

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2611

primarily for library additions in Nome and for the appeals attorney in Anchorage. \$2,100 increase for office supplies rounds out the request.

The G.B.R.C. approved the request.

Code 500
Equipment

The Department requested \$1,300 which is (-\$6,500) over fiscal 70-71 which was \$7,800.

The request is for the new position.

The G.B.R.C. approved the request.

Code 900
Interagency
Charges

The Department requested \$500 for Central Duplicating Service.

The G.B.R.C. approved the request.

STATE
COMMISSION
ON HUMAN
RIGHTS

Code 100
Personal
Services

The Department requested \$141,500 which is an increase of \$74,000 over fiscal 70-71 which was \$67,500. Requests of \$3,617 for salaries; \$6,531 employee benefits; and, * \$23,052 "other" for 2 positions that have previously been federally funded (EEOC) subtotal to \$33,200. Three new positions for Field Rep., Research Analyst, and Clerk Typist III totaling \$40,800 rounds out the Dept. request. Total \$74,000.

The G.B.R.C. approved the regular program increase of \$33,200, but deleted all new positions. Total approved \$100,700.

Code 200
Travel

The Department requested \$17,200 for an increase of \$4,500 over fiscal 70-71 which was \$12,700.

The G.B.R.C. allowed \$13,600 which deleted travel request for new positions which were disallowed.

Code 300
Contractual
Services

The Department requested \$18,200 which is an increase of \$6,000 over fiscal 70-71 which was \$12,200.

The Department request indicates an anticipated new office in Juneau \$2,700 and more space in the Anchorage office \$2,600-- subtotal \$5,300. \$800 in Code 310; \$800 in Code 390; combined

decreases of (-\$1,000) in Codes 320 & 360 adjusts the program request.

The G.B.R.C. allowed \$12,000 which deletes the increases in Codes 310 & 330, but allows the increase in Code 390.

Code 400
Commodities

The Department requested \$1,400 which is the same level as fiscal 70-71.

The G.B.R.C. approved the request.

Code 500
Equipment

The Department requested \$2,000. Fiscal 70-71 request was 0.

The Department requested \$1,700 for new positions and \$300 to replace a typewriter in the Fairbanks office.

The G.B.R.C. approved \$300.

Code 900
Interagency
Charges

The Department requested \$1,500 for ASHA building costs.

The G.B.R.C. approved the request.

Code 100
Personal
Services

ST
COMMISSION
The Department requested \$79,300 which is an increase of \$46,200 over fiscal 70-71 which was \$33,100.

The request is broken down; \$5,400 in regular program increase and \$40,800 for two new positions: Coastal Zone Planner and Comp. Prog. Developer.

The G.B.R.C. allowed the general program request, but deleted the new positions. Total approved \$38,500.

Code 200
Travel

The Department requested \$24,700 which is an increase of \$9,700 over fiscal 70-71 which was \$15,000.

The G.B.R.C. allowed \$16,600 which deletes travel for new positions.

Code 300
Contractual
Services

The Department requested \$101,100 which is an increase of \$64,000 over fiscal 70-71 which was \$37,100. The program maintenance level shown on page 91 indicates \$43,400 requirement

which is \$6,300 over fiscal 70-71.

The G.B.R.C. approved \$43,400.

Code 400
Commodities

The Department requested \$2,000 mainly for tapes to record commission meetings.

The G.B.R.C. allowed \$1,000 for this code.

Code 500
Equipment

The Department requested \$2,100 for new positions.

The G.B.R.C. allowed 0.

Code 700
Grants,
Claims, etc.

The Department requested \$100,000 which is (-\$13,500) from fiscal 70-71 which was \$113,500. Some funds requests were transferred from this code to code 380.

The G.B.R.C. allowed \$100,000.

*Clarification of the \$35,000 allowed in Code 380 is necessary in relation to the \$100,000 request in Code 730.

Code 900
Interagency
Charges

The Department requested \$1,000 for Central Duplicating Service.

The G.B.R.C. allowed \$500.

CRIMINAL
JUSTICE--
PLANNING
AGENCY

Code 100
Personal
Services

The Department requested \$135,700 which is an increase of \$59,900 over fiscal 70-71 which was \$75,800. The Department requested \$65,400 for regular program level which indicates deletion of management analyst (-\$14,628) and \$4,228 for salary increases and employee benefits. Net sub-total \$65,400.

The Department requests \$70,300 for three new positions, two of which have already been approved by Executive Order. See page 107.

The G.B.R.C. allowed \$47,600 for the two positions already approved Cor. Fac. Admin. and Accounting systems analyst, but disallowed the Law Enfor. Spec. (-\$18,996). They also allowed regular program figure. Total allowed, \$113,000.

*I think it should be noted the use of Executive order increased this budget by \$47,600 in personal services alone. Over all costs for these two positions is \$52,765. Investigation of Management analyst function previous to reclassification should be conducted.

Code 200
Travel

The Department requested \$30,100 which is an increase of \$14,900 over fiscal 70-71 which was \$15,200. The increase reflects substantial increases in all sub-codes. Fiscal officer travel is increased because of increase in federal monies.

The G.B.R.C. approved \$28,600 which is (-\$1,500) from the Department request and indicates deletion for positions disallowed.

Code 300
Contractual
Services

The Department requested \$29,300 which is a \$4,100 increase over 70-71 which was \$25,200, a \$4,100 increase over 70-71 which was \$25,200.

The G.B.R.C. allowed \$28,900.

Code 400
Commodities

The Department requested \$2,700.

The G.B.R.C. allowed \$2,500.

Code 500
Equipment

The Department requested \$1,500.

The G.B.R.C. allowed \$600.

Code 700
Grants,
Claims, etc.

The Department requests \$52,000 which is 40% of the Federal Grant of \$130,000 which is a new allotment. (Local Government Share)

The G.B.R.C. approved the request.

Code 900
Interagency
Charges

The Department requests \$1,600 for Central Duplicating Service.

The G.B.R.C. approved the request.

*Obviously the Federal Government has made monies available under this program. In 70-71 there were \$107,000 federal funds and \$11,900 state funds for a budget total of \$118,900. In 71-72 there are \$130,000 federal funds and \$97,200 state funds requested for a total of \$227,200. So, in essence an escalation of \$79,300 in state participation has generated additional federal funds of \$23,000. In the next program, Criminal Justice Planning, you will see that an additional \$500,000 in federal funds are made available with no state match. The contingency to watch out for is the discontinuance of federal funds, but the necessity of continuing and extending state funding to maintain the program at the level set forth in this fiscal request.

Action
Grants
Code 700
Grants,
Claims, Etc.

The Department requests \$500,000 (all federal monies) for this code. The allocation is \$200,000 for local governments and \$300,000 for state allocation.

The G.B.R.C. approved the figure.

Councils &
Commissions
WICHE

The Department requests \$22,500 which is the same level as fiscal 70-71.

Code 300
Contractual
Services

The G.B.R.C. approved the request.

Code 700
Grants,
Claims, Etc. as 70-71.

The Department requested \$15,000 which is the same level

The G.B.R.C. allowed the request.

Status of Women

Code 100
Personal
Services

The Department requested \$10,900 which is a new request over 70-71 which was 0.

The Department requested a new position of Admin. Asst. I \$10,900.

The G.B.R.C. allowed Ø.

Code 200
Travel

The Department requests \$4,300 which is the same level as 70-71.

The G.B.R.C. allowed the request.

Code 300
Contractual
Services

The Department requested \$700 which is the same level as 70-71.

The G.B.R.C. approved the request for \$700.

Council on
Arts and
Humanities

The Department requests \$11,700 for the regular program and \$46,000 for 3 new positions on Exec. Dir.; an Admin. Asst.; and, a Clerk Steno III.

Code 100
Personal
Services

The G.B.R.C. allowed \$11,700.

Code 200
Travel

The Department requested \$16,400 which is \$9,000 over 70-71 which was \$7,400.

The G.B.R.C. allowed \$14,400 which is a reduction of (-\$2,000) from the Department request. It is also \$7,000 over 70-71.

Code 300
Contractual
Services

The Department requested \$14,400 which is an increase of \$8,600 over 70-71 which was \$5,800.

The G.B.R.C. allowed \$10,600 which is (-\$500) in Code 310 and (-\$3,300) in Code 330 shows the reduction.

Code 400
Commodities

The Department requests \$2,100 which is an increase of \$1,400 over 70-71 which was \$700.

The G.B.R.C. allowed \$1,300.

Code 500
Equipment

The Department requested \$3,200 which is \$1,900 over 70-71 which was \$1,300. The request is for the three new positions.

The G.B.R.C. allowed Ø.

Code 700
Grants,
Claims, Etc.

The Department requests \$400,000 which is an increase of \$225,000 over 70-71 which was \$175,000.

The Department requests these funds which are \$200,000

federal and \$200,000 state match.

The G.B.R.C. allowed \$373,000.

*It should be noted that the general program allotment is \$411,000 of which \$200,000 are federal funds and \$211,000 state. Of the state funds \$45,000 is allocated for the Bartlett statue. In essence, state participation is \$166,000 to match federal funds of \$200,000. We should have further explanation.

International
Development

Code 200
Travel

The Department requests \$5,000 (new program).

The G.B.R.C. approves the request.

North
Commission

This is a continuing program with \$385,873 in the budget for fiscal 70-71. No amount shown as unencumbered.

The G.B.R.C. allows Ø.

*Look into this!

Pioneers
Advisory
Board

The Department requests \$6,300, same level as 70-71.

The G.B.R.C. allows the request.

Yukon-
Taiya

The Department requests \$5,000, same level as 70-71.

The G.B.R.C. allows the request.

Rural Affairs
Commission

The Department requests \$36,000 which is an increase of \$6,000 over 70-71 which was \$30,000. Increase is \$5,000 travel; \$1,000 contractual services.

The Department approves the request.

INPFC

The Department was previously budgeted in Fish and Game for \$14,000. This year's request is for \$9,300 which is \$8,800 travel and \$500 contractual services.

The G.B.R.C. approves \$9,300.

Contingency
Fund

The Department requests \$125,000 which is an increase of \$25,000 over 70-71 which was \$100,000. See breakdown on pages 217-225.

The G.B.R.C. approved \$100,000.

Drug Abuse
Education
(New program)

Code 100
Personal
Services

The Department requests 7 new positions for \$94,300 (see page 229).

The G.B.R.C. approves the requests.

Code 200
Travel

The Department requests \$16,100.

The G.B.R.C. approves the request.

Code 300
Contractual
Services

The Department requests \$22,400. (See page 239).

The G.B.R.C. approves the request.

Code 400
Commodities

The Department requests \$1,000. (See page 241).

The G.B.R.C. approves the request.

Code 500
Equipment

The Department requests \$7,000. (See page 242).

The G.B.R.C. approves the request.

*It should be noted that this new program is funded at \$140,800 of which \$90,000 are federal funds and \$50,800 state. It should be determined whether it is a 1, 2, or 3 year program, and what the state's responsibility is from this fiscal year forward.

Environmental
Quality
(New Program)

Code 100
Personal
Services

The Department requests \$125,400 to provide a staff of 8 new positions.

The G.B.R.C. approved the request.

Code 200
Travel

The Department requests \$36,600. (See page 262).

The G.B.R.C. approves the request.

Code 300
Contractual
Services

The Department requests \$72,900. The big item is \$50,000
in Code 380 for Consultant services.

The G.B.R.C. approved the request.

Code 400
Commodities

The Department's request is \$4,500.

The G.B.R.C. approved the request.

Code 500
Equipment

The Department requests \$5,300 for office equipment and
furniture.

The G.B.R.C. approved the request.

Code 900
Interagency
Charges

The Department requests \$1,000 for Central Duplicating
Service.

The G.B.R.C. approves the request.

*Total sum requested, all of which are state funds are
\$245,700. Sums allocated in other budgets for environmental
control (re: Health & Welfare, etc.) should be reviewed for
possible combination with this program.

SENATE FINANCE COMMITTEE
Thursday, February 11, 1971
9:15 a.m.

Present: All members were present except Senators Ray and Rettig.
General Chairman Butrovich called the meeting to order.
HB 76 House Bill 76 [Miscellaneous Claims] was discussed by the committee. This is a bill providing for payment of bills to the State from more than two years ago. The total of the debts included is \$16,488.50, the biggest portion of which, Senator Hensley explained, is for a bill from Providence Hospital in Anchorage involving primarily welfare patients. Senator Hensley pointed out that some of the unpaid bills date back to 1967. Chairman Butrovich asked if Senator Hensley had a list of all items that total the \$16,488.50 and Senator Hensley replied yes. Chairman Butrovich suggested that \$901.00 be added to HB 76. This total is due Wien Airlines for 1965 travel for Legislative Council. Senator Plamer said he felt if it is a valid claim against the state then we have an obligation to pay it no matter how old it is.

[Senator Ray came in.]

Senator Palmer moved and asked unanimous consent that HB 76 be replaced with a Finance Committee Substitute for HB 76, to include the \$901.00 owed Wien Alaska and that CSHB 76 be reported out of committee with a "do pass" recommendation. No objections, so ordered.

SB 10 Senator Lewis noted that this bill calls for the transfer of \$125,000 from the Department of Economic Development for

slaughterhouse facilities at Kodiak to the Department of Natural Resources, Agricultural Revolving Loan Fund. He read a letter from Commissioner Ryan stating her approval of this transfer as well as some facts of justification. (See Bill File) He also read a letter from the Attorney General stating that this transfer would have to be done in legislature. Senator Lewis pointed out that the amount of \$125,000 is not a new amount of money--simply a transfer of funds which were allocated in the past.

[Senator Rettig came in.]

Senator Ray moved and asked unanimous consent that the bill be passed out of committee with a "do pass" recommendation. No objections, so ordered.

Chairman Butrovich assigned HB 14 to Senator Ray and SB 3 to Senator Palmer and requested that the two men work together on these bills.

Adjourned: The meeting was adjourned at 9:55 a.m.

SENATE FINANCE COMMITTEE
Friday, February 12, 1971
9:00 a.m.

