staff work area
2. Staffing and hours required
3. Alternatives for improved governmental libraries if centralization of facilities is impracticable.

An estimated three months would be needed for one person to complete the study. The investigation should be conducted by a person who is not a member of any State agency library staff. Employment through contract with the Division of State Libraries would provide administrative and clerical support. Estimated cost of the study is \$2,500 which would be funded with \$1,500 general fund and \$1,000 Federal.

HOUSE FINANCE COMMITTEE

3:00 p.m.

PRESENT: All members.

Office of
Governor

Mr. Hohman informed the committee that they would now closeout the Office of the Governor. Mr. Fink asked for the official position of the Governor's Office on this budget. He said he had two budgets from the Governor's office, and with the letter he had of March 23, he had compared it and it just doesn't "jibe."

Mrs. Mauger, the accountant, had given him a third set of figures and she admitted it did not agree either. \$76,000 had been added because as Mrs. Mauger understood it, the House Finance Committee had asked for it for the Public Defender.

Mr. Hohman explained to Mr. Fink that these decisions would be made by the committee now for the Office of the Governor. Mr. Ditman then passed out figures that he was recommending for this budget.

Mr. Wright said he would like to know what was going on. Mr. Hohman moved for a five-minute Democratic caucus. Mr. Fink requested that Mr. Warren Wiley from the Governor's office appear before the committee to explain these changes.

Meeting recessed at 3:10 p.m.

AFTER RECESS

Mr. Hohman called the meeting to order. Mr. Fink moved to have Mr. Warren Wiley appear before the committee to explain what figures were actually in the Governor's revised request. Mr. Ditman objected. Mr. Warwick moved to table the motion. Mr.

Fink protested, asking that this be explained. Mr. Hohman said they had already heard the testimony. Mr. Fink felt since they had heard from all the other departments on their revised figures, they should hear this one too.

Mr. Hohman replied that he thought they could adequately determine this during the course of the discussion on the budget as to what the recommendations are on the revised budget.

Mr. Haugen said he did not understand why the subcommittee member on the minority side (Mr. Fink) had not had any indication as to what has taken place and he thought it was all somewhat unusual.

Mr. Hohman said he was surprised the subcommittee had not informed himself on this. Mr. Fink said he had asked for a list of the approved figures and had compared them, and nothing seemed to "jibe" as he had said earlier. Mrs. Mauger told him she couldn't reconcile them either and when he asked her if the Governor had approved these, she didn't know. She said that the \$76,000 additional had to do with the Public Defender, but he still did not know what the revised figure was for the whole budget. Mr. Hohman said they had the revised figures before them. Mr. Fink pointed out that Mr. Mauger did not know if they were the revised figures and now she has a third list that she signed her name to, so he felt they should have someone tell the committee whether the list before the committee is right or not.

Mr. Hohman called for the question on having Mr. Warren Wiley appear before the committee. Motion failed 2-5.

Mr. Hohman suggested a tentative close of this budget as they have done with several other budgets and if the subcommittee (Mr. Fink) has further questions, he will then have the opportunity

to obtain the questions.

Mr. Fink reminded the committee they had never accepted a budget without being told what the changes were. Mr. Hohman said that as they proceed through the budget they will be told what the changes are. Mr. Fink asked Mr. Hohman if he was going to take a position as to what set of figures were being recommended by the Governor's Office. Mr. Hohman said the committee would take a position on what the figures are. Mr. Ditman said the figures by the Governor are the "minimum" figures. Mr. Fink thought this was an unusual procedure since everything until now has been the "revised" figures. Mr. Fink announced the minority would hold a 10-minute caucus.

Meeting recessed at 3:50 p.m.

AFTER RECESS

4:00 p.m.

Mr. Hohman called the meeting to order and announced they would now start on the closing of the Office of the Governor. Mr. Ditman recommended \$784,900 for the Executive Office which also included International Fisheries. Mr. Fink noted that the maintenance level for this was \$703,100 and Mr. Hohman said it was \$757,600. Mr. Fink wanted to know the difference between the maintenance level and Mr. Ditman's recommendation. Mr. Ditman said it was in personal services. Mr. Haugen wanted to know if there was a new position being added and Mr. Ditman didn't think there was. Mr. Fink asked if this was the Nome office and Mr. Ditman said there wasn't enough money in there for that.

Executive
Office

nor
100 Mr. Ditman said there was an error on the chart and corrected the equipment category to \$5,600, which changed the total and he recommended \$483,900 for a total for the Lt. Governor.

He said this change from the original budget was requested by Mr. Boucher, the Lt. Governor. Mr. Fink asked why personal services was up and Mr. Ditman listed the request for the following new positions: Clerk Typist III; Election Supervisor III; reclassification of Clerk Typist II to Clerk Steno II; and request for temporary Clerk Typists III at Juneau (3), Anchorage (2), Fairbanks (1) and Nome (1/2), for a total increase in Code 100 of \$29,432.

200 Increase in travel was \$8,200 for increased travel for director of elections (\$2,200) and travel and per diem (\$6,000) for the new position of election supervisor III.

300 Mr. Fink asked why contractual services increased. Mr. Ditman said it was in all categories and listed the following increases:

Contractual Services

310	Postage	2,500.00
320	Printing & Advertising:	
	Advertising of registration	1,200.00
	2 additional voter registration lists	5,000.00
	Revisions and printing of new forms	6,000.00
340	Repair - Typewriter repair & upkeep	400.00
330	Rent & Utilities:	
	Juneau office space, not budgeted for 12 mos. @ 325	3,900.00
	Rent increase Nome 12 mos. @ 125	1,500.00

390 Registering voters - payments to
local registrars

10,000.00

Total Contractual Services

\$30,500.00

Mr. Haugen asked if this was in the original budget, and wondered why they needed another Election Supervisor. Mr. Ditman said it was not in originally. Mr. Fink asked where the Election Supervisor would be and Mr. Ditman said the letter did not specify. Mr. Haugen said that normally these expenses drop during an off-election.

400

There was an increase of \$1,000 for miscellaneous supplies for registrars.

500

Mr. Ditman recommended an increase of \$2,310 for equipment for new positions and file cabinets for registration cards.

Also Mr. Ditman reinstated the Mag card machine that had been in the original budget (\$2,100). Total increase from the original budget for Lt. Governor was \$73,542.

