

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2528

SECONDLY, I CALL YOUR ATTENTION TO PAGE TWO UNDER THE HEADING "DIVISION OF FAMILY AND CHILDREN SERVICES." UNDER THE SUB-HEADING "FAMILY SERVICES" \$20,535,100 IS DESIGNATED FOR "SPECIAL FEDERAL PROJECTS." THIS ITEM REFLECTS THE ANTICIPATED FEDERAL FUNDS AND OTHER PROGRAM RECEIPTS TO BE RECEIVED UNDER TITLE IV AND XVI OF THE SOCIAL SECURITY ACT. IT REFLECTS THE BEST ESTIMATE AVAILABLE TO THE DEPARTMENT AT THIS TIME OF PROGRAMS WHICH WILL BE FUNDED UNDER THE CONTRACTURAL ARRANGEMENTS NECESSARY TO QUALIFY FOR THESE REIMBURSABLE FEDERAL MONIES.

FINALLY, I MAKE REFERENCE TO THE SUMMARY SHOWN AT THE BOTTOM OF PAGE TWO WHICH I HOPE WILL BETTER PORTRAY THE RELATIONSHIP OF THE FISCAL YEAR 72 BUDGET TO THE FISCAL YEAR 1973 BUDGET REQUEST. FOR THE CURRENT YEAR, THE DEPARTMENT WAS APPROPRIATED \$47,243,500. THE SUPPLEMENTAL REQUEST PLUS THE ADDITIONAL FEDERAL EARNINGS INCREASES THE TOTAL FOR THE YEAR TO \$53,880,600 OVER AGAINST A TOTAL OF \$83,601,100 REQUESTED FOR FISCAL YEAR 1973. THE INCREASE IS SUBSTANTIAL, BUT THE FURTHER DISTINCTION BETWEEN GENERAL FUND AND FEDERAL FUNDS REVEALS THAT STATE GENERAL FUND APPROPRIATIONS WILL INCREASE \$4,227,600 OR 9.8 PER CENT OVER FISCAL YEAR 72 WHILE FEDERAL FUNDING WILL INCREASE BY \$22,446,900 OR 215.1 PER CENT OVER FISCAL YEAR 1972.

ASIDE FROM THE SIGNIFICANT INCREASE IN FEDERAL RECEIPTS THE INCREASES IN THE BUDGET REQUEST ARE MINIMAL AND CONFORM TO THE GUIDANCE CONTAINED IN THE BUDGET INSTRUCTIONS PUBLISHED BY THE DEPARTMENT OF ADMINISTRATION. HOWEVER, THE DEPARTMENT HAS IDENTIFIED SEVERAL AREAS IN THE BUDGET REQUEST WHERE REDUCTIONS WERE MADE BY THE BUDGET REVIEW COMMITTEE TO A LEVEL WHICH

MAY PLACE THE PROGRAM IN JEOPARDY. WE ARE BRINGING THESE MATTERS TO THE GOVERNOR'S ATTENTION IN ORDER THAT HE MIGHT BE AWARE OF AND RESPOND TO THESE ITEMS. WE ANTICIPATE FURTHER GUIDANCE FROM THE GOVERNOR AND WILL BE PREPARED TO DISCUSS THE POINTS IN DETAIL LATER IN OUR DISCUSSIONS WITH THE COMMITTEE.

REPRESENTATIVES OF THE PROGRAMS WILL BE MADE AVAILABLE AT YOUR CONVENIENCE TO DISCUSS IN DETAIL THE CONTENT OF THE BUDGET REQUEST.

AFTER RECESS

3:30 p.m.

PRESENT All members except Mr. Ditman. The Department of Health and Social Services--Commissioner McGinnis, Mr. McLean, Mr. Harris, HEALTH & Mr. Pagenkopf, Mr. Mailer, and Mr. Lang--was also present. SOCIAL In addition, Mr. Tom O'Donnel, Director of the Division of SERVICES Administrative Services, and Mr. Myrt Charney, Director of Budget and Management, were in attendance.

Family & Children Services Chairman Hohman called the meeting to order and said they had received the report on the Title IV Programs.

Title IV Programs Mr. McLean pointed out that the list represented everything that had been approved by the Budget and Audit Committee.

The Committee went over the list of contracts and discussed the following contracts in particular.

ALASKA HOMEMAKER SERVICE (Service goal of Federal Government.). Mr. Hohman asked whether the \$25,000 under State had been terminated. Mr. Lang said the amount had been crossed out because the funds were already within the budget for the purpose of purchase of Homemaker's services. There was no reason to expend additional monies there.

ALASKA LEGAL SERVICES (Provide legal services to welfare recipients per Federal requirements.) Mr. Hohman asked how Alaska Legal Services had gotten into their Department, and Mr. Lang said that it was give to the Local Affairs Agency. They had transferred it to Alaska Legal Services who had transferred it to Health and Social Services.

Mr. Fink thought that Alaska Legal Services was supposed to have \$40,000, but he noticed on the last page it showed \$20,000. Mr. Lang said that the additional monies were contributed by Model Cities Agency.

ANCHORAGE COMMUNITY COLLEGE (DAY CARE) Mr. Warwick asked who the day center took care of, and Mr. Harris said that it was mostly children of A.C.C. students.

MEDICAL CONSULTANTS (Consultants on recipient cases.). Mr. Fink asked why this didn't show a reduction of State expenditure. Mr. Harris replied that they hoped that it would, but at the present time they didn't know exactly how much. Mr. Fink suggested that instead of showing the amount saved the State as 0 in such a case, they should use a ?.

B.I.A. (Services to Native recipients). Mr. Harris stated that for convenience's sake, B.I.A. had transferred \$25,000 to them. There was no federal reimbursement. Mr. Fink asked if this was

ATTORNEY GENERAL (Legal Services to Division of Family and Children Services). Mr. Fink asked why a reduction wasn't shown for the Attorney General. Mr. Harris explained that these services were in addition to what the A.G. would normally provide.

Mr. Fink asked what a contract like this said. Mr. Harris said it provided for hiring three attorneys in the A.G.'s office for supervisory purposes--one in Fairbanks, one in Juneau, and one in Anchorage. He stressed this was additional work they wouldn't have gotten.

Mr. McLean said there was a value in having these attorneys. For example, the attorneys help them to intensify their efforts to receive payments from fathers. He said it would have an impact on A.F.D.C. treatments.

Mr. Harris said they tried to choose attorneys interested in the service as they work full time with the Division of Family and Children Services. He said that in reality there might be 10 people involved, but they received the services of 7 1/2 hours a day for three. He said that there were three attorneys hired at the time the contract was signed. They were Mr. Michalsky, Mrs. Glennon, and he couldn't remember the name of the third person.

CITIZEN'S PARTICIPATION COMMITTEE (Study). Mr. Fink asked about this, and Mr. Harris said that this was with the Juneau Borough Model Cities. It was a study to learn how to best use the C.P.C. Mr. Warwick asked who the money was paid to, and Mr. Charney said it went to the consultant.

OFFICE OF ALCOHOLISM (Social Services to alcoholics). Mr. Fink wanted to know what they were doing that they didn't do before. Mr. Harris said that there would be a report on that later. The Division of Alcoholism was ready to be presented at any time they were ready.

SEATTLE CONSORTIUM (Aging Study). In answer to Mr. Fink, Mr. McLean explained that last year the Governor had asked for money to do a study on aging. No additional money had been appropriated, but there was a footnote that \$50,000 was to be used to construct an age study. \$25,000 had been transferred to their Department and they were able to obtain match to do the study. So, actually only 1/2 the money designated in the budget was used to do the study. He said the study had just been completed that week and was being printed--He thought it was to be distributed to the legislature the next week. Mr. McLean said they were doing separate papers on each of the bills presently in the legislature. Because of the study they will have a much better handle on what the resources of the older people in the State are. The only information that had been available before was on the Age Assistance Program. Mr. Fink asked whether the age center would continue, and Mr. Harris said no.

Mr. Harris said that in a sense they could say they had saved \$25,000 or \$75,000, depending on how much they were supposed to have spent. The study involved over a thousand people so they saved money on it.

Mr. Wright asked what would be done with it, and Mr. Harris said that mostly it would help in answering questions to legislators.

CITY AND BOROUGH OF JUNEAU (MODEL CITIES AGENCY) (TEENAGERS) (Study of programs and activities). Mr. Harris told Mr. Fink this was a one-time study. Mr. Warwick wanted to know about it, and Mr. Harris said he would have to check on it and would get a report for him.

ANCHORAGE COMMUNITY COLLEGE (Staff Development). Mr. Fink asked whether this would continue, and Mr. Harris said it would. Mr. Harris explained that before they went into Title IV it had been a federal requirement that they train staff. He said they had contracts with the University and this was a rerun for A.C.C.

JUNEAU/DOUGLAS COMMUNITY COLLEGE (Staff Development, Cross Cultural Course). Mr. Harris told Mr. Fink this wasn't a continuing thing.

Mr. Warwick referred back to the study on TEENAGERS. He wanted to know who was responsible for letting this contract. Mr. Harris said Model Cities came in with the proposal and their Division sent a representative to the Budget and Audit Committee. Thus it was a combination of his Division, the Commissioner's Office, and the Budget and Audit Committee, and Model Cities dreamt it up.

Mr. Charney said that it was a local prerogative. The only reason they take the money is to use it to match federal monies and then they give it back to the local agency.

Mr. Wright asked about the ANCHORAGE COMMUNITY COLLEGE staff development. Mr. Lang said the proposal was to develop paraprofessional programs for training in the area of Social Services. He said it was along the same line as people trained for rural areas of social services. They would be working with people in the same financial social status. He said they were setting up a program and would offer an Associate of Arts degree.

Mr. McLean said that one of the difficulties they had found was that although they had WIN monies, the courses available were things like beautician classes and other courses that the people said they weren't interested in. A lot of the recipients had expressed an interest in a program related to Social Services so they had made a contract with the college to provide this service. They have assurance there will be WIN people who would take the course.

Mr. McLean said this was federally funded and had been for years. Before they had Title IV they had used Title 1145 of the Social Security Act.

CITIZENS' PARTICIPATION COMMITTEE (Training local residents in social services planning and evaluation). Mr. Fink wanted to know who this was with and what they did. Mr. Charney said it was a committee that was elected and run by districts. In addition to the elected members, certain representative groups like A.N.B. get to appoint people. This is the steering committee for the Model Cities Program. The \$55,000 is to train these people on what to do. Many of them haven't got the education, so they are trying to teach them to evaluate and know what is going on, so that they can represent the people in their neighborhood. In answer to Mr. Warwick, Mr. Charney said that the instructors would get the money. Mr. Lang explained that this contract was still in the stages of development.

In answer to Mr. Haugen, Mr. Charney said that they came to Health and Social Services with \$13,750 and said they wanted to get it matched.

Mr. Fink asked if this was a recurring program, and Mr. Charney said it was a five year program now in it's second year.

BETHEL BROADCASTING (Training). Mr. Fink asked about this. Mr. Harris said that the first study was to study the needs of the natives in the bush and what they needed to be taught. They wanted to determine the best method of teaching them to use human service aids. Mr. Hohman said the set-up monies came from Education.

Mr. Wright wanted to know what the \$1/4 million was to be used to train for. Mr. Harris said it was his understanding that it was training so that local people could learn how to put on broadcasts and how to make films so that they can continue after the project is done. He was referring to natives that could be trained to do the job because they could do better than a white since they could speak the language and know the culture. They could get family planning and health needs, etc. over to the people.

FAIRBANKS MEDICAL AND SURGICAL CLINIC (services related to family health needs). Mr. Warwick thought this filled a basic need. Mr. Harris said this was related to family planning and teaching that sort of thing. He said they couldn't get federal reimbursement for medical care per se.

OFFICE OF EARLY CHILDHOOD DEVELOPMENT (Expanded Day Care). Mr. Fink asked about this. Mr. Mailer said this was for pre-first graders--education to try and bring the kids up to a place where they could start on the same level with other first graders.

RECESS

Meeting recessed at 4:25 p.m.

AFTER RECESS

4:40 p.m.

PRESENT All members except Mr. Ditman. Roberta Alward, President of District 1 Education Association, was also present.

S.O.S. Chairman Hohman called the meeting to order and said that its purpose was to hear Mrs. Alward's comments on SOS District 1.

Education Mrs. Alward said that the Education Association from District
Associa- 1 was made up of 1,000 teachers. That number was composed of
tion teachers on military bases and rural teachers and region super-
District visors and area supervisors.
One

Mrs. Alward said the main concern was that the budget did not seem to reflect programs. One of their main negotiations ratified by the Board in 1971 to go into effect this next budget year was for library books for rural schools. She explained that all of their library book orders for the past five years have sat in the back of drawers. She emphasized they must be ordered. In the interim, while waiting for books, they have requested that paper-backs be ordered. They are also in the process of establishing standards for libraries to meet. However there was no reflection at all for approximately \$300,000 to put library books into these schools.

Another ratified negotiation which was not reflected in the budget was the item to get special education materials for children who need them. A majority of their needs were for special education material, she said. She pointed out that in the rural area there were 39 one-teacher schools and 64 two-teacher schools. Also included in the negotiation was orientation for teachers on the use of this material. This would mean printed material and help from the SOS staff on how to use the materials.

They requested that in 1973 they would like someone trained in the up-keep of appliances in their new kitchen. She said they wasted more money in the system on maintenance than anything else.

They also felt that some attention should be paid to the Rural Schools Project which takes \$94,000 out of the General Fund. She pointed out that out of 24 teachers who were trained, only two were native Alaskans. The Education Association did not feel that this training met the needs of teachers going into the job. It was not in the best interests of SOS, because under the terms of the grant outside teachers must be hired. She said there were many teachers in Alaska fully certified who were not being hired. Last year they only had 6 native teachers, and this year there are only 4. She said there were many of these native teachers who would stay in Alaska and teach in rural schools if they had the opportunity. Mrs. Alward felt there ought to be equal employment opportunities.

Mrs. Alward explained that the Education Association felt that the budget should be submitted from the standpoint that existing programs should be delineated and the budget compiled on the basis of existing and projected programs. She said that nowhere in the budget was there delineation on programs and what was going to be carried through.

Mr. Hohman asked who was responsible for employing the teachers. Mrs. Alward said that SOS had a personnel employer named Colleen Dame who had held the position for about 10 years. Mrs. Alward explained that two or three members went out on recruiting trips each year to bring in teachers from outside. Mrs. Alward felt that they were getting people not screened carefully enough to be going into areas with isolated conditions and lack of supervision. She thought that perhaps it should be a joint venture between the SOS staff, experienced teachers, and maybe the U. of A.

Mr. Hohman asked her to recall how the selection of the Director took place. Mrs. Alward said that there was a screening committee made up of two members of the Board and representatives from seven Alaska education associations. The screening committee had looked at submitted paperwork from applicants and on the basis of this had selected 5 candidates. The Board had then interviewed them and selected Mr. Friese.

Mrs. Alward said they felt that 3/4 of their negotiations were items that affect the programs of the district. Out of 9 items, 3 pertain to teachers' benefits entirely. All the rest pertain to programs necessary to have decent education in the rural areas.

Mrs. Alward said that so far not even 10% of the budget had ever been bound by negotiated items. This was the first year they had negotiated salaries. The salaries did not take up 70% she said--it was only 52%. The rest of the 70% went to classified employees who were supplementary people.

Mrs. Alward stated that they have 17% benefits which are included in the total SOS budget. Within that 17%, she said there was a huge buffer amount: 1% of the entire certified employees and classified employees. The certified employees, the amount is about \$500,000. They have budgeted within the 17% for 3% sick leave and 5/10% personal leave. Thus, for many of the benefits they negotiate for teachers the money is there.

Chairman Hohman turned the chair over to Mr. Degnan as he had to leave.

Mr. Warwick asked Mrs. Alward if she was in Juneau specifically to talk to the Finance Committee. She said she was here for many reasons. For example, the Association was very interested in seeing HOUSE BILL NO. 675 (Establishing educational service area in unorganized boroughs) passed.

Mrs. Alward thought they needed a "super" board for the simple reason that ordering materials was such an expense. Thus there would be a benefit to having a central ordering agency where the regional agencies could send orders. However she also felt that regional boards should be given full latitude to run their schools.

Mr. Wright asked her how much she thought the budget amount should be, and Mrs. Alward said between \$36 million and \$37 million.

Mrs. Alward said that another problem was that there were no teacher's aids in many of the rural schools. She thought they needed 39 T.A.'s for the one-teacher schools and 64 T.A.'s for the two-teacher schools. They recommend only one T.A. for all schools with up to five teachers. In the on-base schools they have one T.A. for about 20 teachers. She said that at the present time there were 23 T.A.'s in rural schools, but commented they seemed to be supplied only to places with the most political input.

Mrs. Alward told the committee that two bills had recently passed Congress which would fund at least half the cost of the T.A. program. She said the Teacher's Association had already written up a program, so that now they just had to get SOS to do something. They had recommended a training program in their program.

Mr. Wright asked their number one priority. Mrs. Alward said it was to take the special education teachers out of the regular teacher load so that classrooms would be rational. The way it looks is as if each teacher had 25 students, however since many of the teachers are not even in the classrooms, the load is more like 35.

Mr. Degnan asked if there were any other problems, and Mrs. Alward said that the SOS administrative staff had more than doubled, and there wasn't one new program coming in.

Mr. Haugen asked how many of the rural schools had free lunch programs. Mrs. Alward answered very few. 21 did not have the program because they had no facilities and couldn't meet federal requirements. She said that 10 out of 21 teachers were cooking breakfasts themselves and looking after the kids. She thought that some sort of program should be set up so that when the teacher was willing to implement it, it could be funded.

Mrs. Alward said that unless "they had someone with a hammer" over SOS, nothing ever appeared. For example, the Egegik school had to close down because they had no fuel. The school at Aleknagik had also been closed down.

ADJOURN Meeting adjourned at 5:55 p.m.

HOUSE FINANCE COMMITTEE

February 25, 1972

1:40 p.m.

Present: All members except Messrs. Warwick and Ditman. From the Department of Health and Social Services Mr. Lang, Mr. Jim McLean, Mr. Mailer, Mr. Pagenkopf and Mr. Wilcox were also present. From the Department of Administration Mr. Charney and Mr. O'Donnell were also present.