Present: All members were present with the exception of Senator Rettig.
CSHB 14 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 14 (Legislative budget and audit committee) was brought up for consideration by the committee. Sen. Ray, who was researching the bill, recommended that it be replaced with the State Affairs Committee Substitute for Senate Bill 3, which was originally sponsored by Senator Palmer. He explained that the State Affairs substitute does not stipulate that the membership of the legislative budget and audit committee include the chairmen of the finance committees because there are times when it would not be feasible for the chairmen to be on the committee, and there are other competent individuals who could fulfill the necessary functions.

Senator Merdes came in.

Senator Lewis asked if CSHB 14 and SB 3 are the same bill, and Sen. Ray explained that they have the same title and subject matter. Senator Ray said that the SA CSSB 3 is the bill the leadership of the Senate wants. Sen. Ray moved that the number of members on the committee from each house be five rather than four and there were no objections.

Senator Lewis asked if this bill is just providing another layer of government, and Sen. Ray explained that all the bill does is enlarges the audit committee and takes the staff - now made up of three professional and two clerical positions - out from under the Legislative Affairs Agency, which is primarily concerned with legal research, statute revision, etc., and puts them under the fiscal committee year round.

Senator Kosloskly pointed out that the section disallowing the legislature to go into local levels of government to check on budgets (such as district school support) is repealed in this bill.

Senator Butrovich proposed an amendment to provide that the membership of the committee from each house should consist of at least two rather than one minority members. There was no objection.

Senator Palmer moved and asked unanimous consent that the body of State Affairs / CSSB 3, with the amendments above mentioned, be substituted for CSHB 14 and that the new SCSHB 14 be reported out of committee with a "do pass" recommendation. There being no objection, it was so ordered.

SB 15

SENATE BILL NO. 15 (State aid for school construction) was brought up for consideration. This bill, which was earlier discussed in meeting, was specifically designed to enable Kenai to receive state aid for the school which they built with cash. By the revenue sharing passed last year, those schools built with cash could not legally be included, although it was not the intent of the legislature that they be left out. An amendment was suggested to say that in no case would the state pay more than 50% of the cost of any school. This was suggested to insure against the possibility that half the amount could be picked up during the year of construction and then/going back three years to pick up the schools who had paid cash, the other half could be picked up. Sen. Ray expressed the fear that if this bill passes, the state will have several schools to pick up construction costs for. Senator Butrovich suggested an amendment to pay the

amount over a three year period to reduce the impact on the state. He said that he and Senator Palmer had talked with the Governor who appreciated the attempt in this way to reduce the impact.

After considerable discussion and going over the fiscal note (see bill file) Sen. Ray expressed a desire to talk with some other people before the bill was passed out of committee.

It was agreed that SB 15 be brought up in a bill session Tuesday morning, Feb. 16.

Adjourned: Meeting adjourned at 9:45 a.m.

SENATE FINANCE COMMITTEE
February 16, 1971
9:00 a.m.

Present: All members except Sen. Rettig and Sen. Lewis. Mr. Robert Thomas, Director of Administrative Services, and Mr. Nat Cole, both from the Department of Education, were present.

General: Sen. Ray asked for a policy statement regarding press releases concerning the Senate Finance Committee. Chairman Butrovich stated that any member making a release on Finance Committee matters would have to clear it through him.

SB 15 Sen. Ray moved and asked unanimous consent that SB 15 (state aid for school construction to organized boroughs and cities which are school districts) be brought up for discussion. There was no objection.

Sen. Ray stated that he had researched what had transpired on payments to district schools. He found that the money they had used last year was the 1.8 million dollars out of state money allocated to the public school foundation fund on a pro-rated basis. This came out to 2/3 funding and Sen. Ray sensed an error someplace because there was a tobacco revenue that was supposed to be subtracted from what the districts got.

Mr. Thomas felt the language in the bill was unclear. He went into the history behind it, and stated that during the last session they had sent over two fiscal notes. The first was for 1.8 million dollars and the second went as high as 2.9 million dollars. In the actual appropriation, 1.8 million dollars was used. It was the Department of Education's assumption that the legislature had passed the bill on the basis of the first fiscal note with [the intent that it was full funding]. Sen. Butrovich said that he

didn't think it was intended to be full funding.

Sen. Ray informed Mr. ^{Thomas} that there had been a compromise in the difference between the Senate figures and the House figures, which was 1.6 or 1.8 million dollars, and they had agreed to go ahead and put the Senate figures in, with the difference between the figures to be used to pay off the debt service on the school construction fund. Sen. Butrovich said that there was not a firm figure in the mind of the committee. Sen. Palmer commented that no money was actually put in for this thing in the final analysis. It was not even a matter of difference, the money was simply taken out of the foundation program and used for this.

although that is essentially what happened, Sen. Ray felt that it is the wrong interpretation. He said that they had taken the House figures and used the difference in the money appropriated in the House and Senate versions to fund the unit cost.

Mr. Thomas said that they had gone ahead and dispersed the 1.8 million dollars based on the claims sent in by the districts. It was pro-rated, and the first payment was \$1,225,000 and the other was \$574,000. The final payment was based on the volume of their claims. The percentage was about 60%.

There was a brief discussion on the provision in the bill passed last year that the cigarette tax be deducted, with Mr. Thomas stating that the law could be read to mean that the cigarette tax be deducted twice. However, under pressure from the districts this was a quick interpretation of the law. He mentioned that there had been discussion in the Senate Finance Committee last year that 50% might have been meant to include the cigarette tax revenues.

Sen. Ray said that the House Finance Committee had not even been considering funding the program until the last minute as a compromise measure, and their concern was with the Public School Foundation unit figure.

Mr. Thomas said that there was some discussion as to whether the cigarette tax was to be part of the funding. He added that the law could be read this way, although it was not the way that the Department had interpreted it.

Sen. Ray asked if, at any rate, it was correct to say that none of the districts have received more than 60% of the pro rata allocation, and Mr. Cole said that none have received more than between 60 and 70 per cent.

Mr. Thomas noted that there is a Governor's supplemental, HB 65, which includes \$318,000 for debt retirement per last year's legislation. The reason this amount is only \$318,000 is that there is still \$822,000 estimated balance in the Foundation School Program.

Sen. Ray asked whether anything had been paid on Sen. Palmer's bill, SB 15, to Kenai as it has been to the other communities under last year's legislation. Mr. Thomas replied that nothing had been paid for the school construction. They were paid about \$37,000 for debt service, but the recent school construction was something else again. Debt service goes back to schools built many years ago.

Sen. Palmer explained that on debt service from years back, it might be the last year of a 20 year loan. He added that cash had only been spent on that one school in 1968 at Kenai. It was when they were in the middle of their big boom and the permanent residents had been concerned over the boom's end which would leave

them with the bonds to pay off. They decided that they would rather tax themselves heavily instead.

Mr. Thomas passed out a sheet giving the projections on the construction costs. He commented that the data wasn't too good in some cases because it was handled by the Boroughs, municipalities, and cities which the schools were in. He felt that as long as the growth rate kept going up, there was going to be an increasing level of debt.

(Copy of debt service payments breakdown in department file.)

Sen. Butrovich asked what was meant by first payments and last payments. Mr. Thomas replied that in order to get money to the districts, initial payments were based on the rough estimates made by the districts themselves. Then, after the expenditures and claims have been audited, the final payments are made.

Mr. Thomas pointed out that although \$1,800,000 had been paid, they were still short by \$1,139,462. He said that the amount of \$822,000 surplus in the PSF program was because the districts heavily over-estimated their enrollments.

Sen. Ray stated that if Kenai is considered to have a valid claim, that is another \$900,000, if you consider that they will get 100% of 50% of the debt service. Mr. Thomas pointed out that that is what the districts that bonded received.

Sen. Koslosky asked if cigarette taxes were still being utilized against the debt service. Mr. Thomas replied yes, and Sen. Palmer pointed out that the cigarette tax wouldn't make up part of the 50%. For example, if one assumed a debt service of \$100,000, and the district got \$20,000 in cigarette taxes, then the debt service would only be \$80,000. Sen. Palmer said that the idea was that 50% of what the boroughs themselves paid would be shared.

Sen. Koslosky asked if the amount paid for that school was twice the amount being asked, and was told yes.

Sen. Palmer felt that the real question was whether they wanted to discriminate against a district that had paid cash for schools, which was not in keeping with the practice of bonding.

Sen. Ray didn't feel that that was the intent passed last year. It was to assist those districts that had bonded debts. Technically, if an area was able to pay cash, it was because they were so well off that they could afford to do it.

Sen. Butrovich noted that Kenai was practically a depression area. He felt that it should be looked at in this way: During the first few years of statehood, the state wouldn't have been able to operate if it hadn't been for revenues from that area. It was for this reason that they over-built, and once they were completely into production they really had problems. Schools were built during that boom, and now they are unable to complete payments.

Sen. Koslosky said that Kenai people put up cash for that school, built in '68, and they should be taking into consideration what that money could be earning elsewhere. Those people paid cash for the school at a time when they had money; now they don't have. The state should do something about it.

Sen. Ray suggested that the bill be tabled until the Governor's supplemental comes under their consideration, so that they would know the amount they were going to have to pay. Mr. Thomas stated that the Governor's supplemental didn't relate itself to the Kenai problem at all. Sen. Ray said that it did as far as the percentage went.

Mr. Thomas said that he would like to see the legislation corrected. As it stands now, there are real questions as to the interpretation of the wording. The very concept of picking up debt service forces municipalities to do some "slight of hand" which is probably not in their best interests.

Sen. Butrovich asked Mr. Thomas to send the committee a memorandum on what the Department of Education thinks ought to be done to clarify and correct the legislation. He said that he would.

Adjournment: Meeting adjourned at 9:50 a.m.

SENATE FINANCE COMMITTEE

PUBLIC
WORKS

Book II

Director's
Office

The following is Senator Ray's presentation of the budget for the Department of Public Works.

The Department requested \$137,300 which is an increase of \$50,000 over fiscal 70-71, which was \$87,300.

Code 100
Personal
Services

The Department requested \$15,500 increase to the regular program. Broken down: \$4,782 salary increase; \$5,332 employee benefits; \$2,200 V/T; and \$3,186 "other" which are re-classifications of Director and a Clerk Steno.

The Department also requested \$26,400 for two new positions: a Deputy Director \$536, and a Clerk Steno III \$6,924.

The G.B.R.C. approved \$129,200 which is (-\$8,100) from the Department request of \$41,900 over 70-71. The Clerk Steno III was not allowed.

Code 200
Travel

The Department requested \$3,400 which is \$1,900 over 70-71 which was \$1,500. Increase is for Deputy Director.

The G.B.R.C. approved the request.

Code 300
Contractual
Services

The Department requested \$8,500 which is \$1,600 over 70-71 which was \$6,900.

The Department requested \$1,200 for the new position and \$500 for expected increase in xerox rental.

The G.B.R.C. approved the request.

Code 400
Commodities

The Department requests \$4,800 which is \$800 over 70-71 which was \$4,000. Increase is for new positions.

The G.B.R.C. approved \$4,700.

Code 500
Equipment

The Department requested \$1,500 for new positions.

The G.B.R.C. allowed \$800.

Custodial
100
Personal
Services

The Department requested \$309,500 which is \$91,100 over 70-71 which was \$218,400.

The Department requested \$31,100 increase for the regular program. Broken down: \$11,490 salary increases; \$11,838 employee benefits; \$3,500 V/T; \$3,846 temporary and casual labor; and \$500 overtime.

The Department also requested \$36,300 for transfer of 4 positions from Highways and \$23,700 for 3 new positions, 2 for Public Safety at the Subport and 1 for a clerk typist II to maintain the records. Subtotal: \$31,100 + \$36,300 + \$23,700 = \$91,100.

The G.B.R.C. approved the request.

Code 300
Contractual
Services

The Department requested \$119,200 which is \$22,300 over 70-71 which was \$96,900.

The increase in Code 330 is \$21,900 which is rental cost of the Public Safety building at the Subport.

The G.B.R.C. approved the request.

Code 400
Commodities

The Department requests \$39,000 which is \$4,600 over 70-71 which was \$34,400.

The increase is \$2,500 in fuel costs and \$2,000 in janitorial supplies for the Public Safety building. It should be noted that Code 490 was transferred to Code 450.

The G.B.R.C. approved the request.

Code 500
Equipment

The Department requests \$5,100 which is \$3,100 over 70-71 which was \$2,000.

The increase reflects \$1,400 for the Public Safety building, \$700 for C/T position. \$2,300 for new equipment, and \$700 for replacement.

The G.B.R.C. approved the request.

Maintenance

The Department requests \$1,343,500 which is \$392,900 over

Code 100
Personal
Services

70-71 which was \$950,600.

The request reflects \$224,800 in regular program. Broken down: \$37,243 salary increase; \$50,156 employee benefits; \$13,592 transfer of Maint. Mech. Foreman from Anchorage to Nome (questionable as does not reflect in document, see line 17, page 416); \$3,500 V/T;

\$101,752 which is \$58,300 D/T and \$43,452 change in temporary to permanent; and, \$18,557 "other" reclassifications. *It should be noted that the Department increased their positions by 7 full-time and 3 part-time over legislative budget approval.

The Department also reflects increase of 10 new positions for a total of \$168,100 (see page 421 for detail). *Actually, the Department has increased their staff by 7 and these requested 10 for a total of 17.

The G.B.R.C. approved \$1,326,700 which is (-\$16,800) less than the Department request, and disallowed new position Safety Engineer at Anchorage. *This is a good example of how close the Department and/or the Administration follows the direction of the Legislature in hiring new bodies.

Breakdown of funds are as follows: \$251,400 G.F.; \$725,700 School Maintenance; \$168,600 Reimb. Maintenance; and \$197,800 Special Fund.

*It is recommended by the sub-committee that this Department be requested to explain their budget in detail to the full committee.

Code 200
Travel

The Department requests \$181,500 which is \$101,500 over 70-71 which was \$80,000.

The Department maintains 25 employees must be kept in constant state of travel to administer the state's maintenance and construction program. They also maintain \$99,500 is present program expenditure level and \$81,500 increase is necessary due to transfer of 20 BIA schools to the state (see page 412).

The G.B.R.C. approved \$180,500.

Code 300
Contractual
ces

The Department requests \$1,526,100 which is \$502,300 over 70-71 which was \$1,023,800.