Mansion:

Mr. Ditman recommended \$62,600 for the Mansion.

Planning
&
Research

Mr. Ditman said the new total for Planning and Research was \$995,500. Mr. Fink said his figures show \$588,700. Mr. Ditman said \$80,000 was added for Legal Services. He said this was for the SEOO (State Equal Opportunity) program. Mr. Fink asked if the state had a statutory SEOO program. Mr. Hohman said this was the OEO program that Frank Cox used to head. Mr. Ditman said they had put \$50,000 in here for a study on income needs of the aged. He said in that was HOUSE BILL NO. 160 (appropriating \$100,000 for a professional study of income needs) would not have to pass and it would also save \$50,000 because they are only putting in \$50,000. He said they would

have a letter of intent accompanying this so the Office of the Governor would know what it was for.

Mr. Haugen asked about the executive order that took the money that was appropriated last year and spent it elsewhere.

Mr. Hohman read from Executive Order 71-43X, which reallocated the original \$50,000 to Division of Budget and Management (\$30,000) to program budgeting services requested from the consulting firm; and to the Division of Supply (\$20,000) for a study of the state insurance program and a study of the feasibility of a central warehousing facility in each of the major cities.

Local
Affairs

Mr. Ditman recommended \$496,000 for Local Affairs. Mr. Fink asked if this was the revised figure by Mr. Ditman since the one that came out of the Governor's Office was for \$687,000. The Governor's Office has raised federal receipts to \$291,000 and Mr. Ditman's figures show \$100,000.

Mr. Fink asked if the Technical Assistance program had been put in Local Affairs since it had been explained at the time they originally reviewed the Governor's Office budget that this had been transferred out of Planning and Research and put in Local Affairs. He thought Planning and Research should have been reduced to show this and that Local Affairs should have increased by the same amount. (It was not clear during the meeting as to whether it was shown under Local Affairs Agency or Planning and Research funding.)

Mr. Fink said the original maintenance level for Local Affairs was \$289,800 and the original total requested figures was \$604,000. The figure that Mr. Ditman recommended did not "jibe" with either of these and Mr. Fink wanted to know how

he could explain this to the caucus. Mr. Hohman said they would request a breakdown on this. He also requested the staff to get an explanation of the additional federal receipts.

Mr. Fink said he could not explain the new total in Planning and Research by comparing it to maintenance or to the original request.

300

Mr. Fink said maintenance level for contractual services was \$202,000 in Planning and Research and he said if they take Technical Assistance and add it to Local Affairs, then they have to drop Planning and Research by the same amount. Mr. Ditman said the only area that is questionable is the contractual services which is way up in Planning and Research (\$715,800). Mr. Hohman asked staff to get an explanation to this problem.

Mr. Haugen asked where the expenses are for the White House Conference. Mr. Ditman didn't know. Mr. Wright said the one for the aged is in Health and Welfare and the one on youth was held last fall. Mr. Haugen said he understood there was money in the budget for Mary Hale and Bob Willard and if it is there he would like to know what it is under. Mr. Hohman asked the staff to find out about this.

Rural
Dev. Agency

Mr. Ditman recommended \$629,108 and said that \$100,000 had been added to work on Headstart buildings. He said this would take care of HOUSE BILL NO. 279 by Moore, Banfield, Degnan et al for appropriating to Rural Development for this purpose. Mr. Ditman wanted to know if this was for new buildings and Mr. Ditman said he didn't know where the list was on this but he thought it was for renovation of existing buildings. Mr. Fink asked who requested this be put in here and Mr. Ditman said Martin Moore.

Police Office: Mr. Ditman recommended \$68,000.

State Museum: Mr. Ditman recommended \$230,300.

Public Defender: Mr. Ditman recommended \$715,100 which he said included the earlier mentioned \$76,200 in personal services. Mr. Fink asked if the Governor had requested this addition. Mr. Hohman said it was approved and Herb Soll, the Public Defender had also requested it. Mr. Haugen wanted to know if this had gone through for approval by Budget and Management and Mr. Hohman said it had been approved by the Governor's Budget Review Committee. Mr. Haugen said he was objecting to this addition.

Mr. Fink asked what they were going to do with it, and if they were going to add new people. Mr. Hohman said it would be for three law students from the University of California, plus additional permanent staff. Mr. Fink wanted to know where they would be located and Mr. Hohman said the students would be in bush areas. Mr. Fink questioned what else had been added that was above maintenance level and Mr. Ditman did not know.

Mr. Hohman read a personal letter to the committee detailing each position. Mr. Haugen requested a copy of the letter. He then requested the staff to get a breakdown from the Governor's Office of the \$76,000.

Mr. Fink said this was still \$80,000 short of explaining the increase. Mr. Ditman said that Mr. Soll had told him he could not live with the maintenance level and Mr. Soll did not feel he had been treated fairly by the use of this since his agency had not been funded at what he considered "maintenance level" to begin with.

Mr. Fink reminded the committee that the original request had

been \$635,000 and it was now \$715,100. Mr. Haugen said he had always predicted this program would grow and by next year the budget would be over a million dollars and they will be facing the same problem.

Mr. Fink asked how many attorneys they have and Mr. Hohman said eight in Anchorage, six in Fairbanks, two in Juneau and two in Ketchikan. Mr. Haugen said he understood they had one in Cordova which is no bigger than Petersburg. Mr. Ditman said he circulates and travels throughout that area and to Kodiak, Kenai, Bethel area, etc.

Human Rights Commission: Mr. Ditman recommended \$125,500. Mr. Fink noted that maintenance level on this was \$102,000.

Criminal Justice: Mr. Ditman recommended \$684,800. Mr. Fink noted that maintenance on this was \$132,800.

Contingency Fund: Mr. Ditman recommended \$250,000.

Boards & Commissions: Mr. Ditman said he had originally recommended \$370,300 (the chart was in error: travel should have been \$61,100) but he was adding \$2,200 in contractual services which would increase code 300 to \$36,000. The total recommendation for Boards and Commissions was now \$372,500. He said Mr. McVeigh had signed a note for \$2,200 to pay for the pedestal for the Bartlett statue in Washington, D.C. and he felt the state should pay him for this.

