

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2612

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

Page 89 - All equipment purchased by the University of Alaska is recorded on property cards and each department is held annually accountable for the items purchased for his department. Nearly all adding machines and typewriters are in offices (except for typing class) but a few such machines are located in teaching departments for use by the faculty.

Page 90 - Anthropology Equipment

Contains a non-recurring volume (5,000) of furniture and equipment for initial furnishing of the lab.

O.K.

Page 91 - Universal Gym - a major item of gymnastic equipment.

out.

Page 93 - Equipment for College of Behavioral Sciences & Education

Number of typewriters very low for number of people using them. Have old manual typewriters. Two departments do not have adding machines. Anthropology needs adding machine for lab work. Psychology lab is using hand crank calculator (purchased 5 years ago for \$50).

Page 94 - Justify proposed increase for new positions in College of Biological Science

This College had a 41% increase in enrollments this year, it will be the one mainly involved in the health-medical (WAMI) graduate program and has a heavy proportion of upper division and graduate students.

out.

The major staff increase, however, is in the Dean's Office where administration of both instructional and research programs is lodged. Granted that it is one of the smaller colleges.

Page 99-100 - The major costs for new equipment proposed for Biology are in microscope equipment. A small increase in class size (from 14 to 18 for example) requires 4 new stations at a total cost of about \$10,000.

Page 101 - New furniture in Dean's Office. No, it is not a new program, but the Dean is seeking new assistants who would need furniture and office equipment.

out

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Page 102 - Fred Dean (Head of Wildlife Department) says he postponed buying a boat and motor this year to get the Display Scope, and hopes to have about \$1,650 in next year's budget for the boat and motor.

Does he not have a boat & motor?

Station Wagon - For student field trips and service between labs on West Ridge and the lower campus.

What do they use now?

Page 103-104 - College of Business, Economics & Government
The increase of 2.67 teaching staff is a 15% increase, and may not be justified on the basis of enrollment alone (10.5% this year, but expected to be about 17.6% next year). There is substantial need to bolster this College to attract more young Alaskans into it, however, and that is the current aim of the department. A new Dean will be appointed by next year-- hopefully a dynamic, practical man.

Page 109 - Old equipment is almost invariably traded in.

Page 110-111 - Office Administration

Old equipment is traded in. Currently have 24 typewriters. Four Executary machines are additions. Should it be decided to trade in any typewriters, it would be for 5-year old machines only worth from \$15 to \$30.

Tape recorder and record player for slower students. Lessons are taped if instructor not in and student plays back. Used daily. (Check of University property records show 79 tape recorders and 13 record players on campus.)

Wow!

Page 112 - College of Earth Sciences & Mineral Industry
Inventory of positions follows on pages 114, 115, 116.

Page 113 - Program Maintenance Level is only about 7% increase. Program increase (61,247) includes new teaching staff of 1.12 which is 9% (p. 112). The College had a 16% increase in enrollment this year, expects more next year. The Dean has requested new administrative help, however.

Page 117 - Equipment is new - for new staff proposed.

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Page 119-121 - Department Research (also see page 54)

Departmental research is that research which is carried on by certain science professors along with their graduate students to teach their subjects. Nearly all of such research is carried on in the Institutes, but some cannot be done there. Anthropological, Archaeological, Land Resources research, and some botanical research have no research institute counterparts. Another function placed here is the "antiquities act" work of the Anthropology Department in summer investigations of "sites."

Page 123 - School of Law - ?

out.

Page 127 - Organized Activities

The major increase here is in travel and supplies for athletics. It stems from a thrust in the direction of giving emphasis to other sports more nearly equivalent to basketball. It would provide more intercollegiate competition in hockey, rifle, women's sports, skiing, etc.

out

Page 136-137 - Library

Program Maintenance Level: Salaries increase of 8,496
is for continuing one Librarian, employed only 10 months this year, for full 12 months next year, and reclassification of certain classified library personnel to deserved higher grades.

Other costs increase of 24,115
is only a 6.5% increase due to inflationary factors. Publishers indicate a pricing increase of nearly 9% for books alone between now and 1972, according to the Librarian.

Program Increase: Salaries increase of 72,000
is for 1 new professional Librarian, 3 1/3 support staff and 8 FTE of student help. It is a 16% increase which matches the increase expected in student use of the library.

Other costs: Travel increase 4,610
is in part to increase the allowance for travel of staff to professional meetings, in part to enable division heads (Director, Circulation, Acquisitions, Archives) to serve the Community College Libraries.

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Page 136-137 - Library (continued)

11,900

: Supplies increase
is for binding supplies (there is a 4-year lag
in binding some periodicals), cards, office
supplies, etc. for the increased volume of
books to be processed.

22,600

: Contractual Services increase
is for new subscriptions, Alanar & Library of
Congress classifying and cataloging service on
increased volume, and for repair, printing, etc.
resulting from increased volume of books, sub-
scriptions, staff and customers.

1,400
68,430

: Freight, Postage increase
: Capital Expenditure increase
are for the increased book orders, equipment for
new staff, and library furnishings.

Page 141 - Library Equipment/Books

The major equipment item is map cases to take care
of the newly acquired U. S. topographic collection.
The catalog cabinets will accommodate cards for
the new books and periodicals proposed. Since
many reference materials are now reduced to
audio and micro-tapes, new audio equipment is
needed. The office furniture and equipment is for
the proposed new staff only.

The sum for books contemplates about 32,000 new
and replacement volumes. Part of this is
"catch-up" because of the long range effort to
build up the library to accreditation standards.