The increase request is broken down as follows: Code 310, \$11,000 increase from \$10,000 to \$21,000 which indicates \$4,000 for program maintenance level and \$7,000 for new schools and hot lunch program; Code 320, \$1,100 increase from \$200 to \$1,300 for additional school costs; Code 330, \$64,900 increase from \$175,100 to \$240,000 for the ASHA facilities, the Cordova Ferry Terminal and additional schools; Code 340, \$710,300 increase from \$141,000 to \$851,300 of which \$50,900 is miscellaneous services to schools, \$15,000 Reimb Service, \$114,100 maintenance of Juneau Complex, \$290,000 general repairs to schools, and ASHA and other maintenance projects \$381,300--total \$851,300; Code 350, \$31,200 increase from \$39,800 to \$71,000 reflects added costs for additional schools and other facilities; Code 360, \$31,500 increase from \$2,500 to \$34,000 program increase is for additional schools; Code 370, \$1,900 increase from \$23,600 to \$25,500 for fire insurance premium; Code 380, \$191,000 increase from \$91,000 to \$282,000 which is \$12,000 for Ins. Summary reports, \$15,000 Mech and Elect. service for schools, (\$255,000 ASHA and other reimb. services.); Code 390, (-\$540,600 with no explanation given. *A full explanation is necessary!

The G.B.R.C. allowed \$1,320,100 which is (-\$206,000) from the Department request, but is \$296,300 over 70-71.

Code 400
Commodities

The Department requests \$760,400 which is \$191,400 over 70-71 which was \$569,000.

The increase is \$5,500 for fuel; \$182,400 in Code 450; and \$3,500 for stationary and office supplies. Breakdown of Code 450 is: Building materials \$10,800 Juneau Complex; \$150,000 schools; \$20,000 ASHA, etc.; sub-total \$180,800. Code 490 showed \$402,000

for 70-71 which was transferred to Code 450 and increased \$121,600 for a sub-total of \$523,600. You get this figure by adding \$16,000 + \$399,200 + \$108,400 = \$523,600 from which you subtract (-\$402,000) which was 70-71 allocation = \$121,600. Therefore, actual program increase for Code 450 is \$584,400 and Code 490 is (-\$402,000) and not as shown in budget document. *So in summary, the Department is asking for \$60,800 increase in building materials and \$121,600 increase in miscellaneous maintenance supplies; \$5,500 in fuel increase; and, \$3,500 for stationary. Total increase request: \$191,400.

The G.B.R.C. approved the request.

*Sub-committee requests a complete explanation from the Department.

Code 500
Equipment

The Department requests \$119,100 which is \$49,100 over 70-71 which was \$70,000.

In Code 510 the Department requests \$6,000 which is (-\$19,000) from 70-71 which was \$25,000. The request is for a vehicle for Nome Regional High. Code 520 is increased \$5,100 over 70-71 which was \$900. Request is for equipment for new positions. Code 530 is \$800 as identified. Code 560 is (-\$700) from \$1,300 to \$600 as identified. Code 590 is \$106,800, an increase of \$63,800 over 70-71 which was \$42,800. *The request is lumped together as replacement items and new items for BIA school take-over.

The G.B.R.C. approved the request.

Code 600
Land, Bldgs, etc.

The Department requested \$15,000, same level as 70-71, for land acquisition for schools.

The G.B.R.C. approved the request.

Code 900
Interagency
Services

The Department requested \$19,000 which is \$6,300 over 70-71 which was \$12,700.

The increase is for car rental for the additional schools.

The G.B.R.C. approved the request.

*The sub-committee believes a full explanation of all funds allocated for the entire program be identified and fully explained to the full committee.

Planning &
Design

The Department requests \$302,600 which is \$68,800 over 70-71 which was \$233,800. Of this amount \$31,900 is requested for regular program increase and are broken down as follows: \$12,670 salaries; \$15,972 benefits; \$2,700 V/T; and \$558 "other" which is not explained.

Code 100
Personal
Services

The Department requests 2 new positions, Senior Arch. and Senior Arch. Asst. \$36,900.

The G.B.R.C. approved the request.

Code 200
Travel

The Department requests \$2,600 which is \$910 over 70-71 which was \$1,700. The increase is for the new positions.

The G.B.R.C. approved the request.

Code 300
Contractual
Services

The Department requests \$9,900 which is \$2,900 over 70-71 which was \$7,000. Increase is broken down to \$900 for Code 310; \$1,500 for Code 350 and \$500 for Code 360.

The G.B.R.C. approved the increases.

Code 400
Commodities

The Department requested \$6,300 which is \$800 over 70-71 which was \$5,500. Increase is for new positions.

The G.B.R.C. approved the request.

Code 500
Equipment

The Department requests \$2,100 which is (-\$10,900) from 70-71 which was \$13,000. See page 458 for breakdown.

The G.B.R.C. approved the request.

Code 900
Interagency
Charges

The Department requested \$1,000 for printing of contract forms by the Department of Administration.

The G.B.R.C. approved the request.

Construction

Code 100
Personal
Services

The Department requests \$271,200 which is \$33,500 over 70-71 which was \$237,700. The request is \$12,919 for salaries; \$16,500 for benefits; \$3,500 V/T; and \$581 "other" not identified. *It should be noted that \$6,000 overtime is included in regular program and is apparently an annual cost. See page 464.

The G.B.R.C. approved the request.

Code 200
Travel

The Department requests \$2,400 which is \$700 over 70-71 which was \$1,700. Reflects increase in per diem rates and transportation costs.

The G.B.R.C. approves the request.

Code 300
Contractual
Services

The Department requests \$9,600 which is \$3,000 over 70-71 which was \$6,600. Increase is reflected as normal.

The G.B.R.C. approved the request.

Code 400
Commodities

The Department requests an \$800 increase from \$1,000 in 70-71 to \$1,300.

The G.B.R.C. approves the request.

Code 500
Equipment

The Department requests \$900 which is (-\$5,100) from 70-71 which was \$6,000.

The G.B.R.C. approved the request.

Code 900
Interagency
Charges

The Department requests \$1,000 for printing of contract forms by Administration.

The G.B.R.C. approves the request.

Communications

Code 100
Personal
Services

The Department requests \$436,300 which is \$127,900 over 70-71 which was \$308,400.

The Department requests \$52,400 increase in regular program as follows: \$18,504 salaries; \$18,994 benefits; \$4,500 V/T; \$7,000 O/T; and, \$3,402 reclassifications.

The Department requests 6 new positions for \$75,500.

The G.B.R.C. allowed \$394,100 which is (-\$42,200) less than the Department's request and reflects disallowance of 3 new positions (-\$32,700); a reduction of (-\$8,100) in O/T; and (-\$1,400) benefits; total (-\$43,100).

Code 200
Travel

The Department requests \$46,500 which is \$16,500 over 70-71 which was \$30,000.

General increase for increased program is Department validation.

The G.B.R.C. allowed \$40,000 which is (-\$6,500) from the Department request, but \$10,000 over 70-71.

Code 300
actual
Services

The Department requests \$113,900 which is an increase of \$39,600 over 70-71 which was \$84,300.

The increases are reflected as follows: Code 310, \$1,700 addition of circuits; Code 330, \$4,000 increase in Anchorage District office and storage-warehouse space; Code 350, \$1,000 continued shipping increases; Code 360, \$8,000 additional air charter and installation of state school bush phones; Code 380, \$24,600 (total \$55,000) increase. \$50,000 engineering survey of two-way radio systems and \$5,000 legal rep. before the F.C.C. in Wash.

The G.B.R.C. approved the request.

Code 400
Commodities

The Department requested \$43,000 which is \$5,000 over 70-71 which was \$38,000.

The Breakdown is: Code 440, \$500 increase in fuel; Code 460, \$4,000 replacement increases showing normal growth patterns; and Code 480, \$500 increase for office supplies.

The G.B.R.C. approves the request.

Code 500
Equipment

The Department requests \$565,800 which is \$107,800 over 70-71 which was \$458,000. The breakdown of the equipment request is on pages 501-513.

The G.B.R.C. approved the request.

*The sub-committee asks that the Department be requested to discuss the equipment code with the full committee.

Code 900
Interagency
Charges

The Department requests \$25,500 which is \$5,000 over 70-71 which was \$20,500. The increase is requested for janitorial services at the Mile 5 facility (?).

The G.B.R.C. approved the request.

Marine Transportation
Administration

Code 100
Personal
Services

The Department requests \$1,160,100 which is \$303,700 over 70-71 which was \$856,400.

The Department requests \$172,700 increase in regular program as follows: \$46,605 salaries; \$49,995 benefits; (-\$7,832) transfers out; \$8,300 V/T; \$44,347 O/T (see page 536) and change in temporaries; and \$31,285 reclassifications.

The Department also requests 11 new positions totalling \$131,000 (see page 539).

The G.B.R.C. allowed \$1,026,400 for regular program which is an increase of \$170,000 and (-\$2,700) from the Department request. They also allowed \$80,300 in new positions (6) which is (-\$50,700) from the Department request.

The G.B.R.C. allowed \$1,106,700 total this Code.

Code 200
Travel

The Department requests \$27,300 which is \$9,300 over 70-71 which was \$18,000.

The increase is reflected as \$3,400 for drydocking and annual overhaul of 7 vessels (Seattle); \$900 to establish an information

office at Prince George; \$500 Coord. with Anchorage traffic agent; and, \$4,500 increase per-diem rates.

The G.B.R.C. approved the request.

Code 300
Contractual
Services

The Department requests \$271,500 which is \$34,600 over 70-71 which was \$236,900.

The increase is broken down as follows: Code 310, \$4,900 actual costs and anticipated increases; *Code 320 shows no increase but reflects \$66,400 promotional advertising. This should be checked with Economic Development; Code 330, \$14,800 which reflects \$7,200 increase in rent for the Simpson Building, and \$7,600 which is normal increase in utilities, etc.; Code 340, \$500 which is janitor service at Haines (5 months); Code 350, \$1,400 for increase in transportation of new hires; Code 380, \$10,300, for Tok office, \$6,500, for Prince George Information Service, \$2,600, and armored car service at Seattle \$800; Code 390, \$2,500 for increased cost to Aleut Island Water transportation.

The G.B.R.C. approved the request.

The sub-committee requests full break-down of promotional costs, Code 320.

Code 400
Commodities

The Department requests \$14,900 which is \$5,800 over 70-71 which was \$9,100. The increase reflects \$1,400 for vehicle for Seattle purchase agent, and \$5,800 increase for office supplies.

The G.B.R.C. approves the request.

Code 500
Equipment

The Department requests \$10,200 which is \$6,100 over 70-71 which was \$4,100.

The request is \$9,000 for new positions and \$1,200 for desk model copiers.

The G.B.R.C. approved \$7,600 which is (-\$2,600) from the Department request. General cut.

Code 900
Interagency
Services

The Department requests \$7,300 which is \$1,300 over 70-71 which was \$6,000. The increase is \$500 for Central duplicating and \$800 car rental for new position of supply officer.

The G.B.R.C. approved the request.

Southeast System
Operations

Code 100
Personal
Services

The Department requests \$4,061,500 which is \$683,300 over 70-71 which was \$3,378,200. Department justification is found on page 580-584.

*It should be noted that the Department requests an increase of 20 permanent positions and a decrease of 14 P/T - 132 to 152 and 20 to 6 - for Malaspina class vessels; no change in Wickersham; addition of 2 permanents and deletion of 1 part-time on Chilkat.

The G.B.R.C. approved the request.

Code 200
Travel

The Department requests \$18,000 which is \$1,600 over 70-71 which was \$16,400.

The G.B.R.C. approved the request.

Code 300
Contractual
Services

The Department requests \$1,569,900 which is (-\$46,700) from 70-71 which was \$1,616,600.

The increase is reflected as follows: Code 320, \$2,800 which is \$1,000 previously budgeted in Commodities and \$1,800 minor adjustments to reflect current market prices; Code 330 (-\$36,300) which reflects transfer of \$40,000 garbage disposal, \$600 emergency dock moorage, and \$36,000 Vancouver tie-up (total transfer to 340 \$76,600). *Actual increase in Code 330 of \$40,300 instead of (-\$36,300) if you consider transfers. Code 340, \$193,900 of which \$76,600 was transferred from Code 330; \$66,000 for tail shaft inspection; and \$51,300 increased costs and increased repairs due to vessels age. *I think this code might be a little

fat! Code 390, (-\$208,400) transferred to Code 430 Stewards, S.E.

*Actual increase for Code 300 is \$161,700 and not (-\$46,700) as budget document reflects. The G.B.R.C. approves the request.

Code 400
Commodities

The Department requests \$1,249,700 which is \$249,700 over 70-71 which was \$1,000,000.

The Department justification is as follows: Code 450, \$17,300 which is \$15,000 for replacement of transfer bridge cables and regular costs; Code 460, \$97,500 reflects anticipated increase of parts and material due to age of vessels and increase in fuel costs. See page 599-600. Code 490, \$134,400 which is \$3,700 for Wickersham carpet, \$111,000 for spare tail shafts and liners, and \$19,300 Video tapes and duplicates. *Regular level is \$52,000 which replaces chairs, planks, etc.

The G.B.R.C. approves the request.

Code 500
Equipment

The Department requests \$27,900 which is (-\$200) from 70-71 which was \$28,100.

The Department justification is as follows: replacements \$7,400; \$5,000 heavy weather securing gear; \$1,000 water chlorinator at Haines; \$1,500 heavy duty valve grinders; \$600 Dynamometer; \$700 chain hoist; and \$10,000 closed circuit TV for passenger entertainment, plus \$800 miscellaneous.

The G.B.R.C. approved the request.

Code 900
Interagency
Charges

The Department requests \$1,200 which is (-\$4,400) from 70-71 which was \$5,600.

The G.B.R.C. approved the request.

Southeast Stewards Dept.

Code 100
Personal
Services

The Department requests \$1,521,000 which is \$344,800 over 70-71 which was \$1,093,000. Justification is on page 614-617.

The G.B.R.C. approved the request.

Code 200
Travel

The Department requests \$8,700 which is \$3,700 over 70-71 which is \$5,000. General increase.

The G.B.R.C. approves the request.

Code 300
Contractual
Services

The Department requests \$127,500 which is \$27,500 over 70-71 which was \$100,000.