Youth Involvement in Government \$200,000 for this item. Mr. Ditman said this was not in the workbook and he was recommending

Center for Administration of Justice Mr. Ditman recommended \$100,000 for this and Mr. Fink asked if there was federal money involved. Mr. Ditman said it didn't

show any. The committee reverted to discussion of federal funding,

in Planning and Research. Mr. Haugen asked for a complete breakdown on how the actual expenditure for FY 1969-70 of \$1,544,910 had been spent.

Environmental
Quality
Control:

Mr. Fink wondered if the Governor's request for Environmental Quality Control was to be put in here. According to the letter of March 23 from Mrs. Mauger, she stated that \$245,700 was to be added for this program and if so, this was a general fund program. Mr. Fink said that with the budget as presented by Mr. Ditman they had "soaked up" \$1,000,000 which will be that much less that can be used for legislative programs that the Governor did not ask for. Mr. Ditman disagreed with the million dollar figure and said he could only see where they had added \$380,000.

Mr. Haugen wanted a further explanation of the Center for Administration of Justice and wanted to know if it was a new item. Mr. Fink wanted to know if it was in the budget. Mr. Hohman said it was in the Governor's State of the State message. Mr. Hohman reminded the committee that this was a tentative budget and he will request information on this.

Mr. Fink said the Governor's revised total was \$4,373,608 and now with all the additions it is well over \$5,000,000.

Meeting recessed at 5:00 p. m.

[See pages 725A through 725C for breakdown on comparison of Finance Committee figures vs. Governor's revised recommendation.]

OFFICE OF THE GOVERNOR

<u>Department</u>	<u>Gov. Request</u>	<u>House Total</u>	<u>Increase (Decrease)</u>
Executive Office	784,900	784,900	-0-
Lt. Governor	409,900	483,900	74,000
Mansion	62,600	62,600	-0-
Planning & Research	865,500	995,500	130,000
Local Affairs Agency	687,000	496,000	(191,000)
Rural Dev. Agency	529,108	629,108	100,000
Tokyo Office	68,000	68,000	
State Museum	230,000	230,300	
Public Defender	638,900	715,100	76,200
Human Rights Comm.	125,500	125,500	
Criminal Justice	684,800	684,800	
Contingency Fund	250,000	250,000	
Boards & Comm.	370,300	372,500	2,200
Youth Involvement	200,000	200,000	
Center for Admin. of Justice	100,000	100,000	
Environmental Quality Control	?	?	

1/ The \$74,000 increase in the House figure for the Lt. Gov. is explained as follows:

Elections

Personal Services

Clerk Typist III 8-C \$621	8,718.00
Election Supervisor III 17-A \$1,164	16,342.00
Reclass Clerk Typist II, PCN 3-32 to Clerk Steno II	704.00
Temporary Clerk Typist III 6 months Juneau 3 full time Anchorage 2 full time Fairbanks 1 full time Nome 1/2 time 975 hrs @ \$3.55 plus 6%	<u>3,668.00</u>

Total personal services

-725 A -

\$29,432.00

Travel & Per Diem

Increase for Director of Elections	2,200.00	
Travel & Per Diem for new position, Election Supervisor III	<u>6,000.00</u>	
Total Travel		\$ 8,200.00

Contractual Services

310 Postage	2,500.00	
320 Printing & Advertising:		
Advertising of registration	1,200.00	
2 additional voter registration lists	5,000.00	
Revisions and printing of new forms	6,000.00	
340 Repair - Typewriter repair & upkeep	400.00	
330 Rent & Utilities:		
Juneau office space, not budgeted for 12 mos. @ 325	3,900.00	
Rent increase Nome 12 mos. @ 125	1,500.00	
390 Registering voters - payments to local registrars	<u>10,000.00</u>	
Total Contractual Services		\$30,500.00

Commodities

480 Misc. supplies for registrars	<u>1,000.00</u>	
Total Commodities		\$ 1,000.00

Equipment

500 Equipment for new position, Clerk Typist III		
Desk	\$200	
Chair	50	
Misc.	60	310.00
File cabinets for registration cards		
Anchorage	3	
Juneau	1	
Fairbanks	<u>1</u>	
	5 @ \$400	<u>2,000.00</u>
Total Equipment		\$ <u>2,310.00</u>

Total Program - Elections \$71,442.00

Reinstate Mag card machine, Lt. Gov. Office 2,100.00

Total Increase - Lt. Governor Office \$73,542.00

- 2/ The \$130,000 increase in the House figure for Planning & Research is:
- | | |
|---------------|--|
| \$ 80,000 | (addition for state participation in
OEO programs.) |
| <u>50,000</u> | for study on income needs of aged (HB 160) |
| \$130,000 | |
- 3/ The \$191,000 decrease for Local Affairs in the House figure is not explained.
- 4/ The \$100,000 increase in the House figure for R.D.A. is for the Headstart project (see HB 279) which will renovate or build new buildings for Headstart.
- 5/ The \$76,200 increase for the Public Defender in the House Figure is for personal services for additional positions (3 U. of Calif law students, attorneys, support positions etc.)
- 6/ The \$2,200 increase for Boards & Commission in the House figures is to reimburse the person who paid for the pedestal for the Bartlett statue in Washington D.C.

AFTER RECESS

5:00 p.m.

State
Operated
Schools

Mr. Hohman announced to the committee that they would now close out State Operated Schools. He said the request was for \$31,000,000, and added that Mr. James Harper and Mr. Robert Thomas of the Department of Education would appear before the committee at 8:30 on Wednesday to answer any questions the committee had on the Education budget and State Operated Schools. Mr. Wright asked about the request from AVEC contained in the letter from Merle Armstrong to Mr. Hohman dated April 5, stating: "... The request by AVEC for an additional \$144,000 is serious in its relation to the current budget and future budgets. With additional schools coming under AVEC electrification the \$28,000 per school can reach three-quarters of a million dollars a year for only 30 schools. This subsidy should not balloon the cost of education..."