HEALTH & SOCIAL SERVICES Chairman Hohman called the meeting to order and said the committee would continue with the discussion of the Health and Social Services budget request. He said that they would continue discussing contracting under Title IV for social services.

Mr. O'Donnell explained the basis for a contractual arrangement between the Department of Social Services and the Department of Administration relating to social services for the Pioneers' Homes.

Mr. O'Donnell illustrated on the board the federal and state funding for the Pioneers' Homes. He said this would result in a potential savings in the general fund of \$339,000. He said that because of the operation of the Pioneers' Homes there were certain cases not eligible and they had to relate a dollar amount to those persons.

In answer to Mr. Fink, Mr. Harris said that the intent of the federal funding is that the state has to give some additional social services.

Mr. Fink asked why there were some cases in the Pioneers' Homes who would not qualify. Mr. O'Donnell said those individuals who had an income over a particular level would not qualify. Mr. Pagenkopf said they had initially estimated that 20 per cent of the people in the Homes would not qualify but when they did a person-by-person count it came out to about 30 per cent. Mr. O'Donnell said they are going back over this to see if there might be more.

In answer to Mr. Wright, Mr. O'Donnell said that although the Pioneers' Home is under the Department of Administration the operation of maintenance is contracted to the Department of Health and Social Services.

Mr. Wright asked what level of care the people in the Homes were receiving. Mr. O'Donnell explained the new positions that have been established that makes it possible to receive this federal funding. The positions are a full time dietitian, physical therapist, two positions in geriatrics, occupational therapist, recreational director, social workers, clerk typists, etc. for a total of 56 new positions.

Mr. Wright said he thought they had a dietitian before and Mr. O'Donnell said no, they had a menu planner but this dietitian will be able to work with the doctors on special diets.

Mr. Fink asked how many employees they had in the Homes. Mr. O'Donnell said they had about 145 employees before they added the new positions.

Mr. Haugen asked how many people they had in the Homes. Mr. O'Donnell said by the end of next week they will have about 260. Mr. Wright questioned whether the staff in private nursing homes would be on the same ratio as the Pioneers' Homes. He said he felt that the Pioneers' Homes had a "fantastic ratio" of employees.

Mr. Iverson said they have an agreement in final draft form on the \$2,000,000 contract for the Greater Anchorage Borough Health Department. He said this will provide a minimum of three family social service centers within target neighborhoods containing a high proportion of poverty level people. Mr. Iverson explained the services that will be provided under this contract.

Mr. Iverson said they have worked out a schedule of payments for the \$500,000 that the Anchorage Borough will have to pay.

Mr. Degnan asked if this will bring a reduction in the staff of Health and Social Services in Anchorage. Mr. Iverson said no. The services provided by the Borough will primarily be day care services and some counselling.

Mr. Iverson said that the project in Anchorage includes representation from the citizens of the particular areas where the service centers will operate. Mr. Iverson said this contract represents an eligible service as far as they are concerned. There is some difficulty on the determination of eligibility as far as individual type services

versus group type services. Mr. Iverson said he did not see any major difficulty in finalization of this contract -- administratively it "could fly".

Mr. Haugen asked if the money Anchorage is going to provide is in-kind. Mr. Iverson said no, it is in cash and explained the payments that will be paid by Anchorage to the state. In answer to Mr. Haugen, Mr. Iverson said the Anchorage Borough had held hearings on this and had introduced a supplemental for this \$500,000.

Mr. Fink asked when they will receive federal approval for this contract. Mr. Iverson said this will occur once they finalize the contract. He added that during negotiations they have sent any questions they might have to Region X and the state has received a "kick back" from them. Mr. Iverson added that a copy of this contract will be dispatched immediately to Region X.

Mr. Wright said that the provisions of the federal funding (as stated earlier in the meeting) is an increase in services. He asked which services are they purchasing in Anchorage. Mr. Iverson said that he realized there is a fine line as to what constitutes a grant and a purchase of services.

In answer to Mr. Fink, Mr. Iverson said there is a "one quarter lag". He said they do not anticipate any cash flow problems with this contract. They have already cranked in an estimate of expenditures which has been honored. He added that they draw on a monthly letter of draw based on quarterly projections. Mr. Iverson said this is only applicable on the public assistance programs and some of the other grants may not work this way.

Mr. McLean said that after they negotiate a performance contract they can speak on the detail of what is contained in the project. He said until they actually negotiate a performance contract they have very little to go on and this is one of the reasons they have been unable to provide for detail on contracts either to the Budget and Audit Committee or to the House Finance Committee.

In answer to Mr. Fink, Mr. Iverson said there are two types of services defined in the regulation -- individual and group. He said that individual services are based on an individual's eligibility and the only requirement

for group type service is that the individual be a bona fide resident of the target area.

Mr. Fink asked if this would result in additional cost to the Department. Mr. Iverson explained that they have to monitor and audit this program. Mr. Fink asked if they will receive federal funds for auditing. Mr. Iverson answered absolutely. It was noted that \$1,000,000 of the \$20,000,000 could be used for various types of audits and although it will cost the state more money they will get more dollars to pay for it.

Mr. Hohman requested a copy of the federal booklet on how to develop a model comprehensive family services center.

In answer to Mr. Hohman, Mr. Lang said they make an estimate on a quarterly basis then by a monthly letter of credit they draw money they expect to spend during that month. He said they had drawn 14 per cent over their actual expenditure for the previous month and had received criticism from Region X. Mr. Hohman asked if they should still have a "cushion" in this match. Mr. Lang said this goes into the general fund and is deposited as program receipts. Mr. Hohman asked about the criticism from Region X. Mr. Lang said one of the problems is they run into a delay in getting these contracts implemented and because of this delay the expenditures are not as high as anticipated.

Mr. Fink asked what the Department was trying to do -- were they just trying to expand programs or are they trying to use the money for new programs. He asked if they were attempting to lower the general fund expenditures. Mr. Fink felt that the attitude of the Department would have a great deal of bearing on how this federal funding is used. Mr. McLean said that when this program first started it was their goal to expand expenditures as much as possible so when the limit was put on Alaska's ceiling would be set at a reasonable level. Mr. McLean said the information they now have is that it is not a very real possibility that the ceiling will be set. Mr. Iverson said that this was true yesterday, but as of today the federal government is "starting to put the brakes on". Mr. McLean said now they are trying to develop priorities within the Department on how they would like to see the money spent.

Mr. McLean said that the information distributed to the committee showed the list of priorities.

Mr. Haugen said if the state starts these programs and then the federal funding is dropped they will have to be picked up by the state. Mr. McLean agreed that this may be a real political program. He said legally they do not feel they are bound to continue the programs because of the language in the contracts.

Mr. Haugen referred to the new positions for the Pioneers' Homes. He said if the federal government pulls out then the state will be stuck with these new positions. Discussion followed on this.

Family &

Childrens Chairman Hohman said the committee would discuss Services the Office of Alcoholism and asked Mr. Wilcox for Office of his presentation.

Alcoholism

Mr. Wilcox distributed a report entitled "Alcoholism in Alaska and the Alcoholism Grant-In-Aid Program".

Mr. Wilcox explained that the Office of Alcoholism is one-half year behind -- they are out of phase with the fiscal year.

Mr. Wilcox referred to page 48 C in the report which listed local resources of cash and in-kind services. The total local money plus non-matchable contributed resources is \$1,286,167 and Mr. Wilcox said there are no state dollars involved in this chart.

Mr. Hohman asked if beds in detoxification centers were eligible for funds under the hospital portion of revenue sharing. Mr. Wilcox referred to a memo from G. Kent Edwards, Attorney General, dated November 27, 1970, which said they were.

The committee discussed revenue sharing.

Mr. Wilcox said that in fiscal year 1973 they will have to cut back commitments made in 1972.

Mr. Fink noted that this office is requesting quite a few new employees. Mr. Wilcox said these people are not on board. He said they are requesting an increase since this budget was put together. They have applied for federal funding for two positions.

Mr. Hohman left the meeting.

Mr. Wilcox referred to an organizational chart on page 355 of the budget.

Mr. Fink said if this budget was to pass they would have 13 full time employees. Mr. Wilcox said yes, theoretically.

Mr. Wilcox explained the Industrial Alcoholism program whereby all state agencies must have an employees alcoholism program.

Mr. Wright left the meeting.

Mr. Wilcox explained the Program Operations Section of the organizational chart. Mr. Wilcox said they have a limited number of people who are trained in alcoholism. Mr. Degnan asked to what degree the social workers work with people from the Office of Alcoholism. Mr. Harris said they have encouraged their people to become more involved. This was briefly discussed.

Mr. Wilcox noted that there was a correction to be made on page 357 of the budget concerning federal receipts. The committee requested that this be sent to them in memo form.

Recess: The meeting recessed at 3:40 p.m.

AFTER RECESS

4:00 p.m.

PRESENT Mr. Degnan, Mr. Wright, and Mr. Haugen were present. The Department of Health and Social Services staff-- Commissioner McGinnis, Mr. Lang, Mr. Iverson, Mr. Harris, Mr. McLean, Mr. Mailer, Mr. Pagenkopf, and Mr. Wilcox-- were also present.

Office of Alcoholism Chairman Degnan called the meeting back to order. He said they had discussed the area of coordination earlier, and he asked Mr. Wilcox to continue that discussion.

Mr. Wilcox said that first of all the Alcoholism Program was a community based program. The local community put together the budget and planned the whole thing. Mr. Wilcox stated that included in the plan was a guide for planning. One of the elements was to describe all of the Alcoholism services in the community and all of the related services in the community. The narrative of the grant states how they intended to relate these things together. He explained that no one was referred directly to the Office of Alcoholism. It was not a treatment in that sense.

Mr. Wilcox explained that part of their service was to provide technical assistance in getting grants. They also suggest how services could relate. He said that the most significant change in the program this year was that there were six grantees in the Anchorage area last year and they are now all coordinated and under the Borough as a Health Program. Each one keeps its own identity but acts as subcontracts to the Borough. They have a data system with that to keep track of who gets which services.

Mr. Wilcox said the greatest barrier to service was the lack of services in a community. He explained that when they had projects it wasn't just a single type of service, but a range of services all the way from information and education to the people seeking help.

Mr. Wilcox said that this was a pretty new program, and all of their projects were just a year old. He said that at the time the budget book was made they could only make their best bet as to where the funds were likely to go. He said the hard data was in the books they had copies of--Alcoholism in Alaska and the Alcoholism Grant-In-Aid Program.

ADJOURN Meeting adjourned at 4:25 p.m.

AFTER RECESS

1:45 p.m.

PRESENT All Committee members except Representatives Hohman and Ditman. Mr. Emery Chapple, Commissioner; Mr. James Wellington, Deputy Commissioner; and Mr. Stan Stauffer, Administrative Officer; were present representing the Department of Public Safety. Mr. Rick Berrier from Budget and Management was also present.

STATE
TROOPERS Chairman Warwick called the meeting to order and stated that they were discussing the budget for State Troopers.

Patrol,
Detection,
& Appre-
hension Mr. Chapple said they had prepared a maintenance level budget in most instances. Chairman Warwick referred them to budget request unit, Patrol, Detection, and Apprehension.

Mr. Fink asked why they didn't have any gross, and Mr. Chapple said they did have gross in the manual. He explained they had never been funded to full capacity of personnel. The vast majority of the budget is under personnel. They have not asked for additional people, just funding for full authorized strength.

Mr. Fink pointed out that the FY 72 authorized General Fund was \$5,308,500, and the Governor's allowance for FY 73 is \$5,306,400, so it is \$2,100 less.

Mr. Fink said that they had spent \$70,000 more than last year in Judicial Services. Under Prevention of Crime, they were requesting \$35,000, the same as last year.

Mr. Fink asked if the small increases were adequate. Mr. Chapple said they were trying to live withing what they could get by with. He explained they were 23 positions down from authorized on the average. If they could get up to authorized strength they may find part of the difference in overtime and the way it has been handled. It has been considerably less than the projected cost.

Mr. Fink asked if there were any areas where they needed more troopers. Mr. Chapple believed that if they had full authorized strength it would be as many as they could absorb in a year. They would be going close to authorized in the following month.

Mr. Fink said there were two other employees funded, doing what looked like the same thing the Public Information Officer was supposed to do. Mr. Chapple said that was their contribution for prevention of crime, and that was why it was in there. He said that in Anchorage they were operating with one man whose assignment was human relations. In Fairbanks they haven't been too successful.

Mr. Fink asked about their new housing program through ASHA where they have mobile homes. Mr. Chapple said when it started it had been a "can of worms". Every post had had different deals. At the moment they have brought into the Housing Program 27 units that are more or less compatible and more or less quality living quarters. He explained that all of their housing was not in this program. For example, Dillingham.

Mr. Fink asked if they had ASHA housing in Tok. Mr. Chapple said they had one apartment and one trailer. He went on to say they had one trooper not paying rent in Kenai and Soldotna, but those were not under this program.

Mr. Fink asked why the housing was free. Mr. Chapple gave an example using Kotzebue. He said the city has historically picked up the mans expense. He said that things like this went way back, and they were trying to make it equitable.

Mr. Fink pointed out that a Corporal in Nome made as much as a Lieutenant in Juneau. With that kind of pay differential, he wanted to know why there should be free rent. Mr. Chapple said again that these things weren't under this particular program. He said that in Kotzebue the housing was very substandard, so that wasn't brought into the project.

Mr. Fink said that because of the tremendous difference in income he didn't know why they should have free rent. Mr. Chapple said the State didn't pay the rent. Mr. Chapple added that this program was the first attempt to try to equalize the rents. Mr. Chapple said the best answer was that when they could provide suitable quarters like the ones in this program for troopers such as the one in Kotzebue, then they would pay rent just like anybody else. Mr. Chapple felt that this program they were into was working very well. It got them housing into places where they had no housing. It is a self-supporting program and no cost to the state. He said they owned some of the housing, but they had owned them previously. They leased 12 more good good quality places and got troopers to pay 23% of their gross towards the housing and that includes all of their cost. They took this percentage from the Department of Economic Development whose figures for housing were an average of 25% to 26% of take-home pay. Thus, they took a little less than that to make their program self-sufficient and fair. He explained there was now a problem of people paying from \$300 to \$375 a month for housing while right next door another state employee is paying \$100 to \$125. They hope that one day there will be a schedule whereby all state employees pay the same.

Mr. Warwick asked about the Information Officer. He asked if it shouldn't be under a different budget request unit, since his duties were the same as the other two employees under protection. Mr. Chapple said those other two employees were troopers assigned to community relations work. One is full time and the other part-time. He said that the BRU they were under was strictly a bookkeeping thing.

Mr. Warwick wanted to know what the Information Officer did that wasn't being done now. Mr. Chapple said that he would be fulfilling what they have been trying to do themselves. He would take care of press relations and interdepartmental communications.

Mr. Warwick commented that there had been a number of reclassifications, two in particular that involved substantial salary increases--promotions from Captain to Colnol. He thought that those were quite substantial increases, since they went from \$20,000 to \$28,000 a year.

Mr. Chapple said those positions were created when they reorganized the Department. Mr. Stauffer said that in August they had separated the Department into three parts: 1. fire prevention, 2. state troopers, and 3. technical services. The Division of State Trooper's purpose is to get the management out into the field. The outfit is growing too much to be carried out strictly under the Commissioner. The Division of Technical Services hasn't worked out as planned, and the director is not with them anymore and probably will not be. It was supposed to be a division of authority and responsibility.

Mr. Warwick asked the percentage of the salaries for troopers that went for overtime. Mr. Chapple said that the way overtime had been handled last year had been difficult to administer and the pay was normal. They had problems with it so they made a proposal to the Department of Administration that they pay one range for the forty hour week -- in a survey 83+% of their men wanted out of the overtime policy they were under. So, they traded one additional range for all of their overtime. Thus, they pay troopers in Range 14 at the rate of Range 16 instead of paying overtime.

As far as Mr. Chapple knew, his Department was the only one doing it this way. He went on to say that shift differential was another problem that they had. If they could find some way those workers could be put on a salary, it would be much easier. He explained that many of the men will work all night which is two different shifts, or they will work afternoon until late at night which is two different shifts. Post men work from 6 a.m. until 6 p.m. and from 6 p.m. until 6 a.m. and that is difficult to administer. If anything happens, they are both on duty.

Mr. Haugen asked the difference between Range 14 Step C and Range 16 Step C. Mr. Chapple said it was \$161 a month. He went on to say that they had been providing it at D step until longevity came along and they went back to C.

Mr. Chapple said that overtime had been budgeted at \$800,000, and they had saved about \$200,000. Mr. Berrier said they had built up probably \$100,000 worth of overtime in less than a couple of months. Now, there is no overtime, but the figures pretty well backed it up.

Mr. Warwick asked when the troopers had been reclassified to get away from overtime. Mr. Berrier said they were still at the same base range, but they are paid at range 16. Mr. Chapple said they would like very much to be reclassified at range 16, but they have been advised it was not a reclassification, but only a different pay rate.

Mr. Berrier said they had tried to find the best way to show what the budget would be. They thought they should show reclassification and overtime except that when they looked at it, it began to be confusing as it didn't show what was happening. The kind of formula they were using did show what happens.

Mr. Berrier said that personal services probably added up to about the same calculated either way.

Mr. Vernon said that the FY 72 overtime would have to be paid and show in the budget document or else FY 73 would be grossly understated.

Mr. Berrier said the dollar figures for overtime part was not in the document. The whole department budget went up almost exactly right for the percentage to authorize. It showed personal services increase at about 5%. So, this is pretty much what is authorized for the particular program.

Mr. Warwick referred to FY 72 and asked if that included 5% salary increases. Mr. Berrier said yes. He said they couldn't compare to program allocation for last year's program, but then they couldn't anyway because they had reorganized.

Mr. Warwick said they were actually saving money by paying at a higher classification. Mr. Berrier said that last year they had Vacancy and Turnover which kept them having enough money to pay on the overtime. They are not requesting as much Vacancy and Turnover this year. They still don't have enough money to keep a full staff of troopers this year. There are 10 or 15 vacancies because they don't have enough money.

Mr. Chapple said they were going to put another 15 troopers on this month because after mid-year they have enough to carry them through until the end of the year, but they haven't had enough in the past. He said they were trying to go up to 185 persons this month. Mr. Berrier pointed out that they had been authorized quite a few positions but weren't given enough money to have all of them. 15% had been in Vacancy and Turnover.