Justification is as follows: Code 340, \$25,900 of which \$17,800 was transferred from Code 380, \$1,500 increase in vending machine/repair costs; \$1,700 increase in Clean-up costs; \$5,000 increase in galley equipment repair; *and \$1,000 error in multiplication ($4000 \times 4 = 15000$). Code 380, (-\$17,800) transferred to Code 340. Code 390, \$18,800 reflects increase in laundry and uniform allowance.

The G.B.R.C. approved the request.

Code 400
Commodities

The Department requests \$1,069,700 which is \$431,100 over 70-71 which was \$638,600.

The Department justification is as follows: Code 430, \$423,100 of which \$216,600 was transferred from Operations S.E. so actual increase is \$206,700. Food formula is shown on page 624. *Question: How can this formula be accurate unless all food for crew is kept separate from that prepared and served to passengers? Example: Malaspina class vessels dining room income is estimated at \$193,000 which is 44% of total income dining room (estimated \$410,000 menu price). Crew food for same vessels \$350,775 which is 40% of a crew's menu cost of \$877,000. Question: Is the Department suggesting it costs the same food prices to serve \$410,000 (menu cost) as it does to serve \$1,287,000 (menu cost)? I think the committee needs a better explanation than just accepting a formula (universalized?). Code 450; \$20,000 increase is due to transfer of \$12,000 from Code 490; the other \$8,000 is increase in traffic and rising prices.

The G.B.R.C. approved the request.

Code 500
Equipment

The Department requests \$24,400 which is \$9,400 over 70-71 which was \$15,000.

Justification is as follows: \$800 for adding machines; \$2,500 for walk-in box; \$300 for additional serving tray stands; and \$20,800 replacements.

The G.B.R.C. approved the request.

Code 900
Interagency
Charges

The Department requests \$8,200 which is \$4,000 over 70-71 which is \$4,200.

\$1,000 is for Central Duplicating, and \$7,200 is for truck rental (*estimated use 30 miles a day X 365 X 60¢ a mile).

The G.B.R.C. approved the request.

Southwest System
Operations

Code 100
Personal
Services

The Department requests \$1,081,400 which is \$194,600 over 70-71 which was \$886,800. Department justification is found on pages 636-640.

The G.B.R.C. approved the request.

Code 200
Travel

The Department requests \$7,400 which is \$2,400 over 70-71 which was \$5,000.

The G.B.R.C. approved the request.

Code 300
Contractual
Services

The Department requests \$606,900 which is (-\$18,900) from 70-71 which was \$625,800.

Breakdown is as follows: Code 320, \$1,300 increased radio and newspaper; Code 330, (-\$85,600) transferred to Code 340 & 390; Code 340, \$65,600 of which \$45,000 is repairs to Whittier dock and \$18,500 repairs to Bartlett; and, \$4,000 transferred from Code 330. Code 350, \$5,300 which is transportation costs of personnel and supplies. Code 370, \$8,400 reflects actual premium

costs increase. Code 380, \$2,200 increase in oil samples to maintain classification ratings. Code 390, (-\$16,000) which transferred to S.W. Stewards Code 430 & \$73,900 reflects \$96,600/transferred into this code from Code 330.

*In essence this Code 300 was actually increased \$55,000 instead of decreased (-\$18,900) when you consider \$73,900 was transferred out.

The G.B.R.C. approved the request.

Code 400
Commodities

The Department requests \$282,400 which is (-\$42,600) from 70-71 which was \$325,000.

Broken down as follows: Code 440, \$1,400 change in Seward operation; Code 450, \$11,200 reflects actual usage. Code 460 (-\$62,000) to reflect actual expenditures. Code 490, \$7,100 of which \$2,100 actual expenditure (\$2,700) and \$5,000 for engine water jacket heaters.

The G.B.R.C. approved the request.

Code 500
Equipment

The Department requests \$8,000 which is \$1,200 over 70-71 which was \$6,800. See page 655.

The G.B.R.C. approved the request.

Code 900
Interagency
Charges

The Department requests \$1,800, the same level as 70-71.

The G.B.R.C. approved the request.

Southwest System
Stewards Dept.

Code 100
Personal
Services

The Department requests \$281,200 which is \$60,200 over 70-71 which was \$221,000.

Department justification appears on pages 662-665.

The G.B.R.C. approves the request.

Code 200
Travel

The Department requests \$2,800 which is \$700 over 70-71 which was \$2,100.

The G.B.R.C. approved the request.

Code 300
Contractual
ces

The Department requests \$21,100 which is (-\$8,300) from 70-71 which was \$29,400. Reduction reflects true cost of operation.

The G.B.R.C. approved the request.

Code 400
Commodities

The Department requests \$175,800 which is \$5,800 over 70-71 which was \$170,000.

Crew food costs are again estimated on food formula used for other vessels (@ \$3.75 per man per day). *Formula must be verified as accurate. Also, \$96,600 was transferred into this Code from Code 390, S.W. operations.

The G.B.R.C. approved the request.

Code 500
Equipment

The Department requests \$7,800 which is \$4,700 over 70-71 which was \$3,100.

\$6,200 of the request is for snack and beverage dispensers for the Tustamina and, \$1,900 for miscellaneous equipment for the Bartlett.

The G.B.R.C. approved the request.

*Re: Food costs for crew only:

MAN MONTHS MALASPINA CLASS	
(2 crews - 3 vessels, operations only)	1,854
MAN MONTHS WICKERSHAM CLASS	
(2 crews - 1 vessel, operations only)	708
MAN MONTHS CHILKAT CLASS	
(1 crew - 1 year, operations only)	84
MAN MONTHS TUSTAMENA CLASS	
(1 crew - 1 year, operations only)	336
MAN MONTHS BARTLETT CLASS	
(1 crew - 1 year, operations only)	210
MAN MONTHS OPERATIONS SUBTOTAL	<u>3,192</u>

MALASPINA CLASS - STEWARDS	1,264
WICKERSHAM CLASS - STEWARDS	630
TUSTAMENA CLASS - STEWARDS	108
BARTLETT CLASS - STEWARDS	72
MAN MONTHS STEWARDS SUBTOTAL	<u>2,074</u>

MAN MONTHS COMBINED TOTAL	<u>5,266</u>
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5,266 X 30 = 157,980 MAN DAYS TOTAL

157,980 X \$3.75 MAN DAY FOOD ALLOWANCE = \$592,425

DEPT. REQUEST FOR FOOD COSTS (CREWS ONLY)

MALASPINA (3 vessels)	\$350,775
WICKERSHAM	150,525
CHILKAT	10,200
TUSTAMENA	50,000
BARTLETT	31,700
TOTAL	<u>\$593,210</u>

TOTAL DEPARTMENT REQUEST	\$593,210
ACTUAL COSTS (PER FORMULA)	<u>592,425</u>
	785

The \$785 figure is error in the Department request for MV CHILKAT which was budgeted at \$4.00 per man per day instead of @\$3.75.

@\$4.00 X 7 X 365 =	\$10,235
@\$3.75 X 7 X 365 =	<u>9,450</u>
- \$	785

RE: COMPARATIVE FOOD COSTS
PASSENGERS vs. CREW (ENTIRE)

MALASPINA CLASS	\$237,000 - \$350,775 =	(-\$113,775)
WICKERSHAM CLASS	93,000 - 150,525 =	(- 57,525)
CHILKAT CLASS	4,400 - 9,450 =	(- 5,050)
TUSTAMENA	33,000 - 50,000 =	(- 17,000)
BARTLETT	20,000 - 31,700 =	(- 11,700)
TOTALS	<u>\$387,400 - \$592,450 =</u>	<u>(-\$205,050)</u>

(INCLUDES SNACK BAR)

PASSENGERS vs. STEWARDS (ONLY)

MALASPINA CLASS	\$237,000 - \$142,200 =	\$94,800
WICKERSHAM CLASS	93,000 - 70,875 =	22,125
TUSTAMENA CLASS	33,000 - 19,650 =	13,350
BARTLETT CLASS	20,000 - 8,100 =	11,900
CHILKAT CLASS	4,400 - 0 =	4,400
TOTALS	<u>\$387,400 - \$240,825 =</u>	<u>\$146,575</u>

(INCLUDES SNACK BAR)

No. Steward Meals = Food Costs + \$3.75

PASSENGERS vs. DECK, ETC. (ONLY)

MALASPINA CLASS	\$237,000 - \$208,575 =	\$28,425
WICKERSHAM CLASS	93,000 - 79,650 =	13,350
TUSTAMENA CLASS	33,000 - 37,800 =	(-4,800)
BARTLETT CLASS	20,000 - 23,625 =	(-3,625)
CHILKAT CLASS	4,400 - 9,450 =	(-5,050)
TOTALS	<u>\$387,400 - \$359,100 =</u>	<u>\$28,300</u>

(INCLUDES SNACK BAR)

TOTAL: DECK CREWS	\$359,100)	\$599,925
STEWARDS	240,825)	
	<u>\$118,275</u>	

\$599,925 + \$592,450 = \$7,475 FIGURES DO NOT COMPUTE!
 ERROR MAY BE IN CHILKAT PASSENGER FOOD REVENUES!

RE: FOOD COSTS PASSENGERS ONLY

MALASPINA	\$193,000
WICKERSHAM	72,000
TUSTAMENA	33,000
BARTLETT	20,000
TOTAL	<u>\$318,000</u>

 @ 40% cost
 \$318,000 X 2.5 = \$795,000 INCOME

\$795,000 ÷ 3 = \$ 70,667

FOOD COST FORMULA = MAN MONTHS X 30 X \$2.75
 PASSENGER MEALS = D.R. FOOD COSTS ÷ \$3.75

MAN-DAY MEALS SERVED (DINING ROOM ONLY @ \$3.75)

CREW (ENTIRE)	\$157,987)	
PASSENGERS	- 70,667)	\$228,654
	<u>87,320</u>	

STEWARDS (ONLY)	\$ 64,200
PASSENGERS	70,667

DECK, ETC. (ONLY)	\$ 93,787
PASSENGERS	70,667

EST. COST LABOR FOOD SERVICE (ALL SYSTEMS)	
(NO B/R or BAR COSTS)	\$1,790,000

EST. COST FOOD (ALL SYSTEMS)		985,000
	TOTAL	<u>\$2,775,000</u>
	LESS SNACK BARS	- 69,400
		<u>\$2,705,600</u>

MALASPINA	\$350,775
WICKERSHAM	150,525
MALASPINA	193,000
WICKERSHAM	72,000
CHILKAT	14,600
TUSTAMENA	83,000
BARTLETT	51,700
	<u>\$915,600</u>

SNACK BARS	
MALASPINA	\$44,000
WICKERSHAM	21,000
CHILKAT	4,400
	<u>\$69,400</u>

ESTIMATED MEALS SERVED (CREW ONLY)	\$157,980 X 3 = \$479,940
ESTIMATED MEALS SERVED PASSENGERS	\$ 70,667 X 3 = <u>\$212,001</u>
	Total = <u>\$691,941</u>

$\$2,705,600 + \$697,782 = \underline{\$3.91} + \text{cost per meal served!}$

Not included in the \$3.91 + cost is equipment cost, depreciation, or replacement, utilities, etc. JUST FOOD and LABOR!

*If my figures are correct (?) something is HAYWIRE!

If MATRONS are snack bar help, then subtract the estimated \$274,000 from \$2,705,600 = \$2,431,600 or \$3.50 per meal. JUST FOOD and LABOR!

$\$2,431,600 \div \$697,782 = \underline{\$3.50}$ est. ? ? ?

SNACK BAR (COSTS)	
LABOR	\$274,000
FOOD	69,400
TOTAL	<u>\$343,400</u>

SNACK BAR INCOME		
MALASPINA	\$44,000)	
WICKERSHAM	21,000)	FOOD COSTS
CHILKAT	4,400)	\$69,400 is 40% of
	<u>\$69,400</u>	total income

$\$69,400 \times 2.5 = \text{TOTAL INCOME} = \$173,500$

SNACK BAR OPERATION	
LABOR & FOOD COSTS	\$343,400
TOTAL INCOME	<u>173,500</u>
DEFICIT	(-\$169,900)

LIQUOR BAR COSTS			
MALASPINA	\$44,000)		
WICKERSHAM	17,000)	\$72,000	EST. LABOR = \$125,000
TUSTAMENA	14,000)		EST. LIQUOR = 72,000
BARTLETT	7,000)		<u>TOTAL COSTS = \$197,000</u>

LIQUOR BAR OPERATIONS			
S.E. INCOME	\$190,000		EST. INCOME = \$242,500
S.W. INCOME	<u>52,500</u>		EST. COSTS = <u>197,000</u>
	\$242,500		* TOTAL = - 45,500

*Does not include licenses, equipment, depreciation, etc.

ADDENDUM TO PUBLIC WORKS BUDGET--MARINE TRANSPORTATION

5,266 MAN MONTHS EMPLOYMENT ALL SYSTEMS

5,266 ÷ 12 = 439 NO. EMPLOYEES ALL SYSTEMS

AVERAGE PRICE PASSENGER MENU

BREAKFAST	\$2.25)	
LUNCH	2.50)	\$7.75*
*DINNER	3.00)	
NIGHT LUNCH	1.50	

²\$9.25 ¹((\$8.75 was Dept.'s addition)

\$9.25 ÷ 4 = \$2.34 PER MEAL AVERAGE X 3 = \$7.02

*\$7.75 ÷ 3 = \$2.581 PER MEAL AVERAGE X 3 = \$7.74

*\$9.00 ÷ 3 = \$3.00 PER MEAL AVERAGE X 3 = \$9.00

COST OF FOOD (ONLY) 45% EST. OF MENU PRICES.

\$7.02 ÷ 45% = \$3.159 ÷ 3 = \$1.05 COST OF FOOD PER MEAL

\$7.75 ÷ 45% = \$3.875 ÷ 3 = \$1.292 COST OF FOOD PER MEAL

\$9.00 ÷ 45% = \$4.05 ÷ 3 = \$1.35 COST OF FOOD PER MEAL

5,266 X 30 X 3 = 473,940 CREW MEALS SERVED ANNUALLY

473,940 X \$1.05 = \$497,637 COST OF FOOD ANNUALLY

473,940 X \$1.292 = \$612,530 COST OF FOOD ANNUALLY.