Mr. Hogan said that Mr. Thomas was the one who had commented on this at an earlier meeting, stating that he did not know where Merle Armstrong had received his information. Mr. Fink asked how many schools were involved and Mr. Hohman said ten. Mr. Fink said the billing is a minimum of \$1,200 a month and AVEC wants \$2,400 which would be a \$1,200 a month increase. Mr. Hohman said that BIA had already made an agreement and wondered if this was contingent on the state coming in. BIA had evidently agreed to pay \$2,400 a month per school building. Mr. Fink inquired about the cost in schools where they have their own power. Mr. Hohman said that would be a tough question to answer because they never come up with expenses. Mr. Fink said they could come up with the

cost of the generator, fuel oil and maintenance and should be able to arrive at a figure in that manner. Mr. Wright said the only place he could see in this budget where they could do anything "up or down" is in Administration and he said it was the only area where he had any strong feelings. He said they originally asked for 31 positions, then subsequently dropped 12 and he wanted them to drop the salaries, too.

Mr. Wright moved and asked unanimous consent that this budget be decreased by \$250,000 and that legislative intent would show they expect them to live within the administrative budget.

Mr. Hohman objected for the purpose of finding out exactly what they were doing.

Mr. Wright referred to the revised budget sheets and said on the third page (see Education file for copy) they showed originally where all slots would be filled, then on the revised figures, indicated they would drop 12 positions but they were still asking for the same amount of money.

Mr. Hohman asked where the cut would be and wondered if it was Administrative Services. Mr. Wright referred him to the organizational chart and said these people are supposed to be in Anchorage out on International Airport Road. Mr. Hohman still did not understand where the cut would be and Mr. Hogan thought the cuts would come from several different areas.

Mr. Hohman removed his objection and moved that the Mr. Wright's motion be amended from \$250,000 to \$235,000 which would then leave the District Operations at an even \$1,000,000. No objection. Mr. Fink noted that tuition was underfunded by \$340,000. The chart shows they need \$1,340,000 (current year's level) but

that they were only asking for \$1,000,000; however, they had footnoted the fact they would possibly come in for a supplemental. He thought maybe it should be included in a letter of intent that the committee would not accept any supplementals, and that they were to live within the budget. Mr. Hohman said he didn't understand Mr. Fink's intentions and wondered if he meant they were not to pay this nonresident tuition fee if there were no funds. Mr. Fink said no that was not his intention, he just felt they should either request what they need or live within it but not announce already they were coming in with a supplemental. He would like to see them get it somewhere within the budget. Mr. Warwick suggested that the \$235,000 that had just been cut from salaries be put in this area and make it \$1,235,000 instead of the \$1,000,000 they requested.

Mr. Hohman said he could see funding to whatever they used last year. Mr. Fink said it should be one or the other, that they should either budget it up or tell them to find it elsewhere within the budget. Otherwise they will come in next year with a supplemental. There is no basis that Mr. Fink could see for it to go down. Mr. Fink asked if they would receive the chart that has been furnished for all of the others budget and he was assured they would have it.

Mr. Hohman moved and asked unanimous consent that \$30,765,000, which represented a \$235,000 decrease in the administrative section of the district office, be accepted by the committee.

Mr. Fink asked if the committee was going to have a letter of intent on the resident non-tuition and Mr. Hohman pointed out that this was a 100 per cent federally funded program. He said it was

all federal receipts received from PL 874 funds.

Mr. Wright said the Anchorage schools receive these funds directly from the federal for their schools.

Mr. Hohman said they would question Mr. Thomas on the pupil tuition and also on the \$235,000 if there were any questions by the committee. Mr. Haugen wanted to know if they were including the \$144,000 for AVEC. Mr. Hohman said he had questioned Warren Wiley and Mr. Wiley said they had looked at it and there wasn't enough "fat" to fund this request within the budget.

Mr. Wright wondered if the Governor's Office approved of the AVEC request and Mr. Hohman said they had approved it but there wasn't enough "fat" in it so it would have to be an "addon". That was their suggestion that the legislature add it on, according to Mr. Hohman.

Mr. Wright said he defies the Governor's Office to come in and tell him there is no "fat" or "lean" in here.

Meeting recessed at 6:15 p.m.

AFTER RECESS

6:20 p.m.

Department of
Highways

Mr. Hohman announced that the next budget to be closed out was Department of Highways.

Mr. Haugen stated that he was recommending to the committee that \$1,160,700 to be deleted from the Governor's original budget request of \$22,413,300 which left a total for Highways of \$21,252,600.

Mr. Warwick asked for the chart on this and Mr. Hohman said there wasn't one yet.

Mr. Hohman moved and asked unanimous consent that they accept the Governor's revised figure of \$19,902,500 for Highways.

Mr. Fink said that he did not agree with what Department of Highways said they would need. Mr. Haugen said the cut would come out of administration and maintenance, and this would mean \$800,000 out of maintenance under contractual services. Mr. Ditman expressed his dismay at this particular decrease. Meeting adjourned at 6:30 p.m.

HOUSE FINANCE COMMITTEE
April 14, 1971
8:35 a.m.

Present: All members with the exception of Mr. Wright. Robert L. Thomas, Deputy Commissioner; James M. Harper, Director, Regional Schools & Boarding Home Programs, Department of Education.

Dept. of
Education
&
State-Op.
Schools

Mr. Hohman called the meeting to order and said the committee had questions on the Education and State-operated Schools budgets. The first question was the federal/state funding ratio in administrative staffing under State-operated Schools. Mr. Thomas replied PL 874 funds can be treated as general funds because there is no distinction made in administrative staffing. Mr. Hohman then asked about state non-resident tuition, on which over \$1 million was spent last year. Mr. Thomas said to a great extent this is PL 874 funds. Funds are earned for each non-resident student; however, it is an arbitrary break-out because the payment from the federal government comes in a lump sum. 50% will be received this year and 50% next year after the accounting is done, which is pro-rated to districts by the department. Mr. Hohman asked if a program is cut which shows exclusively PL 874 funds, the demand on the general fund will be relieved. Mr. Thomas said yes, so long as the services are provided to the children. The rate is based on expenditures two years before, and if the program is cut and services not provided to the children the state will not receive any PL 874 funds. A reduction in staff, however, would put less demand on the general fund. Mr. Haugen questioned the effect when students move from one district to another and Mr. Thomas answered the sending district must send to

the receiving district the amount allocated by the receiving district. In answer to a question from Mr. Haugen, Mr. Thomas said the state pays for education, board, room, tuition costs for students coming in from logging camps. He distributed a report proposing parental participation in costs (attached).