Mr. Warwick asked if all authorized positions were shown in the budget document. Mr. Berrier said yes. Mr. Warwick asked whether if they appropriated the request there would be enough to fund all positions. Mr. Berrier said that was right except for 5% which is about 8 or 9 troopers in Vacancy and Turnover.

Under Equipment for FY 72 they were authorized \$4,300, and the maintenance for FY 73 is \$61,000 and the Governor's authorization is \$65,000.

Mr. Chapple explained why they have to have new cars. He said there are five new posts, so they had to take 12 cars out of the District Headquarters to open the posts. Thus, they have to use what cars are left at Headquarters for triple shifts, so they have cars doing 50,000 miles in 9 months. He said he thought they were requesting 9 additional cars. He explained that when there were a bunch of men in Headquarters, one car served three or four men, but when they open a post, each man needs to have his own car.

Mr. Warwick asked what they were using for office space for these new spaces. Mr. Chapple said they were mostly working out of their own homes.

Mr. Wright asked who approved it when they raised people from Captain to Colonel. Mr. Chappel said that they only person they would go to the Governor for approval for would be Colonels who were to be new Directors. He said that for the two Colonel positions they went to Administration to get approval. He explained that one of those positions has been in the budget off and on for 7 or 8 years. The Director of State Troopers had been talked about for years, so no problem.

Mr. Berrier said that it was pretty much the Division of Personnel who had the authority. They are pretty tight, he said, and don't approve increases unless they think it necessary. For example, if the man would have more duties and responsibilities. Personnel thought it looked like they ought to have Directors, so they talked with the Department to see how they were going to get the money. Thus, the Department initiates the action and Personnel reviews it.

Judicial
Services

Mr. Warwick commented that under Judicial Services, the Department has some vans to be purchased at Anchorage and Fairbanks for transport of prisoners. That ~~was \$4,600~~ ^{was \$4,600}. He noted that they were deleting bus charters for transfer of prisoners which was a cost of \$6,100, but were also renting vans for prisoner movement at \$5,000. He wondered how many vans they could purchase for \$4,600.

Mr. Chapple didn't imagine they would be able to purchase more than one. He said that right now they were renting additional equipment from Highways, and they are also leasing from John Stepp in Anchorage. He pointed out that they often have as many as 37 people booked in one night.

Mr. Berrier said that there was \$2,400 left over from last year for equipment. So, with that added to the \$4,600, they have an actual total of \$7,000. He explained that the first year they bought a vehicle they also had to pay rent on it to the Working Capital Funds.

Mr. Warwick noted that under travel there was an increase of \$50,000. It came out that this was because of the new requirement that judicial services be taken to bush areas.

Mr. Warwick asked if there were any new services in the budget under judicial services. Mr. Chapple said yes, that there were about 10 new positions, and some PEP positions. The new positions were needed because too many troopers had been getting tied up in Judicial Services. He added that the new positions were all civilians (not in uniforms) and paid at Range 11.

Mr. Chapple stated that the courts are requiring more and more services and the time they are taking to get a trooper trained, outfitted and equipped is better spent if the trooper doesn't have to work with Judicial Services. They have found that they can hire "civilians" at a lower range. He pointed out they could hire retired and older people who don't meet the requirements for trooper. Mainly they act as bailiffs.

Mr. Warwick asked when Judicial Service Assistants were put into the budget. Mr. Berrier said they were required in July. Thus they were authorized in last year's budget, and 72 is the first year to have them. Mr. Warwick asked whether they were presently going into the bush with the prisoners. Mr. Chapple said that they generally didn't transport prisoners from town to town. Their work is usually right around the Court. He added that there were 5 in anchorage when there are sometimes as many as 16 courts going.

Mr. Fink asked how much PEP money and how much LEAA money. Mr. Chapple said that at the time the budget was written, they hadn't even heard of PEP.

Mr. Fink said that generally budgets showed federal income and expenses showed up in the budget. Mr. Berrier thought that it would probably show up in the Governor's Office for labor, but he didn't know if it was spread throughout the Department.

Mr. Fink said that next year it would need to get Legislative Budget and Audit approval again. Mr. Berrier said that was right. He said they tried to put programs they expected to run into the budget.

Technical Services Mr. Fink asked about LEAA funds. Mr. Berrier said that Inter-agency receipts from that showed up under the Technical Services budget. He said that some of the other grants didn't show up because they were not operating grants, just projects to be on a yearly basis. Those showed up as federal receipts, while the others showed up as interagency receipts. The projects were usually to buy special equipment or training.

Mr. Chapple said that for the most part it was training only for administrative personnel.

Mr. Warwick asked where the money had gone. Mr. Chapple said that this year \$150,000 was for the Alaska Justice & Information Center. He said they were very pleased with how it was coming. Mr. Chapple stated they had a bill in the legislature now on the Security System and LEAA programs for next year are \$300,000.

Mr. Warwick asked about the Security System. Mr. Chapple said it sought statute control of confidential and public records and what they can and cannot do. The Attorney General had drawn up the bill which will create a system of security and control access to the information center.

Mr. Fink asked if there was anywhere in the area of technical services where the \$300,000 LEAA monies were related to expenses. Mr. Berrier said that it showed up under Information Systems as \$147,000.

Mr. Fink asked where most of the increase in General Fund money of \$121,000 was. Mr. Berrier said it would show up under Maintenance Level. Mr. Fink said it was a case where federal people were pulled out, and the cost was \$63,800.

Mr. Chapple said there were 27 village police officers under the PEP program, and they are administering that program.

Mr. Fink referred to the Vacancy and Turnover which had dropped to \$15,800 from \$52,700. Mr. Stauffer said the \$52,700 was because they had 100% authorized positions and only 85% of the money. He explained that 15% was a high vacancy factor.

Mr. Chapple brought up the fact that there were 65 men on the register right now with the background. He said he hoped to pick up 15 before the first of April for their recruit school.

Mr. Warwick asked why the federally funded projects weren't in the budget. Mr. Berrier said they were this year, and put as new positions because they have to be authorized by the legislature as a whole and they have to be accounted for as to funding. This is a problem they face in a lot of the grant programs. The grants were made year by year. Because they are set up like that, they are trying to get people to request these positions in the budget even if they are federally granted, but there was no reason to request a position in this budget if it was only going to last two more months.

Mr. Berrier said that LEAA had made two or three training grants to Public Safety which have not been shown in the budget. That is because the budget is for FY 73 and the grants that they received were from FY 72. Next year they will be able to look back and see what the budget was for FY 73. He explained that the actual budget was traditionally higher than authorized because of the things that come in during the year.

[Mr. Hohman arrives.]

Mr. Fink asked about federally funded positions, and Mr. Berrier said they had six jobs where the people were responsible for getting information on the machines. Part of their program is putting all Driver's License Records on Meri-code. Other things they are doing are: routine collision site locating, report analysis, and input coding for the supporting traffic records data processing system; and accident report correlations.

Mr. Warwick asked how many PEP positions were in the budget, and Mr. Stauffer said 30. Mr. Berrier said those were temporary positions, but hopefully 50% will stay on in positions which are already authorized, but vacant.

Mr. Chapple said that the matching was 90%-10%. Mr. Berrier said the 10% shows up in the budget as soft match.

ADJOURN Meeting adjourned at 3:40 p.m.

HOUSE FINANCE COMMITTEE

March 3, 1972

1:45 p.m.

Present: All members except Messrs. Degnan, Ditman and Wright. Representative Kerttula was also present. From the Department of Health and Social Services Commissioner McGinnis, Mr. Lang, Mr. McLean, Mr. Branton and Mr. Adams were also present.

HEALTH &
SOCIAL
SERVICES

Chairman Hohman called the meeting to order and said they would consider the budget for the Division of Corrections.

DIVISION
OF
CORREC-
TIONS

Mr. Adams said that their total budget is \$9,304,500 which is approximately an \$840,000 increase over last year. The major area of increase is new personnel.

Mr. Kerttula said there were no capital programs in this budget. He asked if anything had been released back to ASHA and Mr. Adams answered no new ones.

In answer to Mr. Fink, Mr. Adams said that the McLaughlin extension was under a G.O. bond passed two years ago.

Mr. Fink spoke of a problem which existed in Anchorage. He said the judges of the Superior Court in Anchorage had met with the Anchorage legislators and had informed them that they could not get assistance from parole officers for pre-sentence work. The judges would like to have the parole officers under their direct supervision. Mr. Adams said he felt it would be a mistake to transfer this function to the Court System. He said pre-sentence work is necessary for their division because this is the way they determine classification -- this is the only social history and background information available to them.

Mr. Fink asked why the judges were so dissatisfied. Mr. Adams said they had met with the judges in January and he felt they had corrected this. He said the Court System felt they should have control of this operation but he did not agree. Mr. Fink asked if he felt the result of the meeting would be that the judges would be more satisfied with the services. Mr. Adams said he felt this was a problem of communications. He said in their Anchorage office there is a regional administrator who is responsible for the whole judicial district and then there are

two other supervisors (one for juveniles and one for adults). Mr. Adams said he did not feel this is an over abundance of supervisors. Mr. Fink asked the number of parole officers and Mr. Adams said there are 18. Mr. Fink asked if Mr. Adams was satisfied with the operation. Mr. Adams said no, the caseloads are too high. He said his dissatisfaction was that too often they had to resort to the technique of having the person on parole report once a month to the probation officer. Mr. Fink asked if they classify people on probation as to how often they must report. Mr. Adams said yes, they would say a person would have to report once a week or once a month. He said that it was possible a person from the remote areas might not be seen in person.

Mr. Fink asked if they had enough probation officers in the Anchorage area. Mr. Adams said no. Mr. Fink asked how many they need. Mr. Adams said their budget, in addition to picking up federally funded probation officers, requests three additional officers. In answer to Mr. Fink, Mr. Adams said he felt the probation officers were seeing people on parole enough for the present situation but they were not seeing them in the right way -- in their homes, offices or schools. Mr. Fink asked what had been the result of not seeing these people in the right way. Mr. Adams said he could not point specifically to the effect this had on revocation. He said he could not recall exactly but he thought about 80% of the people complete parole satisfactorily.

Mr. Fink spoke on the \$4 million Title IV funds that had been approved by Budget and Audit. Mr. Branton said the budget had been prepared before the advent of Title IV funds. He said Budget and Management had told them that monies which they could reasonably not predict should not be put in the budget. Mr. Adams said they had signed a contract whereby they would be reimbursed by Family and Children Services (the \$4 million approved by Budget and Audit). Since that time they had been informed this agreement must be renegotiated because they did not meet the specific terms at that point. He explained that Title IV funds are strictly for expansion of social services programs. These funds could be used for half-way houses or group homes and Mr. Adams said they would prefer these contractual arrangements be with private facilities rather than to add to their payroll -- to avoid layoffs.

Mr. Degnan entered the meeting.

Mr. Fink asked if they anticipated the Governor's budget would be reduced as a result of this increased federal funding. Mr. Adams said he could not say right now -- he added that he would hope they could make some savings. Mr. Fink pointed out there were 37 new positions and questioned whether these positions would qualify for Title IV money. Mr. Adams said under Title IV money social service programs within the institutions could qualify but they have to determine if the person in the institution is eligible for aid under this category. Mr. Adams said they have had to exercise some restraint -- they have not gone out and created programs for the sake of creating programs. Mr. Fink said he would hope that the \$4 million would reduce the state's cost rather than to build in an increase.

Commissioner McGinnis said the policy of the department would be to maximize federal funds and minimize state funds.

Mr. Kerttula referred to a recent press release on the department's supplemental. Mr. McGinnis said the figures for caseloads were correct.

Mr. Kerttula questioned why there was such a tremendous expenditure per man day at McLaughlin. Mr. Adams said they have treatment capabilities at McLaughlin that they do not have at the other institutions.

In answer to Mr. Degnan, Mr. Adams said they have four probation aids in the bush areas. He said that by having someone on the spot it is possible to work with the person and with his family.

Mr. McGinnis said they felt it was extremely important to handle these youngsters especially carefully in the beginning. He said when a youngster first gets into trouble this is an extremely delicate time and their feeling is that if he is handled properly that it will prevent him from getting into further trouble. Mr. Kerttula asked if they feel they have been successful and Mr. McGinnis said yes.

Mr. Adams said that one of the programs under Title IV will establish bush homes which would provide a service in the smaller villages. This would enable kids who get in trouble to remain in their own community.

Mr. Haugen asked why they were concentrating on the bush area. He noted that areas such as Wrangell and Kake should be considered. Mr. Adams said he did not intend to give the impression these programs were limited to the remote areas.

Mr. Degnan asked where these groups homes would be established and Mr. Adams said they were looking at areas on the level of Barrow and Kotzebue.

In answer to Mr. Warwick, Mr. Adams said that the more sophisticated delinquent would go to McLaughlin and the kid who could live in a minimum security, open setting would go to Alcantra.

Mr. Warwick questioned the McLaughlin facility. Mr. Branton said when this was constructed it was to provide diagnostic and treatment capability and also residential and detention capacity. The original contract did not have funds for the physical plant to provide diagnostic and treatment and so only the physical plant was constructed. Now they have readjusted to go back to the original plans and are going ahead with construction of residential capacity. Mr. Warwick asked what the capacity is now and Mr. Branton said 125 is the maximum. Mr. Warwick asked about the number of employees. There are 106 employees at this time. Mr. Warwick said this was approaching a 1 to 1 ratio and he felt that this was extraordinary.

Mr. Joe LaRocca entered the meeting.

In answer to questions by Mr. Warwick, Mr. Adams said he had a "good feeling" about what they have accomplished at McLaughlin. Mr. Branton said that the staffing pattern at McLaughlin was developed for a complete diagnostic and residential treatment center. Discussion followed.

The committee discussed Alcantra and Mr. McGinnis said the emphasis now for Alcantra is that it will serve an "in between function". He gave the example of a run away -- under this new plan it may not even get into court. A run away could elect voluntarily to go to Alcantra.

Discussion followed on the 'Turning Point Boys' Home. Mr. Branton said the capacity for this home is around 25. They have a very high staffing cost. Mr. Branton said he had not audited this personally but the rate of \$40 per man day had been established as a result of an audit by the state auditors. He said as far as the Division of Corrections is concerned they have not done their own audit. Mr. Branton said it was his understanding they are being allowed to utilize the cost of leasing the plant in this cost. Mr. Lang said they felt this lease arrangement gives a subterfuge of getting around capital improvements. Mr. Adams said they had been told this is a lease and leases are eligible under the full cost of care. Mr. Branton said when they had first started out with this home the cost was in the \$20's. This home is located outside of Wasilla and Mr. Branton said it is owned by a corporation and is incorporated as a non-profit organization with a Board of Directors and there is an Executive Secretary who serves as the administrator to the facility.

Mr. Warwick asked if there were any other homes of this nature that the Division of Corrections is using and Mr. Branton said no.

Mr. Joe LaRocca left the meeting.

Mr. Fink again questioned how the \$4 million Title IV funds will be used. Mr. Adams said they had not determined how many people would be eligible but he felt that a great number of their clients would be eligible. Mr. Branton added that they were trying to determine the number of dollars that could be used as matching dollars. He said as far as matching money it was "very easy to identify \$1 million worth of activities but whether or not there is an additional \$3 million" remains to be seen. He said the state will only get reimbursed after the match money has been spent. The problem is they may spend and then find out they will not get this back and they would have exceeded their appropriation. Mr. Branton said the intent of the federal funding is to expand social services. Mr. Adams pointed out that this eligibility has to be on an individual client basis. Mr. Fink asked if they had categorized the eligibility determination. Mr. Adams said no. Mr. Branton said they are pulling this together. Mr. Fink

questioned why this had not been done as the funding had been approved by Budget and Audit in December. Mr. Adams said that initially they had not been told this would be on an individual basis -- these guidelines have just come down. Mr. McGinnis said the department has a special team to take every one of the contracts under consideration on a crash basis. This team will work on nothing but conforming contracts to the specific guidelines.

Alcantra was transferred as of January 1 from the Division of Corrections to the Division of Family and Childrens Services. The committee discussed this transfer. Mr. Fink noted that Alcantra has an average daily count of 32 and asked where these persons will be. Mr. Adams answered that a lot of them would still go to Alcantra. Mr. Fink asked where the youths who would not go to Alcantra would go. Mr. Adams said he could not tell them specifically -- some would go to McLaughlin and some to different programs. Mr. McGinnis said that the judges would determine this. Mr. Fink said his concern was that perhaps they were creating a new type of facility because of the increase in federal money where there was really not a need. Mr. Branton said before the increase in Title IV funding they had made the recommendation that Alcantra be transferred to Family and Childrens Services.

Mr. McGinnis spoke on the changes that are occurring in dealing with juvenile offenders. He said that Region X had called a meeting with the Governor to discuss alternate forms of dealing with juvenile offenders.

Mr. Warwick asked about the Turning Point Boys' Home. Mr. Lang said it was his understanding there are model units which have been leased from someone in Portland, Oregon at this Home. He said there is a plan to have permanent buildings on the site within 24 months. In answer to Mr. Warwick, Mr. Adams said this Home has been licensed by the Division of Family and Children Services.

Mr. Degnan asked that the committee be provided a report on the staffing for the Turning Point Boys' Home. Mr. Fink questioned who is collecting the rent for this. Mr. Lang said that information is not available now but would be when this is

audited. Mr. Fink asked when it would be audited. Mr. Lang said he did not know. Mr. Fink asked who would decide when this was to be audited. Mr. Lang answered this would be decided by someone from Administrative Services and the concerned division. Mr. Branton said that the joint salary of the husband and wife who run this home is somewhere around \$30,000 and they also receive room and board.

Mr. Fink went back to the discussion on the \$4 million Title IV funds. He asked if they could tell the committee what they are thinking about doing with these funds. Mr. Adams said they will be meeting next Wednesday and after this meeting they should have a more concrete idea of where the funding would go. Mr. Fink requested the committee be furnished a report on where this will be used.

In answer to Mr. Fink, Mr. Adams said that the Division is responsible for about 2,000 people.

Recess: The meeting recessed at 3:15 p.m.