473,940 X \$1.35 = \$639,819 COST OF FOOD ANNUALLY.

- DEPT. FORMULA -

5,266 X 30 X 3.75 = \$592,425 DEPT. REQUEST

¹\$8.75 (3 MEAL TOTAL) ÷ 45% = \$3.93 - .18 = \$3.75 DAILY MAN COST

²\$9.25 is correct addition and should be divided by 4 to

get average meal cost, (See Above) which is \$1.02 or \$3.06 per man, per day. Adjustment (See Above) to \$3.00 seems reasonable.

SUGGESTED APPROPRIATION:

5,266 X 30 X \$3.00 = \$473,940 adjusted to \$475,000 or approximately 5% increase.

SENATE FINANCE COMMITTEE

February 17, 1971

1:30 p.m.

Present: All members of the Senate Finance Committee except Senators Ray and Hensley. Also present from the Department of Military Affairs were the following: General Elmore, Adjutant General; Colonel Byington, Financial Fiscal Officer; Don Lowell, Alaska Disaster Office; Lois Richardson, Administrative Assistant to Colonel Byington; Floyd Johnson, Juneau Disaster Office.

General: Senator Lewis opened the meeting and remarked that this was a budget review of Military Affairs.

General Elmore gave each committeeman 12 charts which he explained would be referred to through the meeting. He said that charts 1 through 4 are excerpts from the Constitution of the United States, Alaska Statutes, Title 26, which have bearing on the Department of Military Affairs.

General Elmore referred the committee to Chart 5 and mentioned that the federal government provides the bulk of support. Certain federal funds are allowed on the basis of state sharing and will be covered in more detail for respective programs. Chart 5 shows federal funds for support of the national guard. Penciled in under construction, but really the total for personnel in Air Guard, is the figure \$434,627.00. The printed figure is the actual funds in hand. The \$434,627.00 includes that actual drill plus active duty pay disbursed by the Air Force in Denver and sent to the guardsmen in federal checks. This brings total payroll for National Guard to \$1,328,014. There are no construction funds that the national guard or

Alaska has any control over, but facilities are constructed 100% by federal funds.

To give an idea of the impact of the National Guard pay checks on the villages, General Elmore referred to Chart 7. He explained that the National Guard, many times, is the only form of income in the villages--that the drill pay is the bulk of the money crop. He feels that the National Guard has done more for the Eskimos and Indians than the BIA will ever do as they earn their pay as soldiers--they're not given it.

Chart 8 points out the number of people the federal government says it takes to operate the program. General Elmore pointed out that due to funding restrictions that funds were allocated only for 268 people rather than 319 which is listed as the number of federally funded personnel. Where the bodies are hired and what their functions are is the prerogative of the state. The 19 100% active military service personnel are advisory people.

Senator Lewis asked if the personnel listed on Chart 9 are full-time employees and General Elmore replied yes, they are Civil Service employees. Senator Lewis requested that General Elmore please tell the committee what they do. General Elmore said they are composed of various training people and supply people as well as company commanders. Senator Lewis asked how many soldiers are in each unit and General Elmore replied approximately 600 in each scout battalion. General Elmore pointed out that Chart 10 shows payroll distribution in major communities. He said advisors are paid by either Army or Air Force--they have no control over them.

General Elmore referred to Chart 11. He noted that the armories have been constructed in full by the federal government. In some, engineering and design functions are carried out by the state. There are a few armories built on a 75-25 federal to state basis.

Senator Lewis asked if the total in the last column of Chart 11, \$119,939, was the maintenance cost for the state. General Elmore said yes and added that in the scout battalion armories it is paid by the state but reimbursed 100% by the government. In the Air National Guard 25% is paid by the state and 75% is paid by the federal.

Chart 12 shows the construction costs as well as operations and maintenance for armories which are funded by state and federal. Chart 13 gives a breakdown by squadrons of the Civil Air Patrol. Chart 14, General Elmore explained, shows aircraft owner agreements. These are public-spirited people throughout the state who sign up with Civil Air Patrol to make their aircraft available for search and rescue, natural disasters, etc. General Elmore at this point turned the meeting over to Don Lowell who explained the Alaska Disaster Office. The disaster office is primarily responsible for developing and implementing an emergency resource and management plan. There are two sources of funds--Office of Emergency Preparedness and Civil Defense. The Office of Emergency Preparedness will provide 100% grants to the state in the event the president declares an area a national disaster under public law 606, which replaces 505. He mentioned that the fire suppression funds the state got last year were considered low, but more is expected this year.

Mr. Lowell stated that the Office of Civil Defense provides funding for two people working on community planning; 100% funds for maintenance and calibration of radiological and other instruments. All facilities are in Anchorage except for one in Juneau. Civil Defense provides free communications within the state. There are three communications systems in the state--one from Colorado Springs into Alaska and into twelve communities. There is a seismological lab in Palmer and telemeter from this facility which measures tide gauges, etc. In addition the U.S. Weather is tied into this network and can provide emergency service to the state. The Office of Civil Defense provides a telephone system to Alaska from the states and we have day to day communication with any government agency toll free to Alaska. A radio-teletype has been installed in Alaska which connects us with the other states. Civil Defense provides matching funds for developing emergency centers--we have three in the state--one in the capitol building. There are matching funds for Civil Defense purposes--100% funds to University of Alaska for special training for the state and civil defense. There is also an engineer for the University of Alaska who works with local architects to design additional fallout shelters. There are 194 fallout shelters/stocked with emergency supplies to handle 135,000 people. 102 reporting stations can detect and measure radiation. 4,132 radiation instruments are in use. 6,500 decimeters measure total dosage any person might receive. There is also a nuclear incidents plan. We have had two instances where radiation sources were found in the state. We were able to find out what it was and get rid of the radiation hazard. Last year we trained 3,000 people in civil defense

courses. The Department of Health has trained 15,000 people in the medical self-help program.

Mr. Lowell mentioned several disasters that had happened in the last thirty years and remarked that the state was called upon to react and give assistance. He said in order to minimize any loss of life or death it is the state's responsibility to continue the planning and the organizational setup of our state to provide assistance or some agency that can help if the call for help comes.

Senator Lewis asked what the budget for next year would be if the one for this year is met and Mr. Lowell pointed out that they have not asked for additional personnel about what they already have. He remarked that he didn't see any future need for more than an additional person or two. He also said the reason the budget is up 50% is due to the legislative allowance for salary increase--the other increase was the state assuming responsibility for dusting the rivers. The budget includes \$21,000 for 1971 and 25,000 for 1972 for this dusting. The Corps of Engineers estimates a yearly cost for this service will be \$35,000. Senator Rettig asked about wage and price stabilization which had earlier been mentioned as part of the nuclear emergency plan and Mr. Lowell replied that this could only be done through an executive order by the president after such disasters as a nuclear war, natural disaster, etc. Senator Palmer asked if any preventive measures were taken to prevent ice jams, fires, etc. Mr. Lowell said the Corp of Engineers has no funds that they can spend on preventive work. Senator Palmer remarked that changing this would probably have to be done through the federal government.

Senator Lewis asked what would happen if they were allocated the same funds they had last year and Mr. Lowell replied they would have to cut down on planning personnel and he felt they have a minimum staff right now--10 professionals including himself and the remainder clerical. Senator Lewis asked how long the office had been in existence and Mr. Lowell replied since territorial days and after statehood it was put into the Department of Military Affairs.

Senator Palmer asked General Elmore about the relationship of his department with different departments of the state. He wanted to know what the mechanics were for flying mission for the state. General Elmore replied that they call these missions for the state training missions. Senator Koslosky asked for figures on how much state missions cost the department and General Elmore replied that they spent about 315 hours annually at \$400 an hour but no charge is ever made to the state.

Senator Palmer asked if training missions were flown in excess of these state missions and General Elmore answered yes. General Elmore pointed out that they fly things--not people unless it is a rescue mission or after a disaster.

Senator Rettig remarked that Governor Egan had announced to the world that Alaska would be fast moving toward bankruptcy if the pipeline is held up another year so Senator Rettig wanted to know if General Elmore had been approached about his budget having to be sharply curtailed and if it was, what would be the affect. General Elmore replied that he had not been approached and if the budget had to be cut they would have to do away with units. General Elmore pointed out that if the

guard is to be maintained at the present level as far as manning facilities are concerned it will be necessary to increase (or decrease whichever the case may be) with the cost of living or curtail the national guard by closing down facilities, laying off personnel and not taking advantage of federal programs that are available to us. Senator Rettig said he noted to just hold their budget at the present level according to the program maintenance cost was going to require an increase of 14% and General Elmore replied this was due to salary increases, step increases, etc.

Chairman Butrovich asked General Elmore if his department had talked with Governor Egan's review committee and the reply was yes. Senator Rettig said he had been told that the Governor's budget review would be submitted February 20 but that the Governor was expected to go to Anchorage so it would probably be two weeks before the Finance Committee would receive it. Senator Palmer asked General Elmore if there were unfilled positions and the General replied that all positions had been filled.

Adjournment: The meeting was adjourned at 2:55 p.m.

HOUSE AND SENATE JOINT FINANCE COMMITTEES
February 19, 1971
9:00 a.m.

Present: All members of both committees were present. Also present were members of the Board of Regents of the University of Alaska [Mr. William O'Neill, Mrs. Edith Bullock, Mrs. Dorothy A. Wrede, Mr. A.D. Robertson, Mr. Brian J. Brundin, Dr. Hugh B. Fate] as well as other University officials [Dr. Wood, College President, Mr. Donald Theophelis, Mr. Harold Byrd, Dr. Lou Haynes, Mr. Robert E. McFarland, Dr. Ray, Mr. Max Hulligan] and Mr. Mario Martini, whose services are being contracted for by the University in the area of managerial planning. Present, too, were various interested members of both houses, members of the press, and interested citizens.

UNIVERSITY
ALASKA

Chairman Butrovich called the meeting to order. He then introduced Mr. O'Neill, Chairman of the Board, who in turn introduced the members of the Board of Regents and the other University officials present. Senator Butrovich introduced members of the Senate Finance Committee. He introduced Mr. Hohman, Chairman of the House Finance Committee, who then introduced members of his committee.

Mr. O'Neill began by giving a formal presentation using graphs and charts, copies of which were given to the committee. [see department file] In his presentation, he admitted that the proposed budget was the largest they have ever had, and that the Governor's budget review had cut their request. He tried to convince the committee that although they were "talking dollars" they were really "talking people" - and people are the best

investment in the future of Alaska.

Mr. O'Neill said that there are three basic areas that the University has to contend with - teaching, public service and research - and he noted that they all act together.

It was noted that academic enrollment has increased 33% in the Southcentral region, 12% in the Southeastern region, and 20% on the main campus. The University of Alaska has a university-wide increase of 27%, as compared with the national average of 5.9%.

There was considerable discussion on the growth of vocational programs, and Mr. O'Neill said that the Board feels this is a very important area.

One of the graphs illustrated what is happening in the growth of research in the University. Mr. O'Neill noted that for each dollar of state money in research, five dollars comes from elsewhere. The 1970-71 cost of research was \$13.5 million - the state's portion of that was \$2.8 million. The University of Alaska's growth in research is considerably greater than the nationwide trend. There is beginning to be more interest in the state's problems, and the University is ideally located to do certain particular types of research, i.e. arctic research.

It was noted that the administration of the University is being decentralized throughout the state, the rationale for this being that situations in the various community colleges will be able to be dealt with more quickly and effectively.

The total appropriation the University is asking for from the state is \$25,831,863 which is 57% of the total money they would receive from other sources (overhead recovery, student fees, federal appropriations, etc.); this is their budgetable resources.

Their restricted resources include gifts and grants from private and federal governmental sources. These are not budgetable in the normal sense, but their benefits are^{very}/real. Some examples of programs which are funded out of restricted funds are Upward Bound and construction of roads over perma-frost. Mr. O'Neill stated that the growth of funds needed is not directly proportional to the growth of the student body. Existing programs always have to be updated and expanded in addition to new programs which have to be added. When the numbers increase, interests are more diversified and more programs have to be added. The only new program requested under insturctional colleges is for a study which can be used to plan for a Law School. Dr. Wood felt that this should be put off no longer, nor should the University begin work on a law school without having first made such a study.

Increased public services and community colleges have caused a budget increase, Mr. O'Neill continued. For example, the new educational television capacity was just made possible by a \$425,000 federal grant.

Mr. O'Neil' next explained that the University has contracted for Mr. Mario Martini's assistance in program budgeting. Mr. Martini has prepared models for certain budget items. He passed out a Statement of Program, appended at the end of these minutes, pages **180 - 182**. This shows the computation of the budgetary model for the University. There was considerable discussion on the model. Mr. Martini explained that it is designed to operate at 90% capacity. In the discussion that ensued, Mr. Martini explained that 15 full-time accredited students per faculty member was determined to be the ratio the University

should have. The 15 was arbitrarily established as it is a constant level, Mr. Martini stated. Mr. Fink asked how this compared with other universities, and Mr. Martini explained that compared with, say, the University of Washington it would come out a little more liberal. However, he went on to explain, a larger university where the curriculum includes large numbers of lecture classes would naturally have a higher ratio of student credit hours per faculty members. Therefore, analysis must be made institution by institution. Dr. Wood commented that the student-faculty ratio at the University is increasing.

Mr. Martini spoke of the relationship between student credit hours and full time faculty. He pointed out that the first line of the model shows 225 student credit hours per faculty member, at the lower division levels; 135 student credit hours per faculty member at the upper division levels; and 50 student credit hours per faculty member at the graduate level. He noted, too, that this is for regular cost students. Beneath these figures are the amounts for high cost students.

He noted that the projected need for full time faculty in the 1971-72 budget is 170.8, while the actual is 164.31. Converting these manyears into full-time equivalency man years maintains validity. Staff members become unit cost indicators.

Mr. Martini was asked if he had made a comparison with AMU, and he stated that as he had only been under contract with the University for three months, there were many things he had not yet had an opportunity to do, and this was one of them.