AVEC was discussed and Mr. Thomas said they now pay AVEC \$1200 per month. Mr. Fink asked how they can justify this cost and Mr. Thomas said they didn't, it was justified for them. Under PL 874 some of the funds are recovered, so to that extent it is not a total loss. Mr. Thomas estimates about 60% is recovered from the federal government. He did not know the status of the request that AVEC has in to increase the rate, but Mr. Hohman said it had gone through. Mr. Thomas noted this increase had not been included in their budget.

Mr. Hohman asked to return to the student non-resident tuition question and said a possible supplemental is indicated for next year. Mr. Thomas said he didn't believe so, since they are not increasing over the present. Tuition is based on expenditures of the local money of the year before, and with the big increase in the foundation program and a reduction in the millage rate, Mr. Thomas expects the tuition will drop. Mr. Hohman questioned the breakdown of expenses on page 202 of Book II of State-operated Schools and Mr. Thomas said most of these are secondary pupils out of Ft. Rich and Elmendorf. There are about 300 boarding students in Anchorage and a total of about 800. Mr. Hohman noted the tuition rate of \$505 and Mr. Thomas said this is based on 1969 expenditures in the district. There can be quite a difference in tuition rates depending on what the borough does with the appropriation and depending on what comes in under revenue sharing.

Moosah does not put in any money, and Mr. Thomas said as far as he knows all they supply is power to the school. Compared to AVEC he felt they were doing quite well. Mr. Warwick asked how the tuition rate is determined and Mr. Thomas said an analysis is made of how much is put in from local taxes, PL 874 receipts, other collections they may have, etc., and covers everything that is not state money directly. The total amount of money is divided by the number of students, and Mr. Thomas believes it will go down substantially due to the increase in the foundation program. It is possible it will be inadequate, but Mr. Thomas thought it would come closer to \$1 million than \$1.3 million.

Mr. Hohman noted the foundation program shows an allotment of \$69,300,00 and last year there was less than that and the department had a surplus. Mr. Thomas said there was a surplus of \$811,000 and possibly there will be a surplus next year. The districts take their best projection of enrollment and it has varied over a number of years, but is usually 1-1/2 to 2% high.

In answer to a question from Mr. Hohman on Sabbatical Leave, Mr. Thomas said they used the entire \$40,000 budgeted. Mr. Fink asked why the teacher retirement figure is constant and Mr. Thomas said this figure comes from the Department of Administration and put in as a constant because they had not received any change from Administration. It is probably higher because the rates have gone up and the number of teachers has increased. Mr. Hohman then asked about the State Library section which the Governor has reduced considerably. Mr. Thomas said there was a one-shot construction appropriation in the current year

where Grants, Claims & Shared Revenue totalled \$453,000. Part of this was for operational support, but about \$150,000 was for construction. Mr. Wright joined the meeting at 9:05 a.m.

Mr. Fink noted the large increase in the Director's Office of Regional Schools. Mr. Harper said supplemental funds under Johnson-O'Mally are put in this account but are distributed to districts. The Governor's Review Committee did cut out Johnson-O'Malley funds which is a direct allocation to the state, and Mr. Harper said this was rather ridiculous. This is not matching money, and if not granted it just takes revenue from the state. Mr. Thomas said this is contract money, different from PL 874, and obviously the Governor's Review thought they were matching funds. He added he did not feel it was critical at this time, because regardless of what the legislature appropriates the Bureau negotiates the amount Alaska is to receive. Mr. Harper noted Alaska has been quite successful in receiving a disproportionate share of these funds, and receives more percentage-wise than any other state. In the boarding home program, most of the money goes directly to the people keeping the students and increases the economy at the grass roots level. He said that the Bureau does look at the state's participation in the budget, and if the general fund is down the federal may reduce their appropriation. Mr. Warwick asked of the money in the Director's Office (\$305,000), how much is general fund. Mr. Thomas said \$85,000. Answering further questions from Mr. Warwick, Mr. Thomas said another program has been developed for students from the bush schools to spend time in a transition period day school when transferring to Anchorage. Also planned are special remedial programs at Kodiak, work study programs, and counselors for the bush students, who need more attention than other students.

Mr. Haugen said he would approve if the money is spent on the students and Mr. Harper noted there is very little administrative overhead in these programs. Mr. Hohman asked when the Johnson-O'Malley funds will become firm and Mr. Thomas answered some time next January. After appropriations are made, renegotiations can be done in an attempt to receive further funding.

Mr. Haugen questioned dormitories and Mr. Harper listed the ones available. New dormitories will not be opened if not funded. Mt. Edgecumb has about 600 students, but most of their students come from up north. Very few are from Southeast Alaska, probably about 90 at Mt. Edgecumb. Mr. Harper said they are projecting some plans and hope to free Mt. Edgecumb in 1974-75 and use the facilities for another type school. They will develop an educational park there and use facilities for recreation, etc. He added that students should not attend these schools if their community has a high school. Mr. Thomas said currently there is no incentive not to send students to dormitories, and perhaps some parental participation should be requested.

Mr. Warwick noted an increase in the public school foundation program maintenance level and Mr. Thomas said it is a provision for innovative programs, special programs not covered in foundation programs. However, he believes it was deleted by the Governor. Mr. Fink said the Governor only reduced the budget by \$200 and Mr. Thomas said he believes this must be a typographical error.

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

PARENTAL PARTICIPATION SCHEDULE

Boarding Home and Dormitory Programs

To insure equitable participation in costs of providing dormitory or boarding home care for students without access to secondary schools in their home community, parents or guardians shall be responsible for payments as follows:

- A. One child--four times the amount of the annual State income tax as filed covering the particular school year, but not to exceed the actual costs to the State.
- B. Two children--six times the annual tax, up to the actual cost.
- C. Three or more children--eight times the annual tax.

By February 15 following the close of the tax year, the Department of Education shall furnish the Department of Revenue with a list of all students who were in the program during that year, the period of time if less than a full year, and the total expenditures per pupil in the program.

The Department of Revenue shall bill the parent or guardian on the basis of the tax return for the applicable year or portion thereof and deposit the proceeds in the General Fund.

AFTER RECESS
10:25 a.m.

Present: All members except Mr. Ditman.