JOINT MEETING
HOUSE AND SENATE FINANCE COMMITTEES
March 7, 1972
8:30 a.m.

Present: Senator Butrovich; Representatives Hohman; Ditman; Fink; Degnan; Warwick; Haugen; Wright. Dr. Marshall L. Lind, Commissioner, Department of Education; Robert L. Thomas, Deputy Commissioner; Louis D. Ridle, Director, Vocational Education; Mario Martini, Management Consultant; School Superintendents from districts throughout Alaska. John Hayward, Kenai, was spokesman for the School Superintendents.

DEPT. OF
EDUCATION
Vocational
Education

Representative Hohman called the meeting to order and introductions were made. Dr. Lind explained a fiscal analysis had been prepared by Mario Martini for the Department of Education concerning the Division of Vocational Education, and Mr. Martini testified as follows:

Eight districts within the state were selected to conduct a study of program content and fiscal implication in vocational education: three small districts (Hoonah, Haines and Petersburg); three medium-sized districts (Kodiak, Ketchikan and Juneau); and two large districts (Anchorage and Fairbanks). Comparisons within the districts were based on a definition of vocational education: 1. training of unskilled people in order to provide them with viable skills for the job market; 2. upgrading of skills in order to advance within a field; 3. retraining of people whose skills are no longer marketable. Since the program survey dealt mainly with secondary schools, the first part of the definition applied most often.

How effective is vocational education in the State of Alaska? In order to determine how effective the program is, the output of the program must be determined. In small districts there is no problem whatever in finding out what happened to graduates. In medium and large districts, there has been no follow-up and no opportunity to determine how effective programs are. The success of the marketability of the finished product determines the success of the program, continued Mr. Martini. However, the ability to follow through becomes more difficult to determine if a skill learned five years earlier comes into play when the student enters the job market. Also, some people in the school districts feel that vocational education should provide skills; other people feel the program is a success if a proper attitude toward work is achieved.

Mr. Martini explained he had found in this study that school districts do not use all resources available, and actually only two districts work closely with the Manpower Center or the Department of Labor. The Department of Labor, on a state-wide basis, is

perhaps the most accurate indicator as to the needs in the work market. Not a single district ran a formal need assessment survey to see what the area needed. In small districts there is no need for such a formal study, but in larger districts it would be desirable to determine on a short-range and a long-range basis what employment opportunities will be in the future. There is very little contact in terms of program planning with industry; for example, in Fairbanks, where the oil industry could be consulted. Normally, most companies have fairly close ideas of what they will be doing in the future, and would know the type of skills and manpower required in three to five years. Mr. Martini stated that no effort was made to coordinate closely with any industry to determine these needs.

A second problem in the vocational education program was that there was a definite lack of coordination between the secondary school level and the community college level. Rather than have an extension at the community college level, courses either match or duplicate the ones offered at the secondary school level. Mr. Martini gave examples of business education courses offered at Ketchikan and a sea education program at Petersburg, where the community college and the secondary schools offer the exact same courses rather than an extension at the higher level. The courses do not provide the skill necessary for the job market.

Unemployment in the 18-24 age bracket is perhaps the highest in the nation, which is not consistent with the findings of the Department of Labor showing an abundance of jobs available for skilled people, continued Mr. Martini.

The survey conducted by Mr. Martini was then distributed to the members of the finance committees (see department file). He explained this was not a final report, but only a preliminary one which showed statistics for six of the eight districts surveyed. It was noted on the report that larger districts receive only approximately 52-53% of the total cost of vocational education from the state. The question is where do the balance of the funds come from and what programs are suffering in order to defray the expenses. Mr. Martini then asked if it was fair for these programs to suffer or is enough being done for vocational education.

Mr. Wright asked for a recommendation from Mr. Martini, who said this was only a preliminary report and a final one would be submitted on the 17th. His recommendation is, therefore, not complete. However, Mr. Martini stated that the law places the responsibility for education through the 14th grade in the school district level. Even with the adoption of the community college act, there is very little input from the communities into program development and program offering at the community college level. This is not consistent with the concept of a community college, which should entail active participation by the community. Also,

there is a definite lack of communication, state-wide, between school superintendents and the vocational education directors. The Division of Vocational Education, as the central agent, should be given more direct control over the offerings and over the programs within the state, continued Mr. Martini. It should be recognized that if vocational education is offered and money spent, the school districts should respond in perhaps a more concrete manner than they are doing right now. A performance contract concept should be expanded to the secondary level to insure better return from the money invested. From a funding standpoint, Mr. Martini stated the funding is inadequate.

Mr. Wright asked if this was a recommendation or a conclusion, and Mr. Martini replied it was a conclusion.

Comments from superintendents were requested by Dr. Lind. Mr. Hayward said he would hate to have the committee hear only one side of the story and Mr. Martini's research should not go unchallenged. He stated the training has been marginal in Petersburg, but the graduates are now employed as fishermen or mechanics. Mr. Hayward continued by saying Mr. Martini's report was too pessimistic. In Kenai the school district has worked with the oil industry for guidance in vocational education, and there is coordination between the secondary and the community college level. There is unemployment, but it is with adults and not only recent graduates. Efforts are being made to involve local communities, which have not been completely successful but are more encouraging than Mr. Martini's report indicates.

Mr. Hall, School Superintendent from Cordova, noted he had not discussed the report with Mr. Martini, but thought there was a possibility of inaccurate accounting in the small districts. He believed a lack of sophistication in accounting could result in the small districts listing 100% funding as opposed to the large districts reporting 52-53% funding. He continued by saying that a senior student in Cordova, now going into the second year of vocational education, wished he could stay in school a few more years to finish the program, and Mr. Hall felt this was an encouraging statement.

Mr. Wright stated the report indicates to him that instructional unit support in vocational education is inadequate, and the large districts are penalized. He felt the state must fund the program.

Senator Butrovich said the vocational education program is not ineffective and, if anything, enough is not being done in this direction. Referring to Mr. Martini's statement that the Fairbanks district should work with the oil industry, Senator Butrovich said what oil industry. The Fairbanks schools do train good aviation mechanics. He concluded by stating he believes vocational education is a great program, and the state is not doing enough.

Mr. Wright said a skill center is planned for Anchorage very soon, and they expect at least 50% of the funding to be purely local. Vocational education seems to be the trend now, he continued, and additional funding should be granted providing it is earmarked for vocational education.

Mr. Martini noted he was obviously in support of this statement. He continued by saying that one of the problems is in terms of counseling, since counselors tend to steer children into college. Nation-wide, only 17% of high school graduates wind up with college degrees, and Mr. Martini thought more students should be guided into vocational education.

Mr. Hall concluded by asking for patience on the part of the legislature, since there have been difficulties in starting the program. Some programs are admittedly weak, but will improve with time.

Recess: The meeting recessed for a discussion of bills (see Bill Minutes).

JOINT MEETING
HOUSE AND SENATE FINANCE COMMITTEES
March 8, 1972
1:30 p.m.

Present: Representatives Hohman, Fink, Degnan and Warwick. Dr. William R. Wood, President, University of Alaska; members of the staff from the University including: Harold Byrd, Mr. Hollinger, Dr. Rae, Dr. Hood, and Mr. Hickok.

**UNIVERSITY
OF ALASKA**

Mr. Hohman called the meeting to order. Mr. Byrd stated the original plan was to proceed through the University's budget in the same order as in the book; however, in view of the fact that Dr. Wood was leaving shortly, they proposed to start out with the subject of Central Governance and then proceed to Organized Research

**Central
Governance**

Dr. Wood spoke on the subject of Central Governance, and stated it had grown in the last several years. Since statehood it has become obvious that an expansion of services was necessary, and the University moved toward the concept of a multi-location institution. Elmer Rasmussen, President of the Board of Regents, had decided to regionalize, and it was the most forward looking thing the board had ever done. Regional centers of full four-year programs have been established, strictly controlled from an operation at one geographical point. Dr. Wood continued by giving a brief history of the organization of the various regional institutions and the staffing, and noted appointments were made from within the staff. Responsibility has been delegated, as with the signing of contracts. Dr. Wood now only signs and interviews full professors, done mainly as a courtesy. It has been six years since the inception of the plan, but Dr. Wood explained they wanted to reorganize gradually.

Mr. Haugen and Dr. Wright joined the meeting at 1:40 p.m.

Dr. Wood continued by stating the university does not mean to have a series of vice presidents on every campus, and certain functions will always be the responsibility of the central university. Planning must be centralized in order to maintain balance; input may come from various locations, but bringing it together is a centralized function. Accounting is maintained at the central location, as is coordination, liaison, and allocation of resources. The library system as a whole, student aids, student employment programs, grants in aid, must be coordinated at some central location.

It has taken some time to organize this program and one step proceeds at a different rate of growth than another, but in a period of five to ten years Dr. Wood said growth rates will tend to balance. From the regional centers, classes are organized in outlying locations; Petersburg, Bethel, Nome; all assigned from a community college.

The philosophy of the program is to have a single university of excellence in the state and decentralize that operation to take opportunity as close to where the individual lives as resources permit, concluded Dr. Wood.

Mr. Warwick said the budget request has increased 24% over last year while enrollment has only increased 11%, and questioned the cost of administering Central Governance. Mr. Byrd agreed it was a considerable increase, but said this was composed of two primary elements: administration and staff benefits. In administration there is a 10% increase, composed primarily of costs such as insurance, accounting function, and inflation. Mr. Warwick argued that insurance should be reduced, but Mr. Hollinger said expanding with new construction of \$30 million will increase the insurance by \$5,700. It is based on total assessed valuation. Mr. Warwick stated it probably would be more economical to have two universities as percentagewise the insurance was less before the expansion.

Mr. Hollinger noted the problem is what should be allocated to Central Governance. Central Governance does not only cover the President's office and the Board of Regents; it includes staff benefits and the increase reflects the increase of the staff in Anchorage. If the accounting methods were restructured, the Central Governance increase would not be as large.

Dr. Wright said the university is divorcing Anchorage, and to either crank it in or crank it out. Mr. Byrd replied they were talking about the relative increase in operational costs in Anchorage. Unit costs are less, but when you compound a low unit cost by a drastic increase in the number of units, an increase will result. Fund requirements for sustaining the increase in enrollments have gone up substantially, but do not necessarily reflect an increase in the cost per credit hour.

Mr. Warwick said there was \$700,000 listed which did not apply to Central Governance and asked why. Mr. Hollinger replied most institutions list their fringe benefits under general expenses. Only recently the university has established regional programs, and working towards that end expenses should be reassigned within the region. Mr. Warwick asked how much could be restructured to different accounts and Mr. Hollinger said 11.52% of the university costs are staff benefits, listed directly above personal services costs.

Mr. Kerttula joined the meeting.

Mr. Hollinger continued by saying in Central Governance, 11.52% of the figure applies to staff benefits, or \$170,000. Dr. Wood noted if the university allocated costs to the three regional operations, there would be very little cost left in Central Governance. This could be done if the legislature requested this

accounting method.

Mr. Fink then asked Dr. Wood if he would object a chancellor appointed by the Board of Regents, and if he would object if the chancellor submitted the budget to the Board of Regents. Dr. Wood said he would not object to either one, since all boards consult with executive officers. Dr. Wood has the authority to make every single appointment with one exception, the financial vice president. However, the Board of Regents always confers with Dr. Wood on that appointment, as does Dr. Wood consult with the board on his appointments. Therefore, Dr. Wood said he would have no objection to a law stating that the chancellor and even the provosts have the official approval of the Board of Regents. The board will either work with the executive officer or fire him. He continued by saying he would have no objection to the other proposal, but the legislature should work this out with the Office of the Governor to see if it is correct procedure.

Mr. Fink noted the 5.5% inflation factor and the 5.5% cost of living increase on salaries and asked if they were separate items. Mr. Byrd replied they used a 5.5% salary adjustment because instructions said they were to be included there. Average step or merit increases for existing staff are incidental to the 5.5% inflationary increase. Discussion followed on this practice and whether or not the university budgets at step C as other departments do. Mr. Byrd said classified personnel are so listed, but professional staff are budgeted at actual salary. Mr. Hogan said the instructions this year were to budget at step C but next year there is a possibility of budgeting at actual salary. Dr. Wood noted they are finding it difficult to budget at the professional level because it doesn't follow the same formula as classified personnel. The university is still a young institution and there are about 56% in the lower ranges with the balance in the upper ranges. As the staff becomes more stabilized with less turn-over, it will move in the next direction.

Merit increases were discussed, and Mr. Byrd said no one receives a merit increase without a study of the case. Increases are originally put together at the department level, reviewed by deans and ultimately by vice presidents. It takes about two months time, and employees are rated on a 1, 2, 3, 4, or 5 level according to their performance. Low producers are weeded out. Last year the average monthly increase was \$62.50.

Dr. Wright questioned housing allowance and Dr. Wood said the provosts get \$275 per month plus use of an official car for official business.

Dr. Wood then asked if members of the committee had received a copy of "Margin of Excellence" by Professor Soli, which sets forth an analysis of salaries for professional personnel. Dr. Wood said it was excellent and recommended each member of the committee get a copy.

Dr. Wright asked about the increase in court costs and Dr. Wood replied the more laws that are passed the more law suits are brought against the university. He said there is a tripling or quadrupling of legal costs at the university.

Dr. Wright asked if the university budgets at total head count or average enrollment of students, to which Mr. Hollinger replied they budget at peak enrollment, based on the actual enrollment of the fall semester plus an anticipated increase for the next fall semester. Dr. Wright said in Anchorage they budget for average enrollment.

Dr. Wright asked how much would be realized if all fees were doubled and Mr. Hollinger said about \$1,750,000. Mr. Fink then questioned out-of-state fees and Dr. Wood explained a full-time student pays \$100, plus \$150 if coming in from another state. The \$150 was doubled to \$300 last fall, but the university was unable to collect it due to President Nixon's freeze. Additional costs to the student are activity fees and insurance fees of about \$45 per semester, plus board and room. Dr. Wood said about 50% of those who go to college, go outside the state. Alaska is No. 50 on the list of out-migration, and he was afraid if fees were doubled even more students would go outside.

Mr. Hohman questioned the reduction of about \$250,000 in federal receipts. Mr. Byrd said this is predicated on the President's current budget as presented to Congress. \$205,000 used to be received for a land grant college; however, the President did not put it in the budget this year or last year. Last year Congress did reinstate the funds, but it is not budgeted this year.

Dr. Wright noted a \$23 billion higher education package was passed in Washington, and asked how this would affect the university. Mr. Byrd replied it would affect them primarily through restricted fund expenditures, and Dr. Wood said since these are based on population Alaska would get the minimum.

Mr. Fink noted on the request level the university shows a lower figure for federal receipts and asked how they lose federal money. Mr. Byrd replied through matching amounts, and the funds are subject to how much you can put up yourself. Dr. Wright thought it would be an interesting project for the Budget & Audit Committee to see what the university does with federal money. Mr. Byrd said there are about 300 different projects for which the university receives restricted funds, and all must be accounted for.

Senator Lewis arrived at the meeting at 3:00 p.m.

Organized
Research

Mr. Byrd then stated the budget on Organized Research would be reviewed by Dr. Rae, Dr. Hood and Mr. Hickok.

Dr. Rae said the university has an outstanding faculty and they receive a great deal of assistance through federal funding.

However, one of the problems in Alaska is they are plagued with regionalism. Mr. Haugen asked if they didn't contribute to the problem by taking the marine science center out of Douglas. Dr. Rae said this would be justified and introduced Dr. Hood, Director of the Institute of Marine Sciences.

Dr. Hood distributed a package of pamphlets to the committee. (See department file.) He read definitions of marine science and oceanography from the book. He said the university was to compete with other laboratories throughout the nation and, starting at nothing, they are now eighth in the nation. For every \$1 which is received from the legislature, they receive \$5 from federal funds and other scientific institutions. He listed the source of funds.

Next year's problem, according to Dr. Hood, is to integrate more fully with the university's system from a central facility. A request has been submitted to the Board of Regents that a central facility be built in Anchorage, with an associated support facility in Seward. Dr. Hood said the Scripps campus is larger than the University of Alaska, and the University of Washington has three buildings on the ocean.

Dr. Hood then stated the history of the Douglas station has not been good, since it is too detached from the central activity. People here are not part of the mainstream of affairs and the area is too isolated. Mr. Haugen argued there is an entire scientific community here, the Department of Fish & Game, Auke Bay, etc., and it is close to the ocean. Rather than support this concept, Mr. Haugen said he would campaign against the bond issue for the Institute of Marine Sciences and there is a group of fishermen who feel exactly the same way. Mr. Haugen also said the institute has been a complete failure in aiding industries trying to locate in Southeast Alaska, such as the pulp mill in Burner's Bay. Dr. Hood replied there is not much he can say except there is a surprisingly good staff in Alaska. They did work on the paper mill, the Prince William Sound station, Coalville River study, Cook Inlet oil, etc., and stated they are on top of the oceanographic problems here. Because they are focusing on a central facility does not mean they are abandoning the region, as they can send people to different areas. The Douglas station is an old school building, not in good water as the Gastineau Channel is inadequate. The plans are to settle in a likely place, not one which will be politically expedient.

Aquiculture is far more important to Southeast Alaska than any other problem, continued Dr. Hood. Resources must be protected and industry must coincide with the environment, and this does not necessarily have to be done from Douglas. The institute is studying a long-range program of aquiculture, which will increase salmon population, oysters, clams, etc. There are also problems

throughout Alaska, in the Bering Sea and on the North Slope. Mr. Fink noted Mr. Haugen was looking at the problem from the fisherman's standpoint, to which Dr. Hood replied they will cooperate with the Fish & Game Department here in Juneau and exchange scientific and research ideas on a cooperative basis. Mr. Haugen mentioned stream enhancement; and the fact that the Forest Service appropriated \$675,000 to this program. He felt it was a duplication of effort. Mr. Haugen did not support this move and will not give up the fight against it. Dr. Hood asked what the institute should do and Mr. Haugen replied they have scientific commitments in this area.

Mr. Warwick said he could not see where the problem was as the staff decided where they wanted to live and rationalized from there. Dr. Hood said they questioned the staff twice on a rating scale; the first time asking opinions on the move from a purely professional standpoint which received a rating of 4.7, and the second time on a personal standpoint which received a rating of 2. (Range was from 1 to 5.)