Mr. Martini went on to say that a model establishes a standard. What it shows is the state's appropriation for the year. Any of the factors can be changed in any of the areas regarding allocations. Sometimes there are negotiations between the branches of the government and the University. For example, a 15-1 pupil-teacher ratio may be a favorable figure to the legislature, whereas to the university administrator 14-1 might be more appropriate. These are matters to be negotiated in preparing a working model.

Sen. Rettig expressed concern that using the current student-teacher ratio in the model doesn't really tell the legislature anything - it's using the actual figure to try to determine what the actual figure should be.

Sen. Koslosky asked if a ratio between instructors had been worked out as far as professors, associate professors, etc. Mr. Martini stated that this had not been part of the model, and referred the question to Dr. Wood.

Dr. Wood explained that typically the practice established for a university is to have 50% senior faculty (full professors and associate professors) and 50% junior faculty (assistant professors and instructors). There tend to be more in the junior ranks at a young institution, he said, and Alaska is still a young institution.

Returning to the model, Sen. Ray asked if a full-time professor has 3 classes a week with 9 students each, and Mr. Martini said that the professor is responsible for supporting an average of 9 students at the junior and senior level. These are complete 15 student credit hours each. He admitted that some classes have far fewer students than that, however.

Mr. O'Neill stated that the University was moving forward with the assistance of Mr. Martini to improve management in program planning which was initiated by the legislature. He said that they would have more of these types of models done in all phases of the University's affairs so that they will know in what areas they may be short and what areas they may be long.

Sen. Ray wondered why they were asking for an increase in the budget of 50% when the percentage of enrollment was roughly 30%. Mr. O'Neill stated that increase was necessary for new programs and improvement of existing programs in order to keep them current, regardless of added enrollments.

Sen. Ray asked why the increase was only in state funds. (He also commented that they hadn't taken the time to put down what the restricted funds expenditures were.) The increase of \$8 million is all in state monies so, Sen. Ray felt that they were going to keep research at the same level it is now, and pay for anything else out of state funds. Dr. Ray said no, there was a substantial increase in outside funds coming in on state appropriations.

Dr. Ray said that the increased funds were listed in the budget, and Sen. Ray asked to have that information supplied to the committee. Sen. Ray asked if it wasn't true that historically their estimates had been over-estimates. Mr. Byrd said that on the contrary they have found their estimates to be conservative. Total gifts and grants usually exceed what their expectations are.

Sen. Ray said that that hadn't been his feeling. Over the past 6 years he had done research on it, and had found that the gifts and grants are not as much as they think they are going to be. Sen. Ray added that he felt the University to be a very worthwhile organization and that he wanted to support it, but in order to do

that, the committee would have to receive the exact figures they need so that they could satisfy in their own minds what the needs are, primarily in research. Mr. O'Neill said that they would supply the committee with the figures as to comparison over the past 6 years.

Mr. Byrd stated that the information as to the distribution of the various budgeted expenses with the restricted gifts and grants was listed on pages 6, 7, and 8 of the budget. He went on to say that they couldn't count on using any of the gift and grant monies for planned operating purposes of the University. This is the reason why their budgeted expenses are all listed first, and then the restricted gifts and grants with the total underneath. He added that if the committee needed additional information, they would prepare it.

Mr. O'Neill stated that in the past 6 years their estimates as to what their grants and gifts were going to be were long, and they did not receive as much.

Mr. Byrd said that this was not contained in the budget of expenses that they anticipated making, which was based initially upon fees and state monies and not gifts and grants. For this reason, he felt that whether they estimated correctly or not did not really effect their operating budget.

Sen. Butrovich said that they realized that, but would still like a comparison of / ^{what was estimated and what received} for the last five years. Mr. O'Neill said that they would get it.

It seemed to Sen. Ray that restricted funds have a great bearing on the state's participation in this budget. He wanted to know how much the University was getting and how they were using it.

Senator Butrovich commented that the committees were working at a disadvantage because many of the answers were in the document the University people had just passed out, and they hadn't had an opportunity to study it, yet. Mr. O'Neill told him that after the committees had had a chance to give the document a thorough review, the University would gladly send someone down to go over it more thoroughly.

Dr. Wright said that if the actual cost of extension and public service including the community college was pulled out of the unrestricted appropriation, theoretically the actual main campus balance should be the remainder. Dr. Ray said that it would be a first approximation, but that research costs are spread across the state.

Dr. Wright said that page 57 of the budget showed a 27% increase in enrollment. If fulltime equivalency is factored out, one comes up with an 18% increase of the lower division and an 18% increase of the upper level and a 20% increase on the graduate level. If one went back and pulled out the figure of \$7,516,000 for community colleges, the figure of about \$24 million would be derived, which is about a 27% increase. 19% however was the projected increase given. Dr. Wright asked if his figuring was correct. Dr. Ray said that this includes growth and improvements in programs and inflation in areas such as research so there is another sum that should be taken out. Dr. Wright asked how much state money is to go into research, and Dr. Ray replied \$2.8 million.

Mr. O'Neill stated that last year they had had a conversation in the Lieutenant Governor's office regarding things that the University should be doing. At that time, it was proposed that the next budget would reflect the thinking of the research department as to types

of research that could be done for the benefit of Alaska. The amount of state monies spent as against federal appropriations is 1:5. Primarily, that is money granted to the University through funding agencies of the federal government to start research which is of interest to the federal government, at which time the state has had to put up some degree of money. They decided that it would be a good thing if the state could institute some research programs on subjects of particular concern to Alaska and then go to the funding agencies and say that the state has a research program in this particular area and has put up so much money and would like matching money from the federal government. In this way, the University could initiate research programs and get more money from the federal government for research oriented toward Alaska. In answer to questioning by Dr. Wright, Mr. O'Neill reiterated that much of the increase has nothing to do with the increased number of students, but is for new programs, program improvements and normal inflation. \$3.8 million has nothing to do with an increase in the number of students, he said.

Dr. Wright asked if the per student cost at the University has been computed. Mr. O'Neill referred him to page 29 of the booklet they had passed out, under Instruction on Campus where the cost per student credit hour is assessed. The cost per student is \$3,354 on the main campus and in the community colleges, the cost is \$1,102 per student. Dr. Wright asked how this was arrived at. Mr. Byrd replied, still referring to the booklet, page 29, explained that the first column includes all of the redistributed costs. They took the cost of organization and added the redistributed costs. This was done on the basis of the overheading rate approach which is used all over the country for determining overhead for

research projects with federal and other agencies. This then was divided by the number of students fall semester.

Dr. Wright asked about department services, and Mr. Byrd said that one simply takes the total expenses that were seen and applies the rates of redistribution so that public services get their share of these.

Looking at the figures, Dr. Wright said that it looks like a 40 to 50% increase in the request for administrative costs, and Dr. Wood said that the operational costs are up to 44%, which includes administrative costs. Mr. O'Neill said that the actual administrative cost was 6.77% of the budget in 1970-71 and is projected now for 9.1% for 71-72. Dr. Wright asked what is included in general administration. Mr. Byrd stated that this includes the costs of just operating the Board of Regents, the President and Vice-Presidents' offices, the central accounting and other central services, central university relations services and broad instructional expenses. [page 40 of budget book] Mr. Wright stated that the current year's administrative cost is \$1,957,060; the proposed budget is \$2,904.269, and he wanted an explanation of how that size increase could be called 9%. Mr. Byrd answered that the \$1,957,060 in the current year is 6.7% of the total University spending budget, and that the 9% referred to for 71-72 is not the percentage of increase but the percentage of the total requested budget. Dr. Wright still wanted to know about the increase. The deficit was brought up, and Sen. Ray asked what it was for. Mr. Byrd replied that the best way to answer that would be by demonstrating what the \$599,000 proposed increase independent of the deficit will be for. This includes general institutional expenses, insurance, staff benefits, proposed new staffing for certain

certain administrative divisions such as in the planning office to take care of the usual increase in the volume of construction the University will be involved with. There is a proposal for additional help in the office of the academic vice-president and public service vice-president and a few other things. Dr. Wright questioned "staff benefits". Mr. Byrd stated that all of the University staff benefits are accounted for in precisely the same way as separate expenses for the departments. Staff benefits relate to the entire institution where they are listed on page 2 of the budget. Dr. Wright asked if there is a little over \$3 million going to the administrative staff in benefits, and Mr. Byrd said yes. Sen. Ray asked what percentage of staff benefits is for increase in salary, and Mr. Byrd said that this is summarized on page 408 of the budget. \$675,000 is the total proposed for next year. Sen. Ray commented that the deficit is pretty close to that. Mr. Warwick noted that some of the state departments are sending down different budgets and asked if the University is doing so. Mr. Byrd stated that the Governor's Budget Review Committee had requested the University to submit an examination of what it would cost for certain new programs that may have appeared since the budget was presented. They gave three different ones. He said he didn't know if the Governor would take care of this. Mr. Byrd referred to the figure of \$538,000 on page 2. It consists of apparent overruns of various departments of the University that were not realized at the time the operating budget was prepared in May and June, including the additional teachers' retirement, additional cost of insurance and a few other items which brought up the cost. The University comptroller has been working on how to include those unexpected

costs in this year's budget. While he has been able to make some progress in that direction, he hasn't been able to do it entirely because of the fact that many of the project orders had already been executed; Most of the positions had already been filled; and in addition other expenses such as snow removal have offset the progress he was able to make.

Mr. Hulligan stated that yesterday he had submitted a \$551,000 supplemental to Commissioner Henri. The supplemental consists of four items: 1) additional charges in contribution rate for staff retirement- \$280,000; 2) change in insurance premiums - \$114,000 estimate on cost of snow removal - \$100,000; and 4) preparing office space, Natural Resources - \$57,000.

He went on to say that the University did submit a request for working capital of \$1 million which is to help it out in its cash balance, which is necessary because they are running approximately, approximately \$1 million in cash flow because of the delays in getting money from the federal government. They have to spend the money before they get it, so they are constantly having trouble getting cash to pay the balance. This is a one time appropriation and will be a revolving fund.

In answering a question by Mr. Warwick, Dr. Wood stated that the Chairman of the House Health, Welfare and Education Committee had asked the University to provide an estimate of the cost of non-credit vocational training operating currently in the community colleges. Although it is not a part of the budget, they manage it.

Sen. Lewis asked what the new programs are. Mr. Byrd referred him to page 410 of the budget book where there is a list of them.

Sen. Lewis asked how these programs are selected. Mr. O'Neill

said there was discussion about research and about what the University could do to come forward with types of programs that would answer the problems of Alaska. Ecology comes strongly into play here.

Senator Lewis asked how many students graduated last year. Dr. Wood told him that a total of 501 had graduated last year, mostly from the main campus and the Anchorage campus, but it also included students from the community colleges at Anchorage and Fairbanks receiving Associate of Arts degrees. This year there will be a separate commencement at Anchorage. The breakdown will be approximately 120 graduates in B.A.'s and Masters, 30 or 40 in A.A.'s and 95-100 adult diploma receivers. They expect another 15 or 20 Associate of Arts degrees this summer. He anticipates about 500 graduates on the main campus this year.

Sen. Lewis asked how much was allocated for a planning office and what would be done there. Mr. Byrd answered that the total costs were \$200,559 this year and \$204,622 for next year.

Dr. Wood said that essentially the planning office would do two things. One is gathering information about the institutions--supplying studies for centers and locations, providing projections of population trends, and anticipating staff needs. The other is actual work in management of the construction program--finding architects and developing contractual arrangements for projects. That is the planning program.

Sen. Lewis asked if the construction problem was having no funds to plan with. Mr. O'Neill stated that their biggest problem is that they have not had an opportunity to acquire funds from the legislature for advance funds. They have a \$350,000 request this year and it would be a revolving fund. It would save tremendous

amounts of time, since without money they are unable to hire an executive architect. With the money, they would be able to do preliminary work, and would save many months.

Sen. Butrovich asked if this would be a one time appropriation, and was told yes.

Sen. Lewis asked what the arboretum was and how far they went in assisting farmers. Dr. Ray stated that the arboretum was actually a modest project. It would consist of an area of naturally growing plants--paths would have to be cleared throughout it, and a curator would have to be hired to care for it. In terms of helping farmers, they give advice and try to steer them in the right directions. For example, if someone was starting a ranch innovative in concept they would perhaps be able to subsidize it with federal monies and give all the advice needed. Perhaps a manufacturer of fertilizer would see a value in having the rancher use his fertilizer over another and could be convinced to donate to the cause. The University receives \$360,000 a year which they can disperse in advice and aid. However, they can not give grants.

Sen. Hensley asked what the standing of the University was in regard to accreditation. Dr. Wood said that the University has been accredited since 1938 and their last review was 4 years ago. All of the community colleges are accredited through the University of Alaska. Anchorage community college is at a size now where it will have to be evaluated independently.

Sen. Hensley asked if there were any negative statements or warnings about the accreditation. Dr. Wood said that there are always suggested areas for improvement.

Sen. Butrovich asked for a copy of the contents of the report and Dr. Wood said that the committee would receive copies.

Sen. Hensley asked the effect of community colleges on accreditation. Mr. O'Neill answered that the Board of Regents felt that the University of Alaska, as the only public higher education system in the state, should be accredited throughout the state. The accrediting agency has taken the view that as the community colleges expand they should be examined.

Sen. Hensley asked if the University feels that the community colleges hurt the accreditation, and Dr. Wood answered quite the contrary.

Sen. Hensley asked if the percentage of Alaskan residents graduating was known. Dr. Wood stated that 80% of the enrollment were Alaskan residents, however, since so many students who are not residents can claim residency after twelve months, it is not known exactly what the graduating percentage is.

In answer to a question as to the departments where most graduates received their degrees, Mr. Theophilis stated that there were a good many in business, economics, biology and government, a smaller number in mineral science, and a larger number graduated in math, physical science, education, and engineering.

Sen. Hensley commented that he would like to see research directed to Alaskan types of problems. Mr. O'Neill said that he was well aware of what Sen. Hensley was saying. That was why the University had been stressing public services to the extent that they were 27% higher than instructional services. They are starting programs which are more educational to people in outlying areas. Presently, the only funding available for research is through grants for specific projects.

Dr. Ray said that now the people in Washington are becoming convinced that the sale of oil leases haven't given incredible riches

to the state, and since they are feeling the North Slope to be of national importance, a substantial amount of money is likely to be allocated for ecological work on the North Slope.