LEGISLATURE Chairman Hohman called the meeting to order and explained the committee would discuss the budget for the Legislature. Mr. Hogan had prepared a breakdown of the recommendations (see page 741). He pointed out that this recommendation does not make any reference to the Pipeline Committee. The Legislature had been broken out from Legislative Affairs (except for general administrative work) and Mr. Hogan explained that personal services for the Legislatur

Legislature would be \$970,700 which is \$632,900 for the legislative members and employee benefits and \$337,800 for temporary help.

Mr. Hogan said that the letter from John Elliott, Executive Director, has reduced the legislative pay to a 90 day session but did not reduce the temporary employees pay for a 90 day session. The \$337,800 for temporary employees is for a 90 day session, Mr. Hogan added.

Mr. Ditman entered the meeting.

Mr. Warwick asked if this included additional employees and Mr. Hogan said this is 98 employees for 90 days. Mr. Hogan explained that in Legislative Affairs he had pulled out the personnel for Legislative Finance which is lines 2, 12, 16, 17, and 18 on page 7 of the budget.

Legislative Audit Mr. Hogan explained that the breakdown for Legislative Audit is exactly as written in the red budget document with the exception of an addition of \$50,000 in contractual services

to be used for contractual services for salaries or addition of new personnel -- whichever the audit committee sees fit.

Mr. Hogan pointed out that the budget for Legislative Audit has been constant for the last three years.

Legislature Mr. Hogan said travel for the Legislature as shown on the
200:

recommendation sheet is \$209,400. This is per diem for 94 days which amounts to \$197,400 and \$12,000 which is \$200 a member for one round trip and provides two days at each end of the session. He asked if the committee felt this was adequate.

Mr. Haugen left the meeting. The committee agreed on \$209,400.

Legislative Mr. Hogan explained that he had taken the current authorized
Affairs

200: travel and per diem for the Legislative Counsel which is \$31,500 and added \$7,200 (Mr. Hogan had taken their original request of \$19,200 and subtracted out \$12,000 which is now being shown under Legislative travel) which came to a total of \$38,700 for travel for Legislative Affairs.

Mr. Fink asked how the travel for Legislative Audit and Legislative Finance had been arrived at. Mr. Hogan explained that the travel for Legislative Audit was what had been requested by them.

Legislative For Legislative Finance, Mr. Hogan said he had taken a
Finance
a proportion equal in size to Legislative Audit. The figure for Legislative Finance for travel is \$7,000. Mr. Hogan said that Finance will be involved in travel inside Alaska to certain state facilities. In Legislative Finance there is \$3,000 for contractual services; \$1,000 for commodities; \$2,500 for equipment (Mr. Hogan pointed out there would be no equipment for Finance as all the

present equipment belongs to Legislative Affairs).

Legislative Under Legislative Affairs, contractual services, there
Affairs

300: is \$11,000 for code 310, communications; \$9,000 for code
340, rents and utilities; \$25,000 for code 360, equipment rental;
\$200 for code 370, insurance and bonding; \$65,000 for code 380,
professional fees and services for a total of \$110,200.

Mr. Hogan said he had moved \$240,000 from contractual services
in Legislative Affairs to the Legislature column.

Mr. Warwick asked about the two resolutions (SCHCR 26 and SSHCR 21 am)
mentioned in Mr. Elliott's memorandum. Mr. Hogan explained these
were not included -- he thought the committee might want to put
them in a special line item. Mr. Hogan said he felt \$65,000, under
380, would leave \$10,000 or \$15,000 left that could be used whichever
way Legislative Affairs wished. This was \$35,000 for the Levy
contract -- funding for the voting machine, reporting service, etc.
Mr. Fink asked if the committee felt they should have legislative
intent showing a narrative of contractual services breakdown of
the \$110,200. The committee briefly discussed this but decided
against this.

400: Mr. Hogan said there is \$44,600 for commodities, code 400, for
Legislative Affairs. This is \$4,600 for code 420, food for human
consumption; \$3,000 for code 470, professional and scientific
supplies; \$35,000 for code 480, stationary and office supplies;
and \$2,000 for code 490, other supplies, materials, and parts.
Mr. Ditman suggested putting legislative intent that there was
\$140,000 in the Office of the Governor for drug abuse which is
100 per cent federal funds and suggesting that they work with

the Legislature on this. Mr. Warwick said there was a commission on this last year but it is now shown in the 1972 budget. There was an Information Officer in Anchorage which was a requested new position that had been deleted by Legislative Council and the committee discussed this in detail. This position had been deleted but the equipment had been left in. Mr. Fink felt that it is not consistent to have equipment and not the people. He felt they should delete the equipment for the Information Officer and Secretary. He moved they strike out equipment that pertains to these two jobs. The committee discussed this but no action was taken.

Mr. Hohman said he thought the committee should look at the request for the Special Pipeline Impact Committee (Mr. Elliott's memo stated that this had been included in the Council's revised budget, but should be inserted by the Finance Committee if the proposal is accepted.) Mr. Fink moved that the Special Pipeline Committee not be included. Mr. Wright seconded the motion.

Mr. Hohman said he felt the committee should discuss this.

Mr. Fink asked if a majority of the committee wished to discuss it. The committee decided to discuss the Pipeline Committee.

Mr. Hohman asked Mr. Warwick how he felt about this. He said he could not vote for this until an agreement was made on the staff of the committee. There was a brief discussion on this.

Mr. Fink suggested that Legislative Audit and Legislative Finance figures be shown together. There was no objection.

Mr. Warwick asked the status of HB 14 and the committee discussed this.

Mr. Hohman moved the figure of \$2,367,200 for the total Legislature. No objection.

The committee recessed at 11:15 a.m.

LEGISLATIVE BUDGET RECOMMENDATIONS

	<u>Legislature</u>	<u>Legislative Affairs</u>	<u>Legislative Audit</u>	<u>Legislative Finance</u>
Personal Serv.	970,700	289,500	241,700	110,900
Travel	209,400	38,700	20,300	7,000
Contract. Serv.	240,000	110,200	61,700	3,000
Commodities	-	44,600	1,000	1,000
Equipment	-	10,500	500	2,500
Inter-Agency	-	-	2,500	1,500
	<u>1,420,100</u>	<u>493,500</u>	<u>327,700</u>	<u>125,900</u>
				2,367,200

HOUSE FINANCE COMMITTEE MEETING

April 16, 1971

9:15 a.m.

Present: All members.