Mr. Kerttula said an oceanographer told him the greatness of Scripps was that it was located on the water with a tremendous dock, and provided an extension to the sea. Seward, therefore, would be a better location than Anchorage. Dr. Hood noted this was a valid argument; however, many universities with similar programs are far from the sea. The first step is to get a program going, then if a move is in order they will move. Mr. Kerttula said he could see the advantage to being able to communicate back and forth with the university.

Senator Lewis said Mr. Haugen would campaign against the bond issue and asked what would happen if the bonds did not pass. Dr. Hood said if something is not done about laboratory space, the institute can't survive. It is the most crowded in the university.

Recess: The meeting recessed at 3:30 p.m.

AFTER RECESS

4:00 p.m.

PRESENT Members of the House Finance Committee. Dr. Hickey, Director of the University of Washington Dental School; Dr. Schwarz, of the University of Washington Medical School; Dr. Moore, from the U. of W. Dental School; Dr. Rogers, of the U. of W. Planning Office and the Health Science Office; and the Associate Dean of the School of Medicine were also present.

WAMI Mr. Wright called the meeting to order and asked Dr. Schwarz to explain the WAMI program to the Committee.

Dr. Schwarz said the WAMI Program is named after the four states of Washington, Alaska, Montana and Idaho. Its main objectives are: 1. To increase medical school enrollment in the four states. 2. To add to the number of physicians and correct the uneven distribution in the region. 3. To contain the cost of medical education by capitalizing on the existing facilities. 4. To provide educational experience in non-metropolitan communities. 5. To increase the flow of knowledge between community practitioners and the University.

Dr. Scharwz explained that by 1980, the U.S. will be short 45,000 doctors. Communities in Montana, Alaska and Idaho will suffer most from this shortage because these states do not have a medical school. Medical schools must give preference to their own residents but even then there are too few training institutions. In 1969, 24,465 men and women applied for entrance in the nation's medical schools. Only 10,546 were accepted. Out of that number, only 8 were Alaskans. Only 14 had applied. He pointed out that brick and mortar costs for more facilities reach astronomical heights. The Association of American Medical Colleges estimated that construction costs equal \$1 million to accommodate one additional four-year student. By using already existing facilities, WAMI saves these costly construction dollars. Expense of addition residential faculty is minimized by including practicing physicians in the community on the staff for varying periods of time.

Dr. Schwarz said the WAMI plan enables entering medical students to take at least the first two quarters of their basic science requirements at a participating university or college in one of the four states. The students then attend the U. of W. to receive the remaining portions of their basic medical training.

He said that during the elective phase of their curriculum, they may spend six weeks in a community clinical unit. Here they will gain valuable experience in the actual practice of medicine

in a rural community, working with physicians in private practice, in hospitals, community clinics, offices and at the bedside. As residents, they again have the opportunity to return to practice in the community clinical units. It is hoped that the students and residents will become involved with the community life. In most instances, it will be possible to send their wives and family with them. Since evidence suggests that physicians return to practice in the region where they receive their residency training, these experiences may help to correct the uneven distribution of physicians between urban and rural communities. Both students and practicing physicians may benefit by this exchange. Community practitioners will more quickly gain knowledge of clinical application of new research flowing from medical centers.

Dr. Schwarz said that within the next three or four months they plan to set up a formal unit and will send the students up for a six-week training period. This is paid for by the Commonwealth Fund of New York City. They hope to expand this experience in Montana and Idaho by a grant from the Manpower Administration.

Dr. Schwarz said that the purpose of this trip to Alaska was to determine whether there was any interest on the part of University officials and the state for expanding the concept to include training programs and dentistry. They had no formal program to offer as they were just in the early stages of discussion. He asked Dr. Hickey, the head of the U. of W. Dental School, to speak to the committee.

Dr. Hickey said that a dental school is a geographical resource with a geographical limit to patients. He explained that they limit their enrollment and that 80% of their enrollment is to Washington residents and the other 20% is for residents of the Western State Commission.

Dr. Hickey said that the opportunities for residents of those states without dental schools to be admitted is becoming increasingly difficult. For this reason he had agreed to come to Alaska at this time to see whether there was an interest in expanding the WAMI program to include dentistry.

Mr. Haugen asked what it would take to participate, and Dr. Hickey said it would take an indication from the dental profession that there is an interest, and an expression of interest from the institution of higher learning in Alaska to participate. He pointed out that the practicing dentists would have to become teachers in the program.

Mr. Kerttula asked whether a legislative resolution would be

of any help, and Dr. Schwarz thought it would be a very valuable thing to have.

Mr. Wright said he would see about getting a resolution from the Dental Association.

RECESS Meeting recessed at 4:40 p.m.

AFTER RECESS

4:45 p.m.

PRESENT Members of House Finance Committee. Dr. McLean and Dr. Starcher, consultants for the Study of Alaska Higher Education, were present. Dr. William Wood, President of the University of Alaska, and members of his staff were also present. Mr. Mario Martini, Management Consultant for the U. of A. was present to testify.

U. of A. Max Hollinger said that last year Mr. Martini had made a model to review the instructional budget and library budget. This year he had expanded it to include the physical plant. He asked Mr. Martini to discuss his model.

Mr. Martini said that his participation in the development of the University's budget was limited to the development of these models. He wanted to limit the discussion to the models themselves. He differentiated between a model and a formula. To him, a formula is something that went through the use of complex or mathematical means to give detailed and mathematical explanations. He said you mainly apply formula which will hold. For example, if one wanted to find the amount of interest earned over a period of time, he would apply formula to determine the specific amount of money which would be earned. He said a model was merely a means whereby the analyst has the opportunity to prepare certain actual data versus certain assumptions that can be made. He said the assumptions could be made over controlled situations and hopefully it will give an answer compared to the actual situation, and at that time they can draw conclusions.

Mr. Martini said that was why they should not necessarily approach a budget document merely through the use of either. Hopefully, a model can help to determine whether the information in the budget has substance.

He said that he illustrated the development of instructional cost from the model standpoint utilizing actual and projected data. He referred to Schedule 1. He said he arrived at the factor of 225 by multiplying the number of student credit hours by the number of full-time equivalency students. He said the model covered regular cost areas and other cost areas. He stated the model analyzed the total program costs for each one of the departments and showed which exceeded the average rule. He said that any which exceeded by more than 50% were included in the high cost areas. For example, music is a high cost area because of the individual instruction between pupil and teacher.

Mr. Martini said the model described the ratio of teacher to

full-time equivalency students. He said that the factor of 225 is the product of 15 student credit hours multiplied by 15 full-time equivalency.

There was some discussion of the 225 figure as opposed to a 300 figure at the U. of Washington. It was brought out that Washington was on the quarter system, while the U. of A. was on semesters.

Dr. Starcher finally resolved the discussion by putting the following figures on the board:

Quarter $\frac{300 \times 3}{45} = 20$ Full Time Equivalency Students

Semester $\frac{225 \times 2}{30} = 15$ Full Time Equivalency Students

Dr. Starcher explained that there were several problems they should take into consideration. For example, if they were to drop their organic chemistry classes which had only 7 students, these students would end up dropping out of the other classes they were taking and out of the university altogether because they couldn't get their major requirements at the U. of A.

Mr. Martini continued. He said they were talking about 15 students here and 20 students there. He stated that the model followed through on that computation. He said the first schedule sets up the number of faculty members required in terms of 9 units. He said this was discussed by 90% because this is the level at which it operates. He explained that one faculty member is equal to 3/4 of a man-year, so if they apply that to actual man-years and multiply by 1.33, they would come up with faculty teaching hours.

Mr. Martini went on to the next schedule which was Faculty Salary Projections (Schedule II). He said that it was a combination of statistical data from 7 campuses in the U.S. He said he took the number of professors etc. and got the average faculty member's cost--\$14,779.71. By adding the 25% cost of living onto that, he came up with \$18,475. He took that amount and compared it to the parity level of 90% of adjusted comparative salaries. He came up with \$16,628. He figured out that it took an 8.02% increase to bring the U. of A. faculty average salary up to parity. However, instead of increasing it by 8.02%, if they used the 5.5% increase suggested by the Department of Administration, and applied that to the 90% level, they would come up with an average cost of \$17,543 for FY 71-72. If they followed that through for FY 72-73, they would come up with an average adjusted salary of \$18,507.

computation of Supporting staff salaries and other to the 1971-72 level, and perted it to the 1972-73 of the support costs each analysis of each of the departm sts generated at each level. ame up with a 1972-73 total

parison of Model vs. Request us schedules. The 1971-72 59 vs. 203.35 (Model vs. 7 vs. 203.82.

d applies them to the total

model on libraries. He rary Holdings. He said 't necessarily reflect the ted that it highlighted the ovides.

look at Schedule II, ction. He said that the uld increase holdings in 4,892 volumes for 70-71,

sis of Additions, which

f Technical Process Staff, technical process staff lection and non-cost ction. He found that sional staff was 3:1.

V, Computation of Public tal Public Service Staff equired and the clerical

of Staffing. He added aff, and Technical Process nt.

omputation of Supporting mmary. The summary includes he percentage of actual to it is 65.7%.

odel for the Physical Plant

CORRECTION

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

full-time equivalency students. He said that the factor of 225 is the product of 15 student credit hours multiplied by 15 full-time equivalency.

There was some discussion of the 225 figure as opposed to a 300 figure at the U. of Washington. It was brought out that Washington was on the quarter system, while the U. of A. was on semesters.

Dr. Starcher finally resolved the discussion by putting the following figures on the board:

$$\text{Quarter} \quad \frac{300 \times 3}{45} = 20 \text{ Full Time Equivalency Students}$$

$$\text{Semester} \quad \frac{225 \times 2}{30} = 15 \text{ Full Time Equivalency Students}$$

Dr. Starcher explained that there were several problems they should take into consideration. For example, if they were to drop their organic chemistry classes which had only 7 students, these students would end up dropping out of the other classes they were taking and out of the university altogether because they couldn't get their major requirements at the U. of A.

Mr. Martini continued. He said they were talking about 15 students here and 20 students there. He stated that the model followed through on that computation. He said the first schedule sets up the number of faculty members required in terms of 9 units. He said this was discussed by 90% because this is the level at which it operates. He explained that one faculty member is equal to 3/4 of a man-year, so if they apply that to actual man-years and multiply by 1.33, they would come up with faculty teaching hours.

Mr. Martini went on to the next schedule which was Faculty Salary Projections (Schedule II). He said that it was a combination of statistical data from 7 campuses in the U.S. He said he took the number of professors etc. and got the average faculty member's cost--\$14,779.71. By adding the 25% cost of living onto that, he came up with \$18,475. He took that amount and compared it to the parity level of 90% of adjusted comparative salaries. He came up with \$16,628. He figured out that it took an 8.02% increase to bring the U. of A. faculty average salary up to parity. However, instead of increasing it by 8.02%, if they used the 5.5% increase suggested by the Department of Administration, and applied that to the 90% level, they would come up with an average cost of \$17,543 for FY 71-72. If they followed that through for FY 72-73, they would come up with an average adjusted salary of \$18,507.

Mr. Martini referred to Schedule III, Computation of Supporting Costs. He tried to convert the support staff salaries and other supporting costs from the 1970-71 level to the 1971-72 level, and then he took the 1971-72 level and converted it to the 1972-73 level. The schedule was a combination of the support costs each faculty member generates. He did an analysis of each of the departments, and determined the supporting costs generated at each level. He projected on the basis of 5.5% and came up with a 1972-73 total supporting load of \$8,699.

Mr. Martini went on to Schedule IV, Comparison of Model vs. Request. He used figures developed in the previous schedules. The 1971-72 figures for total FTE faculty were 234.59 vs. 203.35 (Model vs. Budget). For 1972-73 it would be 268.67 vs. 203.82.

Schedule IV also takes support costs and applies them to the total number of FTE faculty.

Mr. Martini went on to speak about the model on libraries. He referred to Schedule 1, Schedule of Library Holdings. He said that the factors were adjusted and didn't necessarily reflect the same breakdowns as the formula. He stated that it highlighted the level of agency vs. what the formula provides.

Mr. Martini asked the Committee to also look at Schedule II, Computation of Annual Addition to Collection. He said that the model indicates that the University should increase holdings in areas budgeted and the request allows 44,892 volumes for 70-71, 27,468 for 71-72, and 28,059 for 72-73.

He referred to Schedule III, Cost Analysis of Additions, which comes up with average cost per volume. He said that Schedule IV, Computation of Technical Process Staff, showed the cost within the library for technical process staff if they make purchased additions to collection and non-cost additions, and deletions from the collection. He found that the ratio of supporting staff to professional staff was 3:1.

Mr. Martini went on to explain Schedule V, Computation of Public Services Staff. To come up with the Total Public Service Staff he added the Total Professional staff required and the clerical support staff.

He said that Schedule VI was a Summary of Staffing. He added Administration Staff, Public Service Staff, and Technical Process Staff to come up with Actual F.T.E. Count.

Mr. Martini referred to Schedule VII, Computation of Supporting Costs. He went on to Schedule VIII, Summary. The summary includes a comparison of Model versus Budget. The percentage of actual to model for 71-72 is 64.6% and for 72-73 it is 65.7%.

Mr. Martini said he would go over the model for the Physical Plant later.

JOINT MEETING
HOUSE AND SENATE FINANCE COMMITTEES
March 9, 1972
9:00 a.m.

Present: All House Finance Committee members except Mr. Ditman. Senator Lewis was also present. Dr. Dafoe, Dr. Moyer, Dr. Ferguson, Dr. Haines, Dr. Rae and Mr. Byrd were also present.

UNIV. Chairman Hohman called the meeting to order and said
OF they would continue discussion on the budget for the
ALASKA University of Alaska.

Dr. Haines spoke on the Southcentral Region. He gave a brief background noting there are four colleges in Southcentral -- Kodiak, Kenai, Palmer and Anchorage. He said it would be wiser to talk about three colleges (Kodiak, Kenai and Palmer). He said these are operating totally by part time people. He said these community colleges are authorized to offer almost no upper division classes.

Dr. Haines said they have developed community advisory committees composed of people from the local communities. With these committees they have selected someone from the local area to serve as an administrator.

Dr. Haines spoke on the community college in Anchorage. He said this is really a component of the University of Alaska, Anchorage. They said they were concerned about its future. He said he realized there had been a difference in figures presented but they estimate 7,000 students producing over 100,000 credit hours next year (later in the meeting Dr. Haines indicated this estimate was low).

The committee questioned how they go from an extension center to a community college. Dr. Haines said this is based on the request of local communities and upon this request the regents would view the curriculum. He added that if there are 75 full time students in a community they would be eligible to request community college status. Mr. Byrd said a community must meet the 75 student level and also a request has to be made by the local school district or political subdivision and evidence of the need has to be presented. Contribution of the local community to the program has to be indicated. Mr. Byrd added that the Regents are

charged with reviewing and using their judgment to determine whether the need is there. Mr. Hohman asked what is generally expected for community contribution in the first year. Mr. Byrd said in the first years they are expected to contribute costs of primarily space and certain facilities. He said the community colleges would administer their non-degree programs and they would have to put up the funds for these under the laws -- the University cannot supply them.

In answer to Senator Lewis, Dr. Haines said there has been some indication the Bar Association may feel it is necessary to develop a law school in Alaska. He said there is also a possibility that if AMU runs into difficulty with their nursing program there might be a college of nursing at the University of Alaska.

Mr. Wright said that hopefully this session will adopt a foundation program so it won't be so burdensome for the districts. Dr. Haines said he would like to support this. He said that right now there is no way community colleges can count on funds from year to year. Foundation support would enable them to be able to count on paid amounts of money to continue with these programs. Dr. Dafoe said that Nome and Bethel are good examples where they should start with the extension centers route.

Dr. Haines said at the present time they feel some kind of subsidy or support should be given to these smaller communities. He said it is almost impossible for a small community to generate 18 students for a lower division class. He said their recommendation is to provide support up to about 50 %. He said he feels strongly that the people in smaller communities should have the opportunity to go to school and "get the feel about what college is about". He said he felt this was a policy question. He said he did not see this support as being necessary for the upper division classes as they can carry themselves.

Mr. Wright said he would question whether having extensions all over the state would be fair to the kids. He said he did not believe unless they have a major community college in Juneau, Ketchikan or Bethel with dormitory facilities that kids would come.

Dr. Moyer pointed out that community colleges serve the adult population as well as the younger people. The adult group coming in for career development is becoming a big component.

Dr. Dafoe said that Dr. Moyer had been instructed by the Regents to do a feasibility study for resident facilities at both Juneau and Anchorage.

Dr. Haines said there are differences of opinions in the University toward views of providing dormitories. He said in his mind there is a question of whether or not the state can afford two large resident campuses. He said it is extremely costly to build dormitories and to maintain them and students do not particularly like the kind of space they can provide economically. He said that students did not want the traditional, dormitory type of living. Mr. Wright said he was more concerned with the kids. He said is this approach fair to the kids in Juneau and Ketchikan.

Mr. Fink said to some extent he would support the University's position. He said they are trying to keep expenditures down and he felt they have had a tendency to spread too thin. A line has to be drawn in order to keep expenditures in the "ball park". He said if the kids have to travel to go to college they would be better off than getting a lousy education.

Mr. Hohman said he thought this same argument could be applied for the establishment of community colleges in bush areas. He compared this to the regional high school concept and said that the kids perform better and their output is better. Mr. Fink said he thought this could apply if they were talking about vocational education. He said if Southeast is spread too thin then there is no quality. Mr. Hohman said he thought as a finance committee they should be concerned with getting the most out of their dollars and he felt the community colleges in bush areas would provide this. Discussion followed. Mr. Wright said he was not advocating a lot of community colleges -- he felt there should just be one in Southeast and one in Western Alaska.

Dr. Haines said he would have to speak for the quality of courses -- he said the student in Kenai or Kodiak is receiving the same quality as the

student in Anchorage. He said they would not offer these courses if they were not the same high quality. Dr. Haines said should the students who cannot get away from their area be penalized.

Dr. Dafoe said he was convinced after looking at Nome and Bethel they need somebody in there -- they need some "seed money" for these areas.