Sen. Butrovich recessed the meeting at 11:45.

after recess
1:15 p.m.

Chairman Butrovich reconvened the meeting.

Sen. Rettig discussed the social problems^{of} our state--i.e. drugs, unemployment, crime--and asked how we can relate the increasing educational effort to these problems, his idea being that it would seem education is the answer to curing social ills, and yet social ills have not been cured.

Mr. O'Neill answered that he agreed with Sen. Rettig's explanation, but said that you can offer the best there is to people, but you can't make them accept it.

Sen. Rettig said he noted in fiscal 1971 that 33% of total funds were devoted to research. Dr. Ray said that actually, only 14% of the funds were used for research, the remainder being overhead.

Sen. Rettig wondered if the research the University was doing would relate to solving the social problems such as auto accidents, the resulting rise of auto insurance costs, crime, etc. Dr. Ray answered that the University was not funded for that type of research, although he feels it would be a good direction.

Sen. Rettig remarked that the University group is perhaps the highest educated group in the state. He said there is a high ratio of people in the state who can't contribute to society because of a lack of education and wondered about the state's emphasis on where the state dollar should be placed. Mr. O'Neill answered that as far as the facilities of the University are concerned, they are moving forward as fast as possible, as the charts they prepared show. The emphasis is no longer strictly towards the baccalaureate degree, but the importance of vocational, technical-type teaching is helping more people adapt to our society. There is much being

accomplished in this field at the present time. Mr. Brundin elaborated by telling about the SOS Program (Special Orientation Services), which is designed to help students from the bush, who are unable to compete with students in the urban schools, through remedial and orientation programs to reach a level where they can compete "toe to toe". The program has been successful on lowering the native student dropout level and they are anticipating an even greater improvement.

Senator Rettig expressed concern over where to best apply the state dollar and asked for an opinion on where education monies should be spent. At the secondary level? At the University level? Dr. Haynes remarked that the Board of Regents is primarily concerned with higher education, and so can't put emphasis on secondary education. He added that they had to make their budget meet the requirements for higher education. Sen. Rettig remarked that perhaps it was an unfair question to put to them.

Sen. Rettig noted that the budget request of \$8,800,000 reflects 52% increase over the current authorization. The Governor has reduced that to a 34% increase. The overall original budget reflects a 20% increase over 1971. He asked if the University prepared its budget keeping in mind the problems of the state.

Mr. O'Neill answered that the responsibility of the Board of Regents is to bring to the legislature the needs of the University of Alaska and then the legislature can cut it according to the needs of the state.

Sen. Rettig mentioned the report that the Governor released regarding the holding up of the pipeline and the effects it would have on the state.

Sen. Rettig asked if the University has made projections for the next 5-10 years. Mr. O'Neill said no, except for capital projects which they have forecast on a five-year basis.

Sen. Rettig asked if they feel any necessity for looking beyond the immediate year to expansion of the next years, and Mr. O'Neill said that in their present approach in program planning, they are beginning to get into this area so that in another year they will be able to project more accurately.

Sen. Rettig asked if they have any rough projections for planning in the next few years, and Mr. O'Neill answered no; Dr. Wood mentioned that they do have enrollment projections for coming years which could be interpreted in dollars.

Mr. Byrd said that a computer program for projecting into the future, up until 1980-81, has been set up, but that it is tentative, and the figures used are only for illustrations of the method. He said that the program needs refinement, but is, at least, a start for future projections.

Sen. Rettig asked if there were any figures available to show how past budget requests have compared with the actual allocations.

Mr. O'Neill replied that for 1964 they requested \$5,638,000 and received \$5,300,000; for 1965 they requested \$6,600,000 and received \$6,000,000; for 1966 they requested \$8,000,000 and received \$7,300,000; for 1967 they requested \$9,700,000 and received \$8,600,000; for 1968 they requested \$11,600,000 and received \$10,400,000; for 1969 they requested \$14,400,000 and received \$11,800,000; for 1970 the difference was approximately \$2,500,000, although he didn't have the exact figures. Mr. O'Neill then pointed out how carefully and thoroughly the budgets are gone over by the University--the departments go over them, the Board of Regents then reviews them,

and makes policy decisions, and at no time have they ever put into the budget anything except those types of monies that will progress and advance the University.

Sen. Rettig asked if the University would be able to cope with the adjustment that will have to be made if the pipeline is held up a year or two, and Mr. O'Neill replied that when you get an appropriation for less than asked for, the departments have to go back and prepare a working budget. Whatever they get, they have to work within, and the University has to decide where that money will be spent. Some areas would have to be cut back. One area that he felt had already been cut back too many times is salaries. Since this can't be cut back any longer, other areas must be. Another one often cut back on is maintenance. He hastened to assure the committee that the primary interest is whatever is best for the students of the University.

Mr. Warwick said that there is a somewhat indirect appropriation proposed for Alaska Methodist University, and he found it hard to justify appropriations for AMU when they are offering many of the same classes as the University of Alaska, and he wondered if it would be possible for AMU and U of A to cut out duplication of courses and work more closely.

Mr. O'Neill replied that the two universities have been working together--that there is and has been a cross-firing of registration of students--cooperation is good, and he feels that they can develop this further to reduce duplication wherever necessary. He noted, however, that the University has taken the stand for years that they cannot, as a policy, refuse to offer a course if people demand it of them, just because the private university is offering it.

Mr. Fink referred to the supplemental Mr. Warwick had mentioned, and said that he had gotten the idea that the student in Anchorage wanted to go to AMU rather than the U of A. This would allow him to do so without any additional cost. He wondered if this would take students away from the community college program. Mr. O'Neill remarked that a private university subsidized by taxpayer's money was unconstitutional, and that they could not support such a bill. He added that the U of A was not interested in taking something away from AMU, as they certainly couldn't handle all of the students by themselves.

Mr. Fink asked if it was felt that the state is aiding higher education by this program in the state. Mr. O'Neill replied that he didn't feel the state was really doing a service to AMU. Dr. Wood remarked that he felt there was great value in having both private and public state schools available to people. He said that how to achieve this, with the rising cost of education in the private sector, is exceedingly difficult. He pointed out that the equalization of fees would not guarantee that students would choose to go to a public or private school. The part of the bill that is intended to aid the institution per se is one in which you do run into a question of constitutionality. However, he felt contract arrangement could be worked out, although he thinks it should first be studied and compared to what other states are trying to do, such as an analysis of New York and Illinois. He mentioned that in the bill aid to institutions and aid to students are confused.

Mr. Fink asked if this contract program with AMU slows down development of the Anchorage Community College, and Mr. O'Neill said no. Mr. McFarland said he thought it would have an effect. A good example of whether or not a contract could work is AMU's nursing pro-

gram which is going under since they can't afford it. He feels this is a good program and would like to see the U of A take it over on a contract basis using the teachers and facilities at AMU. He noted that for the U of A to undertake the program on their own would be a very expensive proposition.

Dr. Haynes noted that the class has about 35 students--with 4 faculty and a dean--and they are in need of doubling this, which would up the cost.

Mr. Fink referred to the model and said when it was talked about earlier, a figure of 15 hours for a full-time student was stated.

Mr. Martini explained that in determining staffing ratios, it must be related to some measurable factor, and in this case they related it to the number of bodies in the class. The 225 figure does indicate that at the freshman/sophomore level class is 15 students, but the mean of the junior/senior and graduate levels are considered class size shrinks.

In response to questioning by Mr. Fink, Mr. Theophelis stated that the norm that they're working on at the college is three classes a week, usually meeting 3 or 4 times a week, so that there are about 9 classes in the course of a week. In addition, preparation time, as well as counseling, has to be considered.

Mr. Fink asked how long classes are, and Mr. Theophelis said that they are normally 50 minutes.

Mr. Byrd referred to the model and noted that it doesn't make much difference what particular measure or element one puts into the model. What makes the difference is that the same measures or elements are applied each year.

It was noted that in the booklet there are different model approaches--one for Anchorage Community College, one for the main campus, and one

for dealings in other areas.

Dr. Wright requested that cost figures for students at community colleges, excluding the Anchorage Community College and the main campus, be sent down. This was agreed on.

Mr. O'Neill invited the members of the committee to feel free to write or call if they had any questions at all. He also requested that the members make themselves available for the seminars that the University holds yearly as they are very informative.

Dr. Ray cited many instances of advantages that are available to the University if funds are available to contribute to outside sources that are willing to pay for the bulk. He warned against letting these opportunities pass as there would not be a second chance.

Senator Hensley further questioned the steps the University would take should their pupils be added/^{to} and their budget cut.

Dr. Wright requested that the University send a budget request based on no increase in program--only the cost of living increase.

Mr. O'Neill agreed to furnish him with this.

Sen. Palmer asked if there is any measurable difference between the statements at the main campus and the community college--any difference in attitude, for example. Dr. Haynes said that a clue to the difference is that most of the teachers would prefer to teach at the community colleges, as they find the students more interested and in tune with what is happening.

Adjournment: Meeting adjourned at 2:30 p.m.

STATEMENT OF PROGRAM

University of Alaska

Oper. Program _____
Activity _____
Function _____

For the Fiscal Year Ending June 30, 1972

	<u>1969-70</u>				<u>1970-71</u>				<u>1971-72</u>			
<u>Reg Cost</u>	<u>SCH</u>		<u>Factor</u>	<u>FTE Fac</u>	<u>SCH</u>		<u>Factor</u>	<u>FTE Fac</u>	<u>SCH</u>		<u>Factor</u>	<u>FTE Fac</u>
100/200	16,871	÷	225	74.98	20,650	÷	225	91.78	23,849	÷	225	106.00
300/400	5,760	÷	135	42.67	6,761	÷	135	50.08	8,182	÷	135	60.61
600	<u>1,138</u>	÷	50	<u>22.76</u>	<u>1,240</u>	÷	50	<u>24.80</u>	<u>1,711</u>	÷	50	<u>34.22</u>
Total	<u>23,769</u>			<u>140.41</u>	<u>28,651</u>			<u>166.66</u>	<u>33,742</u>			<u>200.83</u>
<u>High Cost</u>												
100/200	1,946	÷	105	18.53	2,298	÷	105	21.89	2,911	÷	105	27.72
300/400	1,228	÷	90	13.66	1,476	÷	90	16.40	1,614	÷	90	17.93
600	<u>349</u>	÷	50	<u>7.00</u>	<u>382</u>	÷	50	<u>7.64</u>	<u>328</u>	÷	50	<u>6.56</u>
Total	<u>3,523</u>			<u>39.19</u>	<u>4,156</u>			<u>45.93</u>	<u>4,853</u>			<u>52.21</u>
Total	27,292			179.60	32,807			212.59	38,595			253.04
Man Years				134.70				159.44				189.78
90% - Man Years				121.23				143.50				170.80
Actual - Man Years				<u>122.39</u>				<u>143.25</u>				<u>164.31</u>
90% - FTE Faculty (9-mo Equiv) Model				161.64				191.33				227.74
Actual - FTE Faculty (9-mo Equiv)				<u>163.19</u>				<u>191.00</u>				<u>219.08</u>

University of Alaska
Computation of Model
Instructional Colleges

	<u>9-month</u> <u>Equiv Staff</u>		<u>7 Comp</u> <u>Universities</u>	
Professor	25.33	x	20,140	510,146
Associate Professor	57.15	x	14,262	815,073
Assistant Professor	82.69	x	11,617	960,610
Instructor	14.83	x	9,213	136,629
	<u>180.00</u>		<u>13,458</u>	<u>2,422,458</u>
	at	125%	16,823	

	<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>
Average Faculty Salary - Univ of Alaska - Actual	<u>14,140</u>	<u>15,393</u>	<u>16,481</u>
Average Salary at Average of 7 Comparative Universities, plus 25%	16,823		
Parity Salary - 90% of Average Adjusted Comparative Salaries	15,141		
Percentage Increase Required to Bring U of A Faculty Average Salary to Parity	7.08%		

Faculty Salaries:

Base Year Amount at 100% Parity	15,141	
Estimate Faculty Salary Level with Increase 105%		
1970-71 Average Salary Adjusted for Model	<u>15,898</u>	15,898
Estimate Faculty Salary Level with Increase 105%		
1971-72 Average Salary Adjusted for Model		<u>16,693</u>

University of Alaska
Computation of Model
Instructional Colleges

(continued)

	<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>
<u>Support Staff Salaries:</u>			
Base Year Amount per FTE Faculty (1969-70)	3,583	3,583	
Base Year + Annual Increase		106%	
Model Average per FTE Faculty		<u>3,798</u>	3,798
Budget Year + Annual Increase			106%
Model Average per FTE Faculty			<u>4,026</u>
<u>Other Support Costs:</u>			
Base Year Amount per FTE Faculty	<u>2,456</u>	2,456	
Base Year + Inflationary Rise		106%	
Model Average per FTE Faculty		<u>2,603</u>	2,603
Budget Year + Inflationary Rise			106%
Model Average per FTE Faculty			<u>2,759</u>
Total Supporting Costs per Model	<u>6,039</u>	<u>6,401</u>	<u>6,785</u>

	<u>1970-71</u>		<u>1971-72</u>	
	<u>Model</u>	<u>Budget</u>	<u>Model</u>	<u>Budget</u>
Total FTE Faculty	191.3	191.0	227.7	219.1
Average Salary	15,898	15,393	16,693	16,481
Amount	3,041,287	2,940,012	3,800,996	3,610,592
Support Costs per FTE Faculty	6,401	6,666	6,785	7,916
Support Costs Amount	<u>1,224,511</u>	<u>1,273,246</u>	<u>1,544,945</u>	<u>1,734,296</u>
Subtotal	4,265,798	4,213,258	5,345,941	5,344,888
% of Model		99%		100%
Non-recurring Costs	<u>75,000</u>	<u>75,000</u>	<u>195,000</u>	<u>195,000</u>
Total	<u>4,340,798</u>	<u>4,288,258</u>	<u>5,540,941</u>	<u>5,539,888</u>
% of Model		99%		100%

Senator Butrovich's Budget Review for the University of Alaska

I went over the budget document of the University item by item before they met with the Finance Committee in Juneau. I marked up the budget document and then sent it to the University with a request that they answer the questions that I had marked.