DEPT. OF
FISH AND GAME

Mr. Hogan pointed out to the committee that they have gone through all of the budgets and in most cases accepted either the Governor's Revised Allowances or program maintenance level. He said it was his personal opinion that the committee did not have enough backup to carry the cuts made in the Department of Fish and Game and in the Department of Health and Welfare in caucus.

Mr. Haugen asked if Mr. Hogan was asking for a description of the cuts that had been made in Fish and Game. Mr. Hogan said he thought the committee wanted an administrative reorganization but he would suggest the committee might want to consider thoroughly looking into the two agencies so that next year they could make some changes. The committee discussed this.

Mr. Haugen said the committee could bring the Department of Fish and Game up to maintenance level but he wanted to explain his position. He felt the committee was concerned with the heavy staffing and he tried to develop this thinking in the subcommittee work done on Fish and Game.

Mr. Hogan said his fear was that the two agencies had been treated differently and this could cause some problems.

Mr. Haugen said he felt very strongly that the Department of Fish and Game should have an Executive Secretary for the Board

of Fish and Game.

Mr. Haugen spoke on the Attorney who had been added to the Department of Fish and Game. He said the Department was powerless to say they/him in the Department but they do believe that he belongs there.

Mr. Hogan said one of the problems with the deletion of the two deputy commissioners is whether they can justify this.

Mr. Haugen gave a brief explanation of the structure of the Department. He felt any management consultant would agree that the administration is overstaffed. Mr. Haugen said he was willing to go back to maintenance level but he would like to have the Executive Secretary and the Attorney. Mr. Haugen moved the maintenance level for the Department of Fish and Game. Mr. Ditman added that the maintenance level would restore the two deputy commissioners. Mr. Ditman said they would also indicate that the Attorney and Executive Secretary be hired.

Legislative Intent Mr. Haugen indicated it would be legislative intent

that the Finance Committee feels strongly that the administrative area of the Department of Fish and Game is heavily overstaffed and expects next year to make serious changes unless the department can provide satisfactory needs for these positions.

Mr. Ditman said then they would accept the Governor's Revised allowance plus the three positions (An Attorney, Executive Secretary and part time Secretary). Mr. Ditman said the Secretary would be divided -- 9 months for the Attorney and 3 months for the Fish and Game Board.

Mr. Hohman said that travel had been reduced in this budget.

Mr. Haugen said the committee strongly urges that all outside travel be cut to an absolute minimum.

Mr. Hohman moved the Governor's Revised Allowance minus the cuts suggested in travel and minimal cuts in contractual plus the three positions (an Executive Secretary, an Attorney and a Secretary). No objection, so ordered.

DEPT. OF HEALTH AND WELFARE Mr. Hohman moved the committee consider the budget for the Department of Health and Welfare. No objection. Mr. Degan said that the major recommended cuts had been in Administration and the Division of Welfare. Mr. Wright moved these figures be restored to maintenance level (the Governor's Revised Allowance). Mr. Hohman said the analysis on the travel indicated they are not using all the funds for travel that were appropriated last year. Mr. Hohman said if they hold travel to the current fiscal year level this will reduce their request by \$200,000. Mr. Hohman said the revised request total for travel is \$1,100,000 and projected expenditures for this year are \$825,000. There is a difference of almost \$300,000, Mr. Hohman added. Mr. Hohman felt that with the personnel shifts the committee would be in a bind to justify them as they have not actually gone in and done efficiency studies. But he felt there was justification for the cut in travel of \$200,000. Mr. Warwick pointed out this \$200,000 could fund the air pollution and nursing home. This would be \$50,000 for air pollution and AMU nursing \$125,000 for/ program. Mr. Hohman moved the Governor's Revised Allowance minus the difference between their revised request

for travel and the authorized level for this current fiscal year plus \$50,000 for air pollution plus \$125,000 for the AMU nursing. Mr. Haugen amended this to include placing a Public Health nurse at Wrangell and this is to be absorbed within the personal services in the existing appropriation. Mr. Hohman amended this to return the Public Health nurse at Bethel (this position had been vacant for 9 months). The committee said this Legislative Intent would be Legislative intent.

Mr. Wright moved that on page 652 of the budget the Anchorage Borough be amended up from \$160,000 to \$360,000. Mr. Hohman objected. Mr. Hohman said the way they had treated this budget was to restore cut figures but this would be an increase. The committee briefly discussed this.

Mr. Ditman moved for a recess and the meeting recessed at 9:55 a.m.

AFTER RECESS

3:00 p.m.

Present: All present except Mr. Wright.

The committee went into discussion of final closeouts.

Health
&
Welfare

Mr. Degnan moved and asked unanimous consent that the committee accept the revised Governor's budget with the following exceptions:

Public
Health,
Community
Health,
Greater
Anchorage
Borough

Under Public Health, Community Health, Greater Anchorage Area Borough Health Department add \$230,000 to the Governor's maintenance level of \$270,000 for a total of \$500,000 for this section. The allotment will be as follows:

Anchorage Borough Health Department	\$360,000
ACCA	77,000
ARCA	63,000
	<u>\$500,000</u>

Public
Health
Nursing

Mr. Degnan said the next change would be the addition of a new position of Public Health Nurse II in Wrangell and reinstatement of Public Health Nurse II in Bethel. The latter position had been deleted because of the nine-month vacancy factor (see pages 692-693 of Budget Minutes).

Environ-
mental
Health
Air
Pollution
Grants

Mr. Degnan stated that \$50,000 would be put in for Air Pollution in the Environmental Health Division, Air Pollution Grants, page 560 of the Workbook, under Code 700 (see page 691 of Budget Minutes). With reference to Book I, Division of Public Welfare, AFDC, page 234 under Code 390 (Other Contractual Services) Operation Upgrade, the committee repeated the intent as voiced on page 689 of the minutes, stating that under the existing budget for AFDC this is to be funded as requested at the \$200,000 level.

Public
Health
Nurses
Training

Mr. Degnan referred to page 873 of the Workbook, Public Health, Nurses Training, Code 700, that the \$50,000 as requested by the Governor should be increased to \$175,000 for Alaska Methodist University nursing program (see page 694 of Budget Minutes).

Public Welfare Stamp

Mr. Degan requested that on page 246 of the Workbook, Public Welfare, Food Stamps, that the Eligibility Worker II, Nome, and the Eligibility Worker II in Kotzebue be reinstated. These two positions had been deleted by the Governor due to the nine-month vacancy factor.