In answer to Senator Lewis, Dr. Dafoe said in the Nome area they have budgeted \$11,200. They need to increase this to about \$36,000 (he said this was an off-hand figure) to provide a full time coordinator. He said he felt for a modest amount in both Nome and Bethel they would be able to provide more than they are. Senator Lewis asked if this \$36,000 would provide for only a coordinator. Dr. Dafoe said yes, there are people in both places who could teach and this coordinator could work with them in developing courses. Mr. Wright said he could see some advantages of this if the coordinator would have a good background in counselling. Dr. Dafoe said this is the type of person he was speaking of. Dr. Dafoe said he would like to put this proposal in writing and he thought some good experience would come from this.

In answer to Mr. Fink, Dr. Haines said as far as he knew there was no conscious discrimination regarding salaries between the components of the University. He said professors with fewer years in teaching do come in at a lower rate than the older individual in the Fairbanks area. Mr. Fink asked if there was another reason for their dissatisfaction. Dr. Haines said that in a study showing comparison between their salaries including cost of living and the salaries paid professors out of Alaska they rate very poorly.

Mr. Fink questioned the hours worked by the professors. Dr. Haines said at the lower level they teach 4 courses or 12 contact hours -- the upper level 3 courses or 9 contact hours plus a 4th in research. He said a faculty man would work from 45 to 50 hours a week but would do it in a different way than a state employee. He would have preparation of courses and administrative work. Mr. Fink said he felt if a professor is receiving more money he should be working more hours.

Senator Lewis left the meeting.

Mr. Warwick questioned what type of contract George Rogers had. He noted that he has various other state contracts and Mr. Warwick questioned this. Dr. Rae said he was not sure but thought Mr. Rogers was on sabbatical leave. Discussion followed. Mr. Warwick said he thought that the University should be the auditing agency in this type of situation. Mr. Byrd said they are.

Mrs. Isaacs, who was in the audience, reported on an incident regarding two professors from the University who had sat on a panel for U.S. Champion Plywood.

Discussion followed on Mr. Roger's contract. Mr. Warwick asked if the money he earned was reverted back to the University. He requested that this be checked into and a report made to the committee.

Mr. Fink asked if the budget was cut back to the request level what would happen in the Anchorage area. Dr. Haines said at the request level it would be a difficult job to open the new library facilities. He said they would have to make due with part time people and in doing this they would feel that the quality of education would be deluded. After more discussion, Dr. Haines said he did not know what the accreditation people would say about 60% of their classes being taught by part time people. Mr. Fink asked what this figure was now. Dr. Haines said it is 40% but they felt it should be about 20%. More discussion followed on the enrollment in Anchorage and Dr. Haines said he thought the estimate he gave earlier (7,000 students producing 100,000 credit hours) was low.

Mr. Haugen asked about the capability of AMU. Dr. Haines said it was his understanding that Dr. Picton had indicated they could double their enrollment. Dr. Dafoe said Dr. Picton had indicated this figure to be about 800.

Mr. Fink asked what the effect would be of a cutback on Kenai and Kodiak. Dr. Haines said they have new facilities which would be impossible to operate. He said \$26,000 would be the minimum cost to operate.

Dr. Haines said he thought they were all aware there has been some stigma attached to vocational training. He said they are trying to encourage students to "close the lines" -- he said he felt there should be more than just getting specific training.

Dr. Haines said there is real concern about budgets for smaller communities -- the cost per square foot is no greater than Anchorage or Fairbanks.

Recess: The committee recessed at 10:35 a.m.

AFTER RECESS
11:00 a.m.

Present: All members of the House Finance Committee except Messrs. Wright and Ditman. University of Alaska personnel were still in attendance.

Dr. Ferguson spoke on the Southeastern portion of the University's budget.

Dr. Dafoe said all that is showing in the budget is the credit portion and the non-credit portion is not shown -- he said he felt this was a mistake in that program budgeting for community colleges should show their total budget regardless of where source of funds are going.

Discussion followed on Sheldon Jackson and the Sitka Community College. Mr. Degnan asked if the Sitka Community College could be contracted with Sheldon Jackson. Dr. Ferguson said no, not the entire program. Mr. Degnan asked if the Sitka Community College was taking away SJ's opportunity to expand. Dr. Ferguson said no, they are offering a liberal arts program.

Dr. Dafoe said they had filed with the Chairman of the Legislative Council a copy of the consortium agreement between these two colleges and he said he would make copies available to the committee.

Mr. Warwick asked what the Sitka Community College uses for its facilities. Dr. Ferguson said they use the old elementary school and this provides three or four classrooms, a modest library and administrative space.

Mr. Warwick said he understood that the head count for students had to reach a certain level before they could justify a community college. He asked if this was sufficient in Sitka. Dr. Ferguson answered that primarily the community colleges have three program areas. In most cases community colleges only have a partial program in the transfer parallel, a partial program in vocational training and a very small program in community services. He said ideally they should have 1,200 to 1,500 students to offer all of these programs. Dr. Ferguson said in this case they are talking about 200 or 300 FTE students including all three of these program areas. Mr. Warwick said as Sitka has the two colleges it looked like they were in better shape than some of the other areas. Dr. Ferguson said they felt they had reached a plateau at Sitka.

Mr. Warwick asked what is the FTE at Sitka Community College. Dr. Dafoe said there are 24 academic and 50 non-credit and the way these figures had been arrived at was to take the total number of credit hours per year and divide by 30. Dr. Ferguson said they have 135 total student enrollment and 176 in non degree work. Discussion continued on whether the new building at Sitka is necessary. Dr. Moyer said by the time this building is complete they will be well beyond 100 FTE's. He said by 1980 they will be approaching 200 or 300 FTE's and they are looking at this and planning ahead.

Mr. Hohman asked what they estimate is the potential FTE at Nome or Bethel. Dr. Moyer said they had not done an in-depth study at Nome because they have no pattern to work with.

Mr. Haugen said this building for Sitka is going to cost \$1 million. He said the only industry in this area will be the pulp mill as there is not much of a fishing fleet. He questioned this large amount for this particular area. Dr. Ferguson said they are trying to provide leadership and the idea of this facility is not only comprehensive but it will serve the community for a longer period of time. Discussion followed on how this would tie in with the police academy. Mr. Hohman questioned whether this police training could be best accomplished from a dollar standpoint in some of the urban areas of the state.

Mr. Fink asked if the University had been involved in the Administration's consideration of the Wildwood Station. Dr. Moyer said he had visited this facility. Dr. Haines said they had worked on this with the Kenai City Manager and the University could not come close to the cost for maintenance; however, there were two units they did feel could be considered for leasing. Mr. Fink said it did not appear that the University had worked with the Administration on this. Dr. Haines said it was true that they had worked only with the City of Kenai but they would be more than willing to consider this same possibility with the state administration.

Mr. Haugen said he felt that Juneau should be the center for the community college in Southeast rather than have buildings built all around. Dr. Ferguson said this is an excellent point and they are looking at where this program should be. He said it may well be that it will be located in Juneau. Mr. Haugen said he thought they should look at this first before committing capital improvements outside of this area. Dr. Ferguson said he did not feel that what they have currently planned is going to effect this appreciably. He said there is a need for the building in Sitka.

Dr. Ferguson reported on the recent fire at the college in Juneau. He said they had 510 students in the vocational program. He said the building that burned had 50,000 square feet being used for the vocational program and about 200 square feet for the regional center. He said they are now inventoring this with the insurance people and their best estimate is \$101,000 for equipment and this may go as high as \$115,000. He said they had rented portions of this building to the state Division of Personnel and this was planned as income and this, of course, has now been lost. He said Representative Begich had been able to identify about \$30,000 MDTA funds which will hopefully get them operational. Dr. Ferguson said that this is a desperate situation for Southeast. Dr. Ferguson said they are now using the Mt. Jumbo school in Douglas. Dr. Dafeo said they are looking at the NC property in Juneau and are considering this with the Borough planners. He said there is also a problem in that the state or borough did not carry insurance on contents. Dr. Ferguson said that the facility at Auke Bay is primarily used for the academic program and is getting full utilization.

Recess: The meeting recessed at 12:02 p.m.

AFTER RECESS
March 9, 1972
1:45 p.m.

PRESENT: Representatives Fink and Warwick. Dr. Ray, Dr. Dafoe, Dr. Moyer, Mr. Harold Byrd, Mr. L. Haynes and Mr. Hollinger were also present.

Acting Chairman Andrew Warwick called the meeting to order.

U of A
MAIN
CAMPUS

Mr. Byrd stated that they would continue with the BRU's regarding the main campus. He explained that the entire north region is an area which they hope will be under a separate provost. Three Vice Presidents who cover those areas were present.

Regarding Organized Research, Mr. Byrd said that they would speak of maintenance and operations. Dr. Ray asked if there were any specific questions relating to these topics.

Representative Warwick spoke of the University of Alaska not maintaining a level required for federal funds in generalized research. Dr. Ray answered that there is a consistent record of matching funds, but that it was impossible to give a single figure because different programs require different matchings.

Discussion then centered around the campus library. Mr. Byrd stated that a library, as every other department, has to grow and cannot stand still and yet serve adequately growing programs and research.

Representative Warwick asked about the 22 per cent inflation for cost of books. Mr. Byrd said it was approximately 22 per cent, and rates were especially high for science books. He added that the cost of compiling and publishing has also gone up.

Representative Warwick then asked if the variables for Academic Support were obtained from an industrial average. Mr. Byrd replied that the base consists of constants, not variables. Constants relate to the number of majors the University has, with a certain number of books for every major. He said that the Clapp-Jordan formula was derived from an average of all institutional libraries. For every masters' degree program there is one factor, and still another for doctoral degrees. Faculty and students must also be accounted for.

(Representative Degnan entered the meeting.)

Representative Warwick asked if there wouldn't be any overlapping as the program increased. Mr. Byrd replied that once constants were established, the variable from there on is the number of faculty and students. He said the library is updated from year to year. He explained that the model is not for

funding the budget but for setting up a norm or guide upon which comparisons can be made. The purpose is the measure of deficiency existing and what would be available in an ideal situation. Mr. Byrd added that the Clapp-Jordan formula is the model most commonly used.

Representative Degnan asked how a model is set up. Mr. Byrd explained that the model was set as an ideal; most libraries have 80 to 90 per cent of that model; the library at the University of Alaska is about 74 per cent of the model. He said that this model is widely used and published, but it is somewhat modified in the state of Washington. The University of Alaska uses Washington's modified version.

In response to Representative Warwick's question regarding the library's overall standard, Dr. Ray said it was adequate. Mr. Byrd stated that when they are down to 73 - 75 per cent, there is quite a strong chance an accreditation team can pinpoint its weaknesses.

Representative Warwick asked if there were any funds in this budget for maintenance and operation of the Yak Estates. Mr. Hollinger replied no, that the Yak Estates were under separate income. Representative Warwick then asked under which BRU they could be found. Mr. Hollinger answered that they were under "Institutional Support", reflected under the income section. Representative Fink asked Mr. Byrd to explain what the Yak Estates are. Mr. Byrd said that they were faculty housing on land which had been granted to the U of A which originally had been experimental pasture for cattle and yaks.

Representative Warwick mentioned independent operations such as the book store, computer center, and housing, and then asked why they were listed as interagency receipts and not classified as program receipts. Mr. Byrd stated that it is not strictly an interagency receipt; in some cases it could be a receipt from another department of the University. He explained that they had no place there to put the kind of receipts they get by charging for sales or rentals, so in order to differentiate between that kind of a receipt and all others that they budget in regular operations of the University, they entered it in that column.

Representative Warwick asked how excess was put into (as an example) the bookstore. Mr. Byrd said they would defer the deficit under subsequent years and expect modification rates to recover it or carry forward a surplus, because it has to be self sustaining on a long range basis. Mr. Hollinger added that they put any excess funds in reserve for future losses or rehabilitation of facilities. He said they have a reserve of

CORRECTION

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

funding the budget but for setting up a norm or guide upon which comparisons can be made. The purpose is the measure of deficiency existing and what would be available in an ideal situation. Mr. Byrd added that the Clapp-Jordan formula is the model most commonly used.

Representative Degnan asked how a model is set up. Mr. Byrd explained that the model was set as an ideal; most libraries have 80 to 90 per cent of that model; the library at the University of Alaska is about 74 per cent of the model. He said that this model is widely used and published, but it is somewhat modified in the state of Washington. The University of Alaska uses Wasington's modified version.

In response to Representative Warwick's question regarding the library's overall standard, Dr. Ray said it was adequate. Mr. Byrd stated that when they are down to 73 - 75 per cent, there is quite a strong chance an accreditation team can pinpoint its weaknesses.

Representative Warwick asked if there were any funds in this budget for maintenance and operation of the Yak Estates. Mr. Hollinger replied no, that the Yak Estates were under separate income. Representative Warwick then asked under which BRU they could be found. Mr. Hollinger answered that they were under "Institutional Support", reflected under the income section. Representative Fink asked Mr. Byrd to explain what the Yak Estates are. Mr. Byrd said that they were faculty housing on land which had been granted to the U of A which originally had been experimental pasture for cattle and yaks.

Representative Warwick mentioned independent operations such as the book store, computer center, and housing, and then asked why they were listed as interagency receipts and not classified as program receipts. Mr. Byrd stated that it is not strictly an interagency receipt; in some cases it could be a receipt from another department of the University. He explained that they had no place there to put the kind of receipts they get by charging for sales or rentals, so in order to differentiate between that kind of a receipt and all others that they budget in regular operations of the University, they entered it in that column.

Representative Warwick asked how excess was put into (as an example) the bookstore. Mr. Byrd said they would defer the deficit under subsequent years and expect modification rates to recover it or carry forward a surplus, because it has to be self sustaining on a long range basis. Mr. Hollinger added that they put any excess funds in reserve for future losses or rehabilitation of facilities. He said they have a reserve of

\$50,000 in the computer center and it will show in the balance sheet of the financial report.

Discussion centered around the computer center. Dr. Ray stated that they accept outside work only if the private company has looked elsewhere first. He added that they charge the same that they would charge a federal agency. He said that in the beginning, the income was inadequate but that this year they were beginning to show a profit. The reaction has been to pay back to those who have used it in order that they maintain just operating expenses. He said that their prices have not been competitive.

Representative Fink remarked that the maintenance level for this year is the same as the request.

(Representative Haugen entered the meeting.)

Representative Fink stated that the committee had the indication that the custodial people were not working hard enough. He referred to a comparison made between U of A and the state of Washington. Mr. Byrd said the janitorial norm is 15,000 square feet per man. He added that there were some factors which justify the existing situation: presence of large research projects; excessive summer dust; and mud during the break-up season. Housing is not considered a part of the square feet allocated to the men, but they still have an obligation to clean those areas once vacated.

Representative Fink said the U of A had requested 13 new full-time custodial positions and added that Washington's norm was 20,000 square feet per man. Mr. Hollinger said more men were required due to the construction of new buildings, but that they were shooting for better standards.

Representative Fink mentioned the reduction from 1972 of the TV station. Dr. Dafoe added that they would like to start some instructional programs.

Representative Fink asked if they would break up Central Governance into other BRU's. Mr. Hollinger stated that they could, or it could be done by the committee's staff.

Regarding payment of staff benefits, Mr. Byrd said the rate is calculated by the sum total of all Personal Services they have. Overpayment will result if the rate is applied to other departments which have a dominance of students or part-timers which does not carry a high rate of staff benefits. For the purpose of applying an average rate arbitrarily, it can be done.

Representative Fink asked what the trend of the budget will be. He mentioned \$4,900,000 for Southcentral's maintenance request out of \$23,000,000 total. He stated that Southcentral has more than 50 per cent of credit hours.

Mr. Byrd said that Southcentral has no Research, Public Services or Central Governance. He stated that it was necessary to determine what expenses relate to the credit hours, and that this was rather difficult to do. Central Governance includes costs of the Board of Regents, Budget and Planning, Central Personnel, Vice Presidents, Accounting and Staff benefits.

Representative Fink stated that Southcentral has over one-half the state's total credit hours. Mr. Byrd said the components were different; consideration must be given to the college campus, summer sessions, and several community colleges in the area.

Representative Fink stated that he was comparing the Southcentral budget to the rest of the University. He said he was using maintenance figures, and they would have 25 per cent of the total budget and 50 per cent of the teaching.

Mr. Byrd stated that there is a requirement on the main campus for greater funding for students' credit hours, activities and other things relating to the residential campus. He said that outside of that, it would be necessary to eliminate various costs of Research and Public Services to bring it back to something comparable. He added that they do not have facilities to maintain yet in Southcentral, and this fact justifies a certain difference. When they get into the consideration of models or formulas, they will begin to develop factors for those elements.

Representative Fink referred to the cost per full-time student. He noted the following rates: \$1,400 at Anchorage Community College; \$1,290 at Anchorage Senior College; \$4,550 at Sitka. Representative Fink stated that Anchorage should have more vocational students than Sitka. Dr. Dafoe said that Sitka had 70 vocational students.

Mr. Byrd stated he had made some similar calculations where they redistributed the costs relating to instruction which generates student credit hours: direct instructional cost, library cost, physical plant cost, and administration cost. For the Fairbanks campus, Mr. Byrd calculated \$3,200 for a full-time student; \$1,500 per student in the Anchorage Senior College; and \$1,600 per student in the Anchorage Community College. He stated that the unit cost in Sitka is much higher. He added that there are upper division and graduate programs of a sophisticated level and a costly nature on the main campus, where there were none in the Anchorage Community College, which still hired a great amount of part-time lecturers.

Representative Fink noted the following costs for full-time equivalent students for instruction only: \$1,700 on the main campus; \$780 at Anchorage Community College; \$780 at Anchorage

Senior College.

Representative Warwick asked about utilities of Anchorage Community College. The college does have its own heating system (as does AMU) and is on the city sewer and water system.

Representative Fink again made reference to the fact that 50 per cent of credit hours will be in Southcentral while 25 per cent of the budget is there. Dr. Moyer said the physical plant has a higher proportion of part-time people hired at a lesser rate.

Representative Fink asked if they had proper distribution of money between different campuses. Mr. Byrd replied that he did not think so, but that they have been working on the situation, and studies have been made of the size of classes and whether programs in instruction are declining. He said that this would not save them too much because students in those classes will have to be accommodated elsewhere.