The answers to the questions totaled some 19 pages with my additional comments, and have been furnished to each member of the Finance Committee and should be incorporated into each member's minutes book as my review of the University Budget.

University of Alaska
Supplemental Schedule of Budget Data
for Senator Butrovich - Finance Committee

J. L. University

Page 6 - Total increase Business Mgmt Services (also see p. 23)

- Cost of inflation, pricing increases, etc., including postage rate increase	59,431	~~269,453~~ 85,471.
- Employment of professional Purchasing Agent	21,600	out
Annual travel allowance for Purchasing Agent	425	out
- Records Management Program Manager (1/2 year)	9,450	out
Annual travel & initial furniture for Records Mgr	500	out
- Professional Contract Administrator on grant and contract negotiation (plus furniture)	19,710	out
- Bookkeeper for construction contracting and records	7,210	out
- Fiscal Clerk to create and maintain an address file for payroll, payables, students and personnel	8,828	out
- Programmer to maintain and keep up to date all computer programs in administration	12,040	
- Increase Internal Audit staff by one	12,800	out
and a Key Punch Clerk for assisting above	7,467	out
- Add Mailroom personnel (3) to meet increased need for inter-campus & intra-campus communications	25,937	out
Supplies and added postage cost for same	14,000	
- Increased use of Xerox, printing services	25,000	out
- Other supplies and service cost increases for above	45,055	out
	<u>269,453</u>	

Page 7 - New Projects

- WAMI (see attached)	out → 15,000	~~67,800~~ 27,800.
- Accreditation - Northwest Association team is due again next year. Their expenses will approximate this sum	2,000	
- Since the proportionate use of the Computer Center made for University administrative purposes has increased so much that the Center is tending to operate at a loss, it is proposed to employ a Computer Science Specialist in application of administrative data to computer and relieve the Computer Center of some of such cost	25,800	
Other Computer costs	out 25,000	
	<u>67,800</u>	

Page 13 - Outstanding scientist or scholar

out 27,800. 22,500

Page 20 - Microfilm camera to develop a blueprint library of "as-builts" and other detail of buildings on all campuses of the University. Maintenance would be greatly enhanced as such detail is now hard to find, may have been lost, and the many large sheets in frequent use deteriorate fast.

out ~~5,500~~

This would be in the Office of Planning and Institutional Studies

WASHINGTON, ALASKA, MONTANA AND IDAHO MEDICAL EXTENSION PROGRAM(WAMI)

out

The WAMI concept has been evolved by the University of Washington Medical School in collaboration with medical associations and universities in the three other cooperative states. It is an innovative approach and, although somewhat experimental in nature, holds high promise for success. Amongst its merits for Alaska are the following:

- 1) It assures medical education for qualified young Alaskans who seek it.
- 2) The fact that the early and latter parts of the training will be in Alaska will tend to correct the predicted shortage of medical practitioners. As far as Alaska is concerned this is particularly salient in terms of general practitioners in the rural areas, although the program is calculated to train specialists as well.
- 3) It provides an alternative to the establishment of a medical school in Alaska for the foreseeable future, and the very high costs associated.
- 4) The program is almost entirely financed by non-state funds for at least the first three years which may well cover the critical period of State finances.

A brief summary of the program is attached.

After discussion with representatives of the U of W Medical School, the Board of Regents formally endorsed participation in the program by the University in September 1970, subject to availability of funds. Since then, the Commonwealth Foundation of New York has made a grant of approximately \$1 million to the U of W for the first three years of the project. Of this sum, about \$85,000/year¹⁾ is earmarked for the cost of U of A participation. Initial interviews of potential students for enrollment in September 1971 have taken place (there was an overwhelming number of good applicants). A memorandum of understanding and cooperative agreement have been drafted and sent to the U of W for execution.

The best estimate of costs for the first 18 months of operation is as follows:

Salaries and Wages	\$45,000	
Stipends for Students	15,000	
Travel	6,600	
Services	5,000	
Equipment and Supplies	<u>29,250</u>	\$100,850
Available from Grant		<u>85,850</u>
Requested from State Appropriations		<u>\$ 15,000</u>

In essence, the WAMI system is as follows:

out

- a) Students from a surprisingly wide spectrum of disciplines are selected at the end of their junior undergraduate year. This entails standard undergraduate work; no new course offerings would be required at U of A. (It should be noted that students are accepted into medical school while still undergraduates and although most will probably complete baccalaureate degrees, this is not essential to remain in good standing.)
- b) During the first quarter of graduate work students take 16 credit hours of basic science. This entails 4 courses which at U of A would be specifically designed for medical students.
- c) During the second to fifth or sixth quarter, depending on speed of progression, all students are at U of W Medical School for intensive clinical course work.
- d) From the sixth (or seventh) quarter to graduation students embark on the 'Basic Hospital Clerkship' away from the medical school — back in Alaskan clinics or under close 'apprenticeship' with some practitioner, for example. (During this period U of W faculty exercises some degree of 'quality control' and advisement.)

University of Alaska
Supplemental Schedule of Budget Data
for Senator Butrovich - Finance Committee

Page 22 - Business Management Services (size of increase):

<u>New Positions</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Supplies</u>	<u>Contractual Services</u>
<u>General Business Services</u> Composed of new Purchasing Agent, Records Manager, and Assistant to Business Manager	58,675	2,190	1,900	(573)
<u>Central Accounting Office</u> Composed of a new Fiscal Accountant and a major increase in use of computer services for accounting related to the expanding statewide payroll and other activities	14,053	330	3,976	20,350
<u>Assoc Comptroller - Contracts & Grants</u> Composed of new Contract Administrator	26,776	140	20	2,600
<u>Admin Data Systems Programming</u> Composed of Programmer to maintain computer programs, and the increase in use of Computer Center	15,358	228	75	9,960
<u>Internal Audit</u> Composed of a new Auditor to keep up with growth of statewide operations	12,206	210	90	85
<u>Central Personnel</u> Would convert a 1/2 time Typist to full-time to keep up with increase in personnel records	4,710	150	-	350
<u>Mailing & Graphic Services</u> New Mail Supervisor, new Campus Delivery Clerk and a new Offset Duplicator Operator	18,970	-	8,300	2,881
<u>Xerox Operation</u> This increase is offset by an increase in the income from Xerox charges of 64,000	-	-	12,000	52,000
<u>Key Punch Center</u> Add one Key Punch Operator and rent on a machine	8,967	-	200	1,800
<u>Director of Land Management</u>	208	-	50	240
Total	<u>159,923</u>	<u>3,248</u>	<u>26,611</u>	<u>89,693</u>

Page 23-24 - See above

University of Alaska
Supplemental Schedule of Budget Data
for Senator Butrovich - Finance Committee

Page 28 - University Land Management

This is a function which Al George has performed with other duties of Federal and State agency liaison. Last year the Board of Regents gave him this full-time assignment. They had become very impatient with the poor progress being shown in development of income from University lands scattered over the State. Also the State Division of Lands has been unable to execute the land exchanges made possible by the amendment of the Federal Land Grant Acts. The Valdez town site exchanges are consuming much of his time now, but he has been able to develop a complete set of maps of University lands, set up plans for several subdivision possibilities, carry out negotiations for accelerating the Klukwan iron deposit development, etc. He also handles all Civil Defense matters for the University.

O.K.

Page 30 - Civil Defense Radios

Experience during the last flood indicated that the University Civil Defense Office (Al George) had to organize the whole operation by word-of-mouth because no radio communication was available. The Civil Defense radio in Fairbanks was inundated and we could not reach them anyway. Al wants this as the No. 1 most important item in case of a Civil Defense emergency.

out *850*

Page 32 - Replacements as required in Mailing & Graphic Services

4,000

This includes trade-in costs on typewriters, duplicators, mailing machines, collator, stapler, offset press, MTST equipment, or any owned equipment needing replacement. This is about normal. We spent \$7,900 on new and replacement equipment last year and are budgeted this year for \$20,437 including new offset duplicating equipment and a collator. These two items have been purchased and consume the bulk of this sum.

Held at this

Page 33-34 - University Relations

As listed on page 7, this includes Alumni Office, catalog and other publications, News Service, Public Relations and Commencement.

A new element is the \$15,000 proposed to help the "University Press" - almost all in extra printing services. It would enable the University to publish several worthy books which would not generate sales income early enough to finance them.

out

University of Alaska
Supplemental Schedule of Budget Data
for Senator Butrovich - Finance Committee

Page 33-34 - University Relations (continued)

Other increases are for the purpose of enabling the News Service and Publications Departments to increase output to better reach the pre-college youth and other education-hungry people of the State with accurate information about higher education.

Personal Services: - increase of
This is for 4 new positions - a Graphic Artist, 2 Staff Writers and a Secretary. These are offset by discontinuance of the "History of the University" writer employed during the current year only (Bill Cashen).

~~35,078~~ out

Contractual Services - increase of
This is composed of the "University Press" item and increases for printing other publications related to the "out-reach" effort of the University.

~~27,055~~ out

Page 38-39 - Equipment for University Relations Departments

4,794

Although this is only a slight increase over the sum budgeted for the current year, it is substantial. It relates specifically to equipping of the Publications and News Service Departments to better reach State residents with accurate information about higher education - its opportunities and functions.

Page 40-41 - Institutional Expenses (also see page 7)

New Projects - WAMI

- Accreditation Team Costs

- Computer Program Assistance

Increase in insurance coverage

Increase Travel for more representation at the University Assembly meetings

~~15,000~~ out

2,000

~~50,800~~ 25,800.

45,000

~~6,000~~ out

Page 44-45 - Staff Benefits

Moving Stipends - for cost of moving new faculty.

Sabbatical Leave - reflects mainly increased salary rates and increasing entitlement of staff to take sabbatical leave (at 1/2 salary).

Staff Insurance - reflects both rate increase and direct application of rate to increases in salaries due to new positions and merit increases for others. It includes Social Security, Retirement, Health Insurance, Workmen's Compensation Insurance, etc.

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Page 48 - Allocation of Staff Increases

Since the University accounts for all Staff Benefit costs in the one separate account, this page is only of internal interest to the University departments. They are thus made aware of the "extra" cost to the University for staff insurance because of the salaries paid by each such department.

Page 51 - Salary Increases

This covers only the anticipated "step" increases and merit increases for continuing personnel. A separate page details these elements for each University division (see page 53 for Instructional Colleges). It is classified as a "Program Maintenance Level" increase throughout the budget.

Page 52-53-54 - Departmental Detail of Instructional Colleges

Each college is separately covered in pages following. The following colleges requested some increase in professional staff of dean's offices:

- Arts and Letters
- Math, Physical Sciences & Engineering
- Biological Sciences
- Earth Sciences and Mineral Industry

The following colleges request one-time equipment purchases to cover omissions from construction of new buildings into which they are moving:

Arts and Letters - Art Department	10,000	
- Journalism	25,000	
- Music	60,000	
- Speech, Drama, Radio	50,000	145,000
Math, PS, Engrg - Chemistry Department	15,000	15,000
Behavioral Sciences - Anthropology Dept.	5,000	5,000
Biological Sciences - Land Resources	5,000	5,000
Business, Econ, Gov't - Office Admin.	25,000	25,000
		<u>195,000</u>

The entire Instructional area has proposed increases in Travel for professional purposes to keep up with their fields and contact their counterparts at other universities.

cut by 3/4 →

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P 56-57 - Positions of Colleges of Instruction are shown in terms of man-years. As seen in all "Detail of Personal Services" sheets, a 9-month person is shown at .75 to be consistent with requirements of the State budget forms. However, a "faculty" count would consider each of them as a "full-time" employee.

To convert the teaching faculty on these pages to academic-year equivalents one should divide the man-years by 75.

"Number of FTE Faculty" on page 57 would then be:

<u>Year</u>	<u>Man-Yrs</u>	<u>9-month Faculty</u>	<u>Total SCHrs</u>	<u>Faculty "Load"</u>
1969-70	122.39	163.19	27,292	167:1
1970-71	143.25	191.00	32,807	172:1
1971-72	164.31	219.08	38,595	176:1
Increase proposed		28.08	equivalent positions	

Note that this would increase the individual "loads" of each faculty member next year from 172 SCH to 176 SCH on the average, if only a 17.6% increase in students is realized.

Page 58-59 - College of Arts & Letters
Refer to page 65 for new positions proposed.

Page 66 - Art Department "Exhibits"
Desired by Art Department for firsthand reference to detail and work of noted artists.

art (5,000)

Page 67-68 - Journalism Equipment - Photo lab and cinema processing equipment to provide for lab omitted from Arts building.

Music Equipment - Mainly for equipping music building with pianos and organ omitted from the Arts building during construction. Other items to build up the symphony orchestra and band instruction.

Less music at 1 shot.

Page 69-70 - Speech, Drama, Radio - Same as for Music. "Industrial" equipment is for drama "set" construction.

?

Page 71 - College of Math, Physical Sciences & Engineering
See pages 77-78 for proposed staff increases.

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Page 79 - Equipment for the College ("Net after trade-in?")
New equipment for Dean's Office is for new staff,
but in other departments proposing to replace
present equipment, the prices should be net
cost after trade-in.

Page 80 - Digital Circuitry Laboratory
This is costly but is necessary to teach the circuitry
involved in computers, electronic control equip-
ment, etc.

Page 82 - Here again, some of the increase (Chemistry) is to
provide laboratory equipment omitted from new labs.
However, the major part is for keeping the laboratories
up-to-date enabling departments to maintain quality
instruction.

Page 83 - College of Behavioral Sciences & Education

Positions budgeted (man-years)	24.22
One position unfilled	.75
Positions filled	23.47
No. of 9-month equivalent positions filled	31.29

Page 84 - Program Maintenance Level

769,120

This is about a 3% increase for this College.
It is an anticipated 10% increase in travel
rates and about 6% inflationary rise expected
in some commodity prices.

Program Increase

147,327

Composed of - 5.57 new faculty positions	
- Non-recurring equipt purchases	5,000
- Costs related to enrollment incr	
New faculty	123,427
Equipt & travel for new faculty	4,100
Other costs - lab equipt	10,000
- expenses	4,200

Page 87 - Salary totals for College of Behavioral Sciences

These are identical with those listed on page 83,
except that the 683,887 is for current positions
while new positions (p. 88) are 123,427 more