Administration

On page 153, Public Welfare, Administration, Mr. Degan reinstated the position of Clerk Typst II, Nome, which had been deleted by the Governor because of the nine-month vacancy factor.

Travel All Health & Welfare Divisions

Mr. Degan stated the travel budgets for all divisions would be at the 1970-71 authorized level for a total of \$934,900. (See page 700 of the minutes for complete breakdown in this category.) Mr. Degan moved and asked unanimous consent for adoption of all of the revisions in travel made to the Department of Health and Welfare budget. No objection so ordered.

Department of Fish & Game Special Programs

Mr. Haugen requested that the \$60,700 that was deleted from Special Programs should be used for the Stream and Lake Stock and Rehabilitation Program. No objection. Mr. Haugen felt legislative intent should indicate that the House Finance Committee is concerned to the extent that they should investigate the abnormal rise in Health and Welfare and Fish and Game expenditures over the past few years.

Legislative Intent

Mr. Hogan asked if the committee would like to go on record as to asking the staff of the new Finance Division to investigate the areas of Health and Welfare, and Fish and Game. With this information the committee could make a reorganizational proposal next year. The committee concurred with this suggestion.

State Operated Schools

Mr. Hohman stated that in State Operated Schools, the committee had cut back personal services in the administrative section of the District Office by \$235,000, and Mr. Hohman suggested the

committee return this to maintenance level which would be \$1,046,200 or an increase of \$46,200 over the amount originally proposed by Mr. Wright. Mr. Hohman said that Mr. Wright had approved of this new figure. Mr. Hohman moved and asked unanimous consent for the new figure of \$1,046,200. No objection so ordered.

Department
of
Education
Public
School
Foundation

Mr. Hohman requested a reduction of \$1,000,000 from the prior level of program maintenance level less 2 percent to control the surplus allocation problem (HB 365 repealing A 14.17.225(c) and (e) of PSF).

Mr. Hohman reminded the committee they had introduced HB 365 to do away with the surplus in the Public School Foundation Program so there would be no surplus to parcel out at the end of the year.

Mr. Fink asked if there would be a shortage. Mr. Hogan said yes but he didn't know to what extent.

Mr. Hohman moved and asked unanimous consent that the Public School Foundation Program be reduced to \$67,130,000. Mr. Fink objected.

Mr. Hohman said this was Mr. Wright's suggestion, and that the \$68,500,000 was maintenance.

Mr. Warwick referred to Mr. Thomas' statement earlier that there had been about a 1.5 percent overage. Mr. Hohman said if they undercut it they will come in with a supplemental and if they over-appropriate then they will run the risk of it be appropriated again. Whatever the committee does, Mr. Hohman assured them the districts would not be short.

Mr. Hohman called for the question on the new figure of \$67,130,000 for Public School Foundation Program and the motion carried 4-2.

Sabbatical
Leave
Program

Mr. Warwick suggested a change in the sabbatical leave. He said it was \$32,500 (grant level) which was all that was paid out in sabbatical leave; however, the actual sabbatical payments were \$40,000 according to Mr. Thomas. Mr. Warwick asked to raise it

to \$40,000. Mr. Hohman moved and asked unanimous consent that the Sabbatical Leave be increased to \$40,000. Mr. Ditman objected and asked what the Governor's request was and Mr. Hohman said the revised request was \$60,000. Mr. Ditman quickly removed his objection. There being no further objection \$40,000 was accepted by the committee. Mr. Hohman informed the committee that this was not granted to all teachers who applied for it.

Mr. Warwick said the committee could put another \$130,000 in the Director's office under Regional Boarding Schools without affecting the general fund. Mr. Hohman pointed out that they could have it whether they appropriated it or not. Mr. Warwick said it would be easier if they appropriated it and then put intent in the budget that with this increase in federal funds, they should not show any increase in general fund. Mr. Warwick then moved and asked unanimous consent that this category of Director's Office be increased from \$305,000 to \$435,000 which will result in no additional general fund appropriation. Mr. Fink objected.

Motion carried 4-2.

Mr. Hohman referred to earlier insertion of \$25,000 for SEAED project in Ketchikan for Vocational Education, General Program. (See page 709 of Budget Minutes for further information on this insertion.)

Mr. Hogan asked if a footnote should be added in the appropriation bill where they are talking about intent, e.g., \$25,000 for SEAED program in Ketchikan. Mr. Haugen said he just wanted to make sure the department spent it in the right place but he would check it out.

Mr. Hogan said that he knew of states where a commentary had been included right in the appropriation bill, either in footnote

Regional
& Boarding
Schools
Director

Vocational
Education

form or direct commentary and thought it was a good way because then it was written into the law itself. Mr. Hohman suggested they treat that as one of the wrap-up questions.

**Community
Colleges**

Mr. Fink moved and asked unanimous consent that the committee raise the Community College program under Vocational Education from \$550,000 to \$1,000,000. Mr. Hohman objected. Mr. Fink felt that since they had saved money in the district schools it would be of good use here. They are leaving community college program at the same level as last year which was the Governor's revised request. Motion failed 2-4.

**State
Libraries**

Mr. Hohman moved and asked unanimous consent that the State Libraries be increased to the Governor's revised allowance which is \$745,000. (The committee had originally adopted maintenance level of \$590,100.) Mr. Fink objected and asked why. Mr. Hohman said because Mr. Engen is in the process of expanding services to the state and he thought it was a program that should be encouraged. This would mean an increase of \$134,900 over the figure tentatively approved by the committee (see page 711 of minutes). Mr. Warwick wondered if this would cover the microfilming program, and said he wanted that to be funded within the appropriated figure. Mr. Fink read (from the Workbook) the programs this would include if they changed the figure to the Governor's revised request.

**Legislative
Intent**

Mr. Hohman called for the question on the motion to adopt \$745,000 as the new figure for State Libraries and said this would include legislative intent that HOUSE BILL NO. 329 (appropriating \$16,000 for indexing, microfilming, etc., of historical documents pertinent to the Russian period of Alaska history, etc.) and HOUSE BILL NO. 356 (appropriating \$3,000 to carry out pilot project of indexing U. S. governmental and other publications on Alaska) would be