Mr. Byrd said there was no way they could have moved more money into the Anchorage area because they were operating with part-time instructors. They tried to give them everything that seemed to be required based on projections of enrollment and commensurate with additional funds to spend. He added that as they get facilities and convert from their part-time students to full-time students, they will go up in funds. Mr. Hollinger stated that this does not take into consideration demand levels of shifting to full-time instruction personnel.

Mr. Byrd referred to this year's budget compared to last year's: he said they did not give the main campus a major increase at all.

The meeting adjourned at 3:00 p.m.

HOUSE FINANCE COMMITTEE

March 14, 1972

11:15 a.m.

Present: All members. Representative Genie Chance, Mr. Charney and Mr. Berrier, Budget and Management, were also in attendance.

HEALTH AND SOCIAL SERVICES Chairman Hohman said the committee had questions about the cost of relocation of Health and Social Services. He requested that Mr. Charney give the committee an explanation of this.

Mr. Charney said that there has been a change in this since the budget was put together. The budget document contains \$400,000 for next fiscal year for relocation of the department. He said after the budget had been prepared the demolition date for the building that currently houses the department was moved up to this fiscal year. He said the Department of Administration has tried to come up with possible sites to locate the Department of Health and Social Services until the new state office building is complete. He said the Department of Administration is leaning toward the building used as the Alaska Airlines hangar at the airport. This was offered at \$.37 a square foot including remodeling. He said another alternative site is a new building at the sub-port area to be built by Mr. McNabb and he wants \$.72 a square foot which they feel is an "exorbitant price".

Mr. Charney said as he understood the Department of Health and Social Services had "squawked" about the airport location because of the inconvenient location. He said at the time the Mt. Jumbo School (Douglas) and the airport location had been considered the Department of Health and Social Services chose the airport.

Mr. Wright asked how long the Department will be at this location. Mr. Charney said for a year and a half. He added that the \$.37 a square foot figure includes remodeling. He said there are some expenses at the airport which will be higher, i.e., phone costs and the addition of phone trunk lines but they did not feel this was enough to make a difference.

Mr. Wright asked for the total cost to move the department out and then to move them back into the

new office building. Mr. Charney said he did not have this exact figure at this stage. Mr. Berrier said they will have additional rent of about \$100,000 a year plus moving expenses.

It was noted the Public Health Lab would be moved to the Medical Arts Building at the Bartlett Hospital. Mr. Berrier said this is a "semi permanent" move.

Mr. Charney said that the new office building is expected to open in December, 1973. Mr. Fink questioned why they didn't put off the Court House building until the state office building is open thus saving all this expense. Mr. Fink noted that the Court House has not been let to contract. Mr. Charney said in his division this decision on the Court House is irrevocable at this stage. Mr. Charney said that two days after fire destroyed the Community College he had suggested that the Court House be built on this lot. This suggestion had been presented to the Commissioner of Administration but was turned down.

Mr. Berrier said that the most expensive part of the move is for the lab and they asked for \$90,000 for equipment. Mr. Haugen requested a breakdown of this.

Mr. Fink asked if they plan on asking for additional funds in FY 72. Mr. Charney said they plan to reduce the request in FY 73 to show only the excess rent.

Mr. Fink said he felt they were spending a lot of money for 15 months that was not really necessary. Discussion followed on whether or not the Court Building would fit on the Community College lot.

Mr. Wright asked how many square feet the lab will have. Mr. Berrier said they are requesting 5,100 square feet and at the present time they have only 3,000. The committee discussed the functions of this lab and if it would be possible for the state to contract with the hospital for these services.

Recess: The meeting recessed at 11:55 a.m.

HOUSE FINANCE COMMITTEE

March 14, 1972

1:40 p.m.

PRESENT All members except Mr. Warwick. Mr. Frederick P. McGinnis, Commissioner of the Department of Health and Social Services, and Mr. Jim McLean from the Commissioner's Office were present. The following people from the Division of Public Health were also present: Dr. Donald K. Freedman, the Director; Mr. Iverson, Mrs. Frances Fleek, and Mr. Thorn-Thompson. A spectator, Mr. Harry Shelback, from King Salmon was in attendance.

HEALTH I Chairman Hohman called the meeting to order at 1:40 p.m. and stated that the topic for discussion was the budget request for the Division of Health. He asked Dr. Freedman to begin the discussion.

Public Health Dr. Freedman referred them to the Budget Document Supplement which indicates the overall figures for the budget request unit titled "Public Health". There were five sections listed under Public Health. The total authorized for FY 72 was \$5,410,700 and the Governor's allowance for FY 73 is \$6,293,700.

Dr. Freedman went through each of the Public Health Categories starting with Public Health Nursing where there was an increase of \$369,000 from FY 72 to the Governor's budget for FY 73. Under Prevention and Treatment of Disease there is an increase of \$100,000. Child and Family Health Services calls for an increase of \$250,000. Laboratories is increased by \$118,000. Administration and Support shows about \$90,000.

Public Health Nursing Dr. Freedman's plan was to indicate in brief the details that go into each of the separate categories. He began with Public Health Nursing. The first item under that was Alaska Native Health Service, where there is a total increase of \$179,700 for FY 73. For the most part this is made up of maintenance level increases. He referred to page 33 and gave a brief explanation of it.

Mr. Wright asked for elaboration of the statement on page 33 that "Vacancy and turnover reduced from approximately 10% to 3% because of improved recruitment and projected decrease in vacancies." Mrs. Fleek told him that something like \$100,000 had been deleted from the Nursing budget this year. She said they were adjusting like "crazy" to keep "out of the hole". In the past, she said, they had a steady 20% vacancy, but now they have been able to fill the positions. The reason for the 10% vacancy and turnover in FY 72 was that the \$100,000 had been deleted from the budget plus the fact that two positions had been added without funds.

Mr. Thorn-Thompson said that in the past the positions had not compared favorably to similar positions in the State. Now, they are. He said that there was less than 2% vacancy right now.

Mr. Wright asked what the average turnover was. Dr. Freedman replied that their nurses rarely stayed less than three or four years.

Mr. Degnan asked if the position in Gamble had been filled. Dr. Freedman said that it hadn't been--people were interested in jobs, but not there.

Dr. Freedman said that three years ago the vacancy and turnover was 12%. In FY 70-71, the vacancy and turnover was 5%, and today it is 2%.

Mr. Hohman commented that in the program, the vacancy and turnover was lowered to 3%. He said that was in conflict with the issue paper on high turnover in the nursing field. He went on to say that it had stated that nurses usually stayed on for two years. He said that if they had an abundance of applicants, they were filling their positions in a relatively short period of time. He stated that their recruitment was fast and efficient. Dr. Freedman said that was true, and added that the positions were probably being filled more permanently since the salaries had been changed. Mr. Hohman didn't feel they could be more permanent according to the statement in the issue paper which says that the turnover averages at about two years.

Mrs. Fleek pointed out that they had people in F step. The positions were budgeted at C step, which is 3 steps below that. She said that if they were keeping the positions filled, even at A step, they don't have the difference. Especially if the positions are filled immediately. The old-timers have to be off-set. She thought that another factor ought to be "cranked" in, but it wasn't, the vacancy and turnover was based on straight average C step and the figures at the time the budget was prepared.

Mr. Wright then referred to the item "Inflation" on page 33. He asked where the 5.1% came from. Mrs. Fleek replied that was the closest they could come to the 5.5% recommended by the Department of Administration. She said it was the cost increase divided by the program base.

Mr. Degnan asked whether they would consider contracting with Health organizations to supply nurses in those areas where they have trouble recruiting. Dr. Freedman said it was a subject they were looking into. He stated they had talked with OEO Health Rights in order to set guidelines and contract commitments that would have to be involved. He said that many conditions were involved, but there was no reason they couldn't all be met.

Mr. Wright asked how long they had been talking about it, and

Dr. Freedman said since last August.

Dr. Wright asked how many people there had to be in a community before they assigned a nurse to it. Dr. Freedman said the population should be from 1200 to 1500. Mr. Wright asked about the community of 50 people. Dr. Freedman said that the nurse would be there once every three or four months regardless of the size of the community.

General
Nursing

Dr. Freedman went on to the next section under Public Health Nursing, General Nursing. He said the budget document showed an overall increase of \$66,800. Most of the increase for this portion is maintenance level. Maintenance level is explained on page 34 of the budget document, and Dr. Freedman went over it.

Mr. Wright asked how many nurses they had, and Mrs. Fleek answered they had 70.

Dr. Freedman went on to speak about the analysis of change from maintenance level which shown on page 48. Mr. Wright questioned the hire of one additional nurse and one additional clerk-typist to assist with increased workload created by expanding services. He felt that since the population of Kodiak was 7,000 that one nurse could take care of it. His reasoning was that there were only two nurses in Juneau to take care of 14,000 people.

Dr. Freedman said that there were other things to consider than population. For example, venereal disease has gone up in Kodiak, and has not gone up in Juneau. Nurses are supplied according to need in relation to health problems and the situation which exists. Kodiak does not have adequate nursing service.

Mr. Wright still questioned the need for an additional clerk-typist, and Dr. Freedman said that with the new clerk-typist, the nurses would be freed from spending a good deal of time doing clerical work.

Home
Health
Service

The next section under Public Health Nursing was Home Health Service, and Dr. Freedman went on to speak on that. The budget document shows an increase of \$700 over FU 72's authorization of \$20,900. This service was initiated to provide nursing services in the home. He said that right now in Fairbanks and Juneau they are able to keep chronically ill and disabled persons out of the hospital. A person is able to stay at home if he has the care, or he can be discharged early. Dr. Freedman referred to page 34 of the budget document which gives an analysis of the maintenance level, and to page 48 which shows there was no change from the maintenance level.

Adminis- Dr. Freedman went on to speak about the section on Administra-
tration tion and Support. He said that the budget is \$354,800--which
& Support is maintenance level--plus \$25,000 for rural health. He
referred them to page 35 for an analysis of maintenance level.

Mr. Fink asked about the \$25,000 mentioned for rural health.
Mrs. Fleek said it was in the Governor's budget presentation.
Mr. Wright asked if they had a narrative on this, and Dr.
Freedman said there should be a position paper on it. Mr.
wright said he'd like to see the letter which had been written.
Mrs. Fleek pointed out that the rural health plan had been
added by the Governor's Budget Review Committee.

Dr. Freedman said that he had proposed, along with the Commis-
sioner to the Governor's Budget Review Committee that they
try to do something about health and facilities in Alaska. He
said that if the sum of money was appropriated, he would under-
take to look into the particular aspects of how to save money in
a large state like this with sickness and cost of care constantly
on the rise. He proposed to come up with recommendations within
one year on how to prevent illnesses. He thought that if they
didn't do this study, there would never be anything but increases
in illnesses.

[Mr. Warwick arrives.]

Mr. Fink asked whether this was an attempt to try to preserve
a style of life. Dr. Freedman said that the only possible
relationship between the two is that the rural health issue
paper recognized the fact that Health Services and prevention
of illness was one of the major problems to rural Alaska. With
the \$25,000, they would take one small rural community and try
to set up the type of facility that would prevail.

Mr. Hohman asked the major health problems in rural Alaska.
Dr. Freedman answered that they were among the following:
gonorrhoea, syphilis, accidents, diseases of the intestinal
tract such as dysentary, hepatitis, hearing loss, dental care,
problems relating to alcoholism, etc.

Preven- Dr. Freedman went on to the section entitled Prevention and
tion & Treatment of Disease. The total amount allowed by the Governor
Treat- for FY 73 is \$1,489,500. This can be compared to the FY 72
ment of allowance of \$1,489,500.

Tubercu- Prevention and Treatment of Disease is broken down into
losis several items, one of which is Tuberculosis Control. Under
Control this, the Governor has allowed \$513,300 which is maintenance
level. Dr. Freedman referred them to page 36 for an analysis
of maintenance level.

Community Health Dr. Freedman went on to the item on Community Health. The Governor had allowed \$314,200 for FY 73. Dr. Freedman said the figure consisted mostly of maintenance level. He added that \$50,000 may have been added on for venereal disease investigation work. This would have been added on by the Governor's Budget Review Committee and would raise the total by that amount. He said it was General Fund. He referred them to page 37 for the analysis of maintenance level. He then referred them to page 49 for an analysis of change from the maintenance level.

Environmental Health Dr. Freedman said that Environmental Health was the next subject to be discussed. They had requested \$710,500 and the Governor's Budget Review Committee had lowered that to \$662,000. He referred them to page 38 for an analysis of the maintenance level.

Mr. Glenn Vernon said he'd heard there was a program set up where if they found someone in need of medical treatment in the bush, who could not afford it, they would pay for the treatment. Dr. Freedman stated that referred to treatment of venereal diseases. Mr. Iverson commented that they were talking about a sum of \$500. The purpose is to get him to the doctor so he doesn't spread the disease.

Mr. Warwick asked the cost for treatment of gonorrhoea. Dr. Freedman said it was \$15 at the minimum, and if the patient had to come back a few more times it could go up as high as \$50.

Public Health Service Mr. Hohman asked if they could return to Public Health Nursing under Alaska Native Health Service. He noted \$6,000 for the transfer of Bethel nurses from the Anchorage area to Bethel. He wanted to know how many nurses they proposed to transfer. Dr. Freedman said there were four. He stated it was what they wanted to be ready for assuming housing becomes available for them.

RECESS Meeting recessed at 3:40 p.m.

AFTER RECESS

3:40 p.m.

PRESENT All members of the Committee. Mr. Frederick P. McGinnis, Commissioner of the Department of Health and Social Services, and Mr. Jim McLean from the Commissioner's Office were present. The following people were present from the Division of Public Health: Dr. Donald Freedman, Director; Mr. Iverson, Mrs. Fleek, Mr. Thorn-Thompson, and Dr. Tom McCabe.

Child & Family Health Dr. Freedman introduced Dr. McCabe, the Chief of the Child and Family Health Services. The total budget for this allowed by the Governor is \$1,260,000, which is an increase over the \$1,316,700 maintenance level.

Family Planning The first item under Child and Family Health Services is Family Planning. The total budget is shown as \$133,200 which is an increase over FY 72 of \$25,300. He referred them to page 39 for an analysis of maintenance level, and to page 49 and 50 for an analysis of change over maintenance level.

Mr. Haugen asked whether there were any Title IV or XVI monies and Dr. McCabe said there were none at this time.

Mr. Fink asked about federal funds, and Mrs. Fleek said that there was Family Planning money which was matched 1:9.

Mr. Fink commented that there were a lot of Executive Order 20's which had to do with Family Services.

Mr. Hohman asked about the decrease of \$6,900 for contractual and commodities under Family Planning. (Page 50.) Dr. McCabe said it was merely a paper transfer, and was an increase in the Grants category.

Mr. Wright asked the number of people who availed themselves to Family Planning, and Dr. McCabe said they had seen 900 people in the last calendar year.

Maternal & Infant Care Dr. McCabe went on to speak about Maternal and Infant Care. The Governor's allowance for FY 73 is \$86,800. He referred them to page 39 for an analysis of maintenance level which is \$71,100. He referred them to page 50 for the analysis of change from maintenance level.

Mr. Wright asked about the \$7,000 cited on page 50 for extending the federally required dental program to children in Kodiak and Nome. Mrs. Fleek explained that to earn match funds, they must have a dental demonstration. Dr. McCabe

explained that last year they had had \$10,000. Half of the money had gone for travel for Indian Health Service dentists. The money has been used to get them out on additional field trips. These serve 7 of the 9 villages under the program. The other half of the money provides for a private dentist to go to the other two villages. With the additional money, they hope to start a program for the Nome area which is a little more preventatively organized. There would be an education program involving the dentists themselves and nutritionists who would evaluate the diet of the villages.

Mr. Hohman asked for a written narrative on the Maternal and Infant Care Program.

ADJOURN Meeting adjourned at 5:25 p.m.

HOUSE FINANCE COMMITTEE

March 15, 1972

8:15 a.m.

Present: All members except Mr. Wright and Mr. Ditman. From the Department of Health and Social Services Commissioner McGinnis, Mr. McLean, Dr. Freedman, Mrs. Fleek, Dr. Paul, Dr. McCabe and Mr. Thorn-Thompson were also present.

HEALTH
AND
SOCIAL
SERVICES

Public
Health
Labora-
tories

Chairman Hohman called the meeting to order and said the committee would hear testimony from Dr. Frank Paul, Chief of Laboratories.

Dr. Paul said there is a Public Health Laboratory in Juneau, Anchorage and Fairbanks. The purpose of the labs is to provide health programs and to provide diagnostic services for the control and investigation of communicable diseases and back-up services for the environmental programs. Dr. Paul gave examples of the services provided noting that they provide the same type of services to all communities and all of the villages. He said although their goal is diagnostic services they also have a goal to provide a consultant and reference service to the other labs in the state. He said it is necessary to have local laboratories so therefore another goal is to assist in the establishment of local laboratories and to ensure that these labs are performing quality work. Laboratory improvement program is one of their long range goals.

Dr. Paul said that in a gonorrhoea infection study Alaska has the unenviable position of being number one in the nation. Anchorage has a high rate so the federal government contracted with the Greater Anchorage Borough for a study to see if there was some way of breaking the chain of infection. He said for this purpose the Borough subcontracted with the state to provide the necessary lab services. For this there is a microbiologist, a laboratory assistant and a part time typist, Dr. Paul added. He said this was once instance where federal money had been added without any state money. He said they are now doing 1,700 cultures a month in Anchorage. They are uncovering cases they did not know about and they are reaching populations they had not reached before.

Mr. Wright entered the meeting.

Dr. Paul said there is a request for additional funding for the expansion of Rubella and PKU programs.

Dr. Paul said they are requesting \$11,900 for replacement of equipment beyond repair. He said much of this equipment was purchased in 1938. Mr. Wright questioned this amount.

Mr. Wright referred to the move anticipated by the laboratory in Juneau (now housed in the Old Territorial Building). He asked about equipment for this.

Dr. Paul said they are estimating for additional equipment and new cabinets, including installation \$90,000. He said he could not reclaim any of the bench work in the Old Territorial Building.

Mr. Wright asked if this would be a permanent move and Dr. Paul said no, it will be for about 5 years.

Mr. Wright asked if they would be able to reclaim the new cabinets at the time they move from the new location. Dr. Paul said yes, it will be in the lease. He said they are leasing on a bare space factor.

Mr. Wright asked if the program Dr. Paul referred to in Anchorage had been successful. Dr. Paul answered yes. He noted there had been one instance where a case of syphilis had been detected and as a result they had discovered 15 cases.

Discussion followed on the contract between the Greater Anchorage Borough and the state. This was for a two year program and was for \$60,000 for the lab services. Mr. Wright asked what would happen to the people who had been hired when there is no more federal money coming from the Borough. Dr. Paul indicated they would have to release these people. Mr. Wright questioned whether this was possible under the merit system. Commissioner McGinnis said they were under contract and this was stipulated in the contract. However, Mrs. Fleek indicated this was not true -- they were on the state payroll.

Mr. Joe LaRocca entered the meeting.

Mr. Wright asked if the Division was asking for a supplemental. Dr. Freedman said yes, for the Crippled Childrens program. Mr. Wright said he felt this was probably the case because this was a vulnerable spot. Mrs. Fleek said this has been traditionally underfunded. Dr. Freedman said this is the last year they expect to come in with a supplemental request for this program.

Dr. Paul said that the total contract with the Greater

Anchorage Borough consisted of several component parts and they also needed laboratory services. The laboratory services amounted to \$60,000 for the two year period. Mr. Warwick asked what services are provided with the rest of the remainder of the \$150,000 grant the Borough received. Dr. Paul said this provided treatment and contact investigation.

Mr. Warwick asked if there were any other personnel working for Public Health who were not in the budget. Mrs. Fleek said they had included all they were aware of and Dr. Paul added that his entire staff is in the budget.

The committee discussed the salaries paid in the laboratories. Dr. Paul said a Microbiologist I makes about \$12,000 a year.

Dr. Paul said they are requesting a \$4,400 increase for the purchase of equipment for the Syphilis Serology Laboratory Improvement program. He spoke on the need for this equipment. Mr. Wright asked if they knew they would be moving the lab when this request was made. Dr. Paul said no. Mr. Wright asked if they are going to revise this request as a result of the move. Dr. Paul said no, the request stays as it is. The equipment listed here is for an on-going program for Southeast, South Central and the Northern laboratories.

Mr. Wright asked how much equipment is being requested for the new lab facility in the Medical Arts Building at the Bartlett Hospital. Dr. Paul said \$90,000. Mr. Wright asked what the value of equipment is in the Old Territorial Building. Dr. Paul answered \$20,00. Mr. Wright asked what they would estimate would be the replacement cost of the cabinets in the Old Territorial Building if they had to replace them today. Dr. Paul answered \$7,000 or \$8,000. Mr. Wright said then as a result of this move they are going from \$27,000 to \$90,000 for equipment. Dr. Paul said there are other items included when they have to move into new space -- they have to wire, have to have special plumbing and air conditioning. The lab now has 2,000 square feet and the new facility will have 5,100 square feet. Dr. Paul said the rental will be approximately \$.70 a square foot. He added that the contractor will bring everything "into the wall and into the floor" and then they will have to provide from there.

The committee discussed the price of rent for the Medical Arts Building. In answer to Mr. Wright, Dr. Paul said that offices are renting from \$.40 to \$.60 a square foot in Juneau.

Mr. Haugen explained that the committee's concern is where this Department will be located during the period of time that it takes to construct the new office building.

The condition of the lab at the Old Territorial Building was discussed. Dr. Paul noted this building had been condemned. He invited the committee to come to the lab so they might get a better idea of the poor conditions that exist.

Mr. Hohman asked if it was feasible to think about contracting some of the work done by the lab to private labs. Dr. Paul said it was feasible but would be costly. Mr. Hohman asked the cost for a serology test. Dr. Paul said it costs \$1.09 for the state (this includes all costs) and that private labs charge anywhere from \$3.00 to \$10.00. Dr. Paul said there are certain services that could be done by private labs at a relatively low cost but there are other services that "no body would touch". He added that in Southeast there is no private lab that could absorb the work they do.

Mr. Hohman said that four years ago they changed the law to allow serology testing to be done by private laboratories. He asked if this had been successful. Dr. Paul said it has been successful. He said their goal is to eventually help small labs develop so they can do primary work and then the state lab can do reference work and training. In answer to Mr. Hohman, Dr. Paul said the service is optional to doctors on whether they want to use the private lab or the state facilities.

Child
& Family
Health
Services

Dr. McCabe spoke on Child and Family Health Services. He said as discussed yesterday the dental project is part of this unit. The other main thrust is towards improving maternal and infant care. He said this is aimed at reducing infant deaths and preventable problems such as retardation. Dr. McCabe said the total amount is quite small in his opinion and the program at this point is inadequate.

Dr. McCabe said the change requested for this year in addition to increased total funding is mainly an

increase of \$6,200 for travel to bring public health nurses to a training program.

In answer to Mr. Hohman, Dr. McCabe said the largest source of services to pregnant women is provided by the public health nurses. He said the nurses currently provide examination to these women. He added that he would like to see the quantity of these services improved. He said he felt that \$6,200 is what he felt he could request -- this is a start. He said he felt with this amount they could make a start to show whether this kind of approach is effective.

Mr. Hohman asked what would be the single thing that would best aim at this problem of infant mortality. Dr. McCabe said this is a big problem and there are dozen of factors which have been implicated as causes. This includes poor nutrition, inadequate visits to physicians, poor housing conditions, short intervals between pregnancies. Dr. McCabe said all of these seem to relate to poverty. Mr. Degnan asked if this was documented. Dr. McCabe said no, this is his professional opinion based on studies he has read. He said, however, the "common thread" is that infant mortality is higher among poor people.

Mr. Wright asked how much of an increase would be needed to do a thorough job of in-service training. Dr. McCabe said for one year about \$20,000, and this would be only for travel. He said they have recently acquired two excellent public health nursing consultants who could train the nurses. He said they would not have to add to their budget to get the expertise. It is already there -- they would just have to add money to get the nurses to these experts. Mr. Wright asked if they received the \$6,200 would they attempt to train all the nurses. Dr. McCabe said they would attempt to do a good job for a certain number of the nurses -- the nurses would be selected based on the infant mortality on which part of the state to start with. In answer to Mr. Wright, Dr. McCabe said he was not suggesting that they train all the nurses immediately.

Mr. Hohman asked about the Bethel Pre-maternity Home. Dr. McCabe said it has been very successful. Mr. Hohman said it was his understanding this is the only such home in the state. He asked about the establishment of additional homes. Dr. McCabe said he had become very enthusiastic after his visit to Bethel. He had

discussed this with his counterpart in the Indian Health Service. He said it was this man's opinion that it was not the same in the other bush areas. Dr. McCabe said he has not had enough experience to know if it is true that Bethel is unique. He said he would form his own opinion as he became more familiar with the different areas of the state. Mr. Hohman wondered about the difference between Bethel and Kotzebue. Mr. Hohman said he thought an advantage of the Home is that it gives family planning an opportunity to work with the mothers. Mr. Hohman asked Dr. McCabe if, in his opinion, the Bethel Home satisfies the need. Dr. McCabe said no, based on the fact there is an excessive infant mortality in the Bethel area.

Mr. Hohman said he thought an analogy could be drawn. They had been discussing the need for higher education in the committee. They were talking about \$90,000 for cabinets in a lab. He said he thought they would have to decide which had the higher priority. He said there is a need to take care of pregnant mothers and do the educational and nutritional work to a greater extent than \$6,200.

Dr. McCabe pointed out that the committee had already discussed the public health nursing budget and this provided the "lion's share". He said the public health nurses are spending more than 50% of their time on this very topic. Dr. McCabe said his budget was more of one that is trying to improve these services. Dr. Freedman pointed out that they are looking at these budgets by a "piece meal" method. He said if they asked for the total number of nurses they need it would be a sizeable increase. Dr. Freedman said they are working now on having a statewide approach to how to more effectively utilize public health nurses.

Crippled Childrens' Program Dr. McCabe spoke on the Crippled Childrens' Program. He said the Governor's request is \$645,000 and he gave a definition of crippled children.

Mr. Wright pointed out that the authorized plus the supplemental is more than the Governor is allowing. Dr. McCabe said this was correct. He said they had started out this year asking for \$180,000 for the supplemental and this had been cut back because it

was assumed that with the use of Title IV funds they would save \$40,000.

In answer to Mr. Wright, Dr. McCabe said it looks like they can keep within the budget plus the supplemental. He added that if they do not get the supplemental this year they expect to run out of money in April. Mr. Wright asked when the first indication was they would need the supplemental. Dr. McCabe answered at the time the budget was submitted. He said every year since 1967 this program has spent more than was budgeted. Up until 1970 the Department made up the difference between the budgeted amount and the expended amount by using salary vacancies for public health nurses. In 1971 the public health nurses received a raise and so there was no vacancy pot to "dip in".

In answer to Mr. Wright, Commissioner McGinnis said that last year the Department lapsed a million dollars and Mr. Wright requested a report on this.

Mr. Hohman requested that the Department return on Friday, March 17, for a continuation of this budget.

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

HOUSE FINANCE COMMITTEE

March 15, 1972

1:40 p.m.

PRESENT All members except Representatives Wright and Warwick. Department of Fish and Game personnel present were Vern Roberts, Director of the Division of Administration, Ben Hilliker, Deputy Commissioner of Sport Fish & Game, Edgar J. Huizer, Deputy Commissioner of Commercial Fisheries, Rupert Andrews, Director of the Division of Sport Fish, and Mr. Frank Jones, Acting Director of the Division of Game.

Chairman Hohman called the meeting to order.

Mr. Hilliker stated that Wallace Noerenberg, Commissioner of the Department of Fish and Game was unable to attend the meeting, and thus requested that certain portions (Commercial Fish, Protection, Enhancement and Rehabilitation, and Hatcheries) of the budget be delayed until Thursday's meeting.

DIVISION
OF
ADMINI-
STRATION

Administration and Support came up for discussion. Mr. Roberts stated that this division includes the Board of Fish and Game, Office of the Commissioner, Information and Education, Administrative Services, Engineering Support, and Vessels and Aircraft.

He mentioned briefly two projects falling under capital improvements: 1) bringing the support building up to code (a cost of \$25,000); 2) insulating the warehouse at King Salmon (a cost of \$31,000).

The amount requested for the Board of Fish and Game was \$26,500.

For the Office of the Commissioner, \$207,000 was requested. The 1972 authorized figure was \$235,700, and this year's difference is due to engineering services (set up in this year's budget as a separate element) and planning capability (two new positions).

Chairman Hohman said the budget bill showed a figure of \$228,900. Mr. Roberts stated the bill does not show a six per cent increase in salary; that increase has been added to the appropriation figures. Chairman Hohman remarked that there was a difference of approximately \$7,000.

Mr. Roberts stated that Administrative Services fiscal year 1972 figures were \$866,300, while 1973 figures are \$987,800. He said that the major items (but not the only ones) constituting

the difference deal with contractual services; new facilities were previously authorized through the Alaska State Housing Authority, and Juneau and Anchorage rents were now higher.

The 1973 Governor's budget request for Engineering Support, the new budget element, is \$71,800.

In the Vessels and Aircraft section, the 1972 authorized was \$751,300. The 1973 request is \$755,000. Mr. Roberts said the increase was due to overtime being put back into the budget. He explained that the Governor felt the department should have funding for overtime. This was figured on the Vessels and Aircraft sections, based on the last complete year of operation ending June 30. (This is explained in detail on Page 437, Natural Resources Book, Volume II.)

Chairman Hohman noted a discrepancy in salary increase figures: those shown in the Budget Books which differed from the amounts shown in the document representing departmental salary increases authorized for this year.

Mr. Barker, Fiscal Analyst, asked if the Vessels and Aircraft budget didn't reflect future operation. Mr. Roberts said it was appropriated in various divisions last year and added that it won't show in Line 100 in last year's appropriation bill, but instead in Line 900.

Mr. John Andrews, Budget and Management, said the interagency receipt to the Division of Administrative Services for Vessels and Aircraft was left out and added back in later. Mr. Barker asked if \$751,000 did not reflect interagency charges which would have been received. Mr. Andrews answered yes. Mr. Barker then asked if that didn't account for the discrepancy for Administration and Support. Mr. Roberts replied that \$751,300 will not appear in the appropriations bill. The amount was transferred out of Line 900 and set up as authorized for the current year. These were appropriated to pay into the capital fund, but no capital fund existed at that time. He stated that the Budget and Audit Committee had appropriated money for vessels but had not given the word to operate them.

Chairman Hohman asked how much the department will receive from administration salary increase. Mr. Roberts replied they would receive six per cent of the appropriation figure.

Chairman Hohman said he was "suspicious" of the Department of Fish and Game carrying too great an expectation for what they will receive in salary adjustments. Mr. Roberts stated that the Chairman's assumption may be correct; the department has not yet received any funds. The excess amount depends on review of what remains in Personal Services. For the budget preparation, he went on, the department was told to include the six per cent figure as authorized.

Representative Ditman said that in order to get a starting point, you must subtract Engineering Services and Habitat and add back in Vessels and Aircraft. Mr. Roberts stated that there should be a net gain of about \$200,000. He said \$240,000 and \$213,000 were transferred out while \$755,000 was transferred in. Once the salary increase is added, he continued, the sum would amount to the committee's figures.

Representative Haugen asked how the Department of Fish and Game was getting along without their Working Capital Fund. Mr. Roberts said it was considerably easier to manage; he knew how much was available and what he could count on, resulting in a better operation.

Discussion then centered around the difference between the Department of Fish and Game and the University of Alaska in vessel operation. Mr. Roberts read from the University of Alaska publication Marine Sciences in Alaska, written by the Institute of Marine Science Staff, page 13. Mr. Roberts said that the University of Alaska research vessel may be receiving more money than it should; either the University of Alaska is getting more money, or the Department of Fish and Game is operating cheaply in comparison. The Fish and Game vessel Resolution operated 245 sea days in one year within their operating budget. Representative Haugen said he wanted the cost breakdown on the \$250,000 operating cost of the University's Acona. Chairman Hohman asked if there were Naval funds in the Acona operation. Mr. Roberts replied that the report says there are such funds. He added that he is not arguing where the funds come from but wished to stress the fact that the Fish and Game vessel was not operating in the "slipshod" way that was sometimes rumored.

Mr. Roberts said the major innovation in the budget this year is in the Commissioner's Office. He said the increase shown is the planning function with two new positions.

DIVISION
of
SPORT FISH

The next budget request unit discussed was Sport Fish. Mr. Rupert Andrews stated that this division is responsible for meeting the recreational needs of the largest group of resource users in Alaska. During 1971, over 115,000 licenses were sold accounting for over 200,000 anglers who fished an approximate 2.9 million man-days.

The Sport Fish division has requested an operating budget for fiscal year 1973 of \$1,795,600. The authorized 1972 figure was \$1,793,500.

Mr. Andrews listed the following as projects to be carried out by the department: glacial water study at the Kenai Peninsula; steel and cut-throat life history studies; lake research - Matsu; Delta Clearwater stocking; Southeast saltwater king salmon; Chatonika Weir; Arctic Char; predator - salmon relationships; Haines lake and stream inventory; Brooks Range - Yukon River study.

Mr. Andrews then listed the six objectives of Sport Fish: to increase sport fishing opportunities; to provide public access to the state's waters; to expand the economic opportunities and benefits associated with recreational fishing; to establish guidelines for compatible industrial development with the recreational fish resources; to recommend procedures for the orderly harvest of the recreational fishery resources; to obtain detailed knowledge as required for the optimum management of the recreational fishery resources.

Mr. Andrews stated that there were no joint fund monies in the budget; the sources are strictly from Sport Fish licenses sales or federal funds.

In conclusion he mentioned new staff positions consisting of two permanent fishing biologists, one fisheries technician, and two additional clerical personnel.

SB 149

When asked about the Fish and Game fund, Mr. Andrews read briefly from the Governor's Budget Message, and referred to SENATE BILL NO. 149 (An Act relating to license tag fees). He then stated that an increase in license fees for Sport Fish has the impact of keeping the department from dipping into the general fund.

Mr. Roberts explained that the Fish and Game fund is composed of both Game and Sport Fish divisions. Presuming passage of SENATE BILL NO. 149, the June 30, 1973 balance will be \$435,000 in that fund. He stated that if there were no increase in license fees nor additional general funds, there will be a \$707,000 deficit.

Mr. Andrews presented statistics derived from a survey of other Northwestern states and their license fee schedules:

<u>State</u>	<u>Non-resident Fee</u>	<u>Resident Fee</u>
Alaska	\$ 10.00	\$ 5.00
California	20.00	9.00
Idaho	17.00	6.00
Montana	16.00	4.25
Nevada	21.50	14.00
Oregon	21.00	7.00
Washington	22.00	9.50

Mr. Andrews emphasized the fact that Alaska Sport Fish licenses were not discriminatory as to the fishing area or type of fish, while other states did have such restrictions and required different types of fishing licenses.

Representative Fink said he disagreed with SENATE BILL NO. 149, and thought it was necessary to get non-resident fees in line.

Mr. Andrews said that SB 149 is a matter of "life or death" as far as activities of Fish and Game in the future. He said in the budget they have discussed in detail various funding alternatives if SB 149 is not passed this year. The Department offered several suggestions to this bill in regard to license fees and Mr. Hohman requested these be presented in written form (see bill file).

Mr. Jones told the committee that the amount for \$.25 licenses for 1971 for hunting, fishing and trapping was \$5,525. The committee discussed the \$.25 licenses. Mr. Huizer said that in working with another committee they had furnished an analysis of these licenses were purchased and the vast majority come from Anchorage and Fairbanks. He said very few were in the bush area and it was his understanding the intent was for the bush areas.

Mr. Fink said he looked at resident license fees as general state money. Mr. Andrews said there is no question but what it is state money but it is dedicated and can only be spent for game and sport fish purposes in order to meet the federal law.

Mr. Fink asked if there was enough money in the game fund to match the federal money. Mr. Jones said up to this point they have had but they will not have enough in the future unless the game fund is increased. Mr. Haugen asked if there was a backlog of federal money. Mr. Jones said the reason for their request for expansion is not merely for matching money. He said they have expended because they could give a great deal more service without an increase cost to the game fund.

In answer to Mr. Haugen, Mr. Roberts said the Governor is trying to reduce the drain on the general fund until he has a better picture of income. This was briefly discussed and the committee recessed at 3:15 p.m.