Not this year

\$6,000 out

Page 142 - Museum

This includes an element for acquiring valuable
exhibits which frequently slip by us, and a new
Curator for exhibit preparation to make the
exhibits (now jammed into warehouse and storage
spaces) more usable for instruction, research and
the public.

Page 147-148 - All Public Service, Extension and Community
Colleges summarized

- Statewide Extension (see pages 150-151)
- Public Service Division (see pages 160-161)

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Page 147-148 - All Public Service, Extension and Community Colleges summarized (continued)

- Media Services Division (see pages 169-170)
(Note: With addition of Educational TV to the existing radio KUAC-FM and the Audio Visual Aids, it is believed necessary to establish a central Coordinator's office to make these services more sensitively available for instruction on all campuses, and for dissemination to public schools and other users.)
- Southcentral Regional Center (see pages 178-179)
(This is the Provost's Office and the entire graduate and military base program in the Anchorage area.)
- Southeastern Regional Center (see pages 188-189)
(This is the Provost's Office--new--and the graduate program of instruction in Juneau and any others to be developed in SE Alaska.)
- Salary increments for all of the above are calculated separately to enable the Community College program and Cooperative Extension Service to be handled separately.
- Community Colleges (see pages 195, 196, 197 for summary of Community College program)
Each Community College, 2-year program is accounted for separately (following page 200) but they are all added into a single program as provided in the Community College Act.
- Cooperative Extension Service (see pages 272, 273, 274)
This is handled separately because of the extensive Federal involvement, separate administration, and long range, land grant features.

Page 149 - Salary Increments for Extension, Public Service, Audio-Visual and Regional Center employees

This covers the "step" and "merit" increases for existing personnel only.

See page 198 for Community Colleges

See page 275 for Cooperative Extension Service

Each "Salary Increment" page shows application of a flat \$100/month average increase for professional staff and the actual "step" amount for classified support staff--less a 10% turnover factor. For faculty in lower brackets,

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Page 149 - Salary Increments for Extension, Public Service, Audio-Visual and Regional Center employees (continued)

this would be about a 10% increase, and less than 5% for those in upper brackets, while all classified staff would get only the exact equivalent of step increases under State salary scales.

Page 151 - This includes all credit-course programs excepting the Regional Centers. Fees account for about \$25,000 of the increase.

Page 152-153 - Justifications continue on pages 154, 155.

Page 159 - Typewriters and adding machines are for the proposed new clerical staff (pages 156, 157).

Page 161 - Mining Extension (see pages 163, 165)

These short course classes keep filling up with waiting lists and requests from different towns for sessions. An additional traveling Instructor is proposed.

Fisheries Extension (see pages 163, 165)

The substantial increase in profitability and quality of the catches when marketed is already more than justifying these short courses. The one Instructor cannot cover the field. This has a high priority.

Upward Bound program increase reflects declining Federal support.

Page 168 - Equipment for proposed new Fisheries Extension Instructor 1,200

Page 170-171 - Media Services "Ballooning!" - Right! *to where?*

The recent emphasis on use of TV, tapes, records, closed-circuit systems, etc., for education has caught up with the University of Alaska, too. Pressures on ETV come from public schools, Congressmen, State legislators and faculty. The increases here proposed will enable us just to start "catching up." We have proceeded so far on ETV with the State and Federal agencies that we are almost committed to the \$155,000 there.

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Page 176 - A-V Equipment - see above explanation

Education TV equipment - mainly "matching" requirements for Federal ETV funds to establish the required station.

Director-Media Services equipment - this is furniture needed if the positions are authorized.

Page 179-180 - Southcentral Regional Center

See: statistics page 180

: justification page 181

: new positions page 185-186.

The graduate programs in Business, Psychology/Social Service, Education and Engineering Management have had phenomenal growth and demand. There is no "campus" for them and heretofore, no central administrative services. Use of part-time lecturers and professors traveling from the main campus has been outgrown by several times. The increase would accommodate the added classes and provide the clerical and administrative services now lacking. Demand for such "higher-than-community college" courses has appeared at Kenai, Kodiak and Palmer, as well.

fine but impossible this year. we will have to turn students away - and that's true.

Page 187 - Equipment for Southcentral Regional Center

The office furniture and equipment listed is for the new positions, if authorized. Note on pages 185 and 186 how equipment is related to new positions.

Page 189-190 - The Provost for Southeastern Regional Center would supervise the three Community Colleges there, the Petersburg-Wrangell program and the growing graduate program. Already started are masters programs in Engineering Mgt and Public Administration in Juneau. Other "above-the-community college" programs previously handled by the Dean of Statewide Services would be under the Provost. Just making the "start" to provide this kind of college education has revealed the need and demand for doubling of instructional costs. (See page 193.)

all very real & worthy but not possible this year

Page 192 - This program was budgeted to make a very small start in 1970-71. Full-year operation in 1971-72 would double it. Also \$15,000 of instruction is simply transferred from Statewide Services (see page 157).

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Page 195-196-197 - Community Colleges (see detail for each Community College in following pages:

Anchorage CC	pp 201, 202
Matanuska-Susitna CC	pp 216, 217
Kenai Peninsula CC	pp 223, 224
Kodiak CC	pp 230, 231
Ketchikan CC	pp 237, 238
Juneau-Douglas CC	pp 244, 245
Sitka CC	pp 251, 252, 253
Petersburg-Wrangell	pp 259, 260, 264, 265
Nome (NW) CC	p 269

Page 227 - Kenai Peninsula Community College Equipment

This includes the furniture, etc., for proposed new staff, if authorized. It also includes major enlargement of library collection. This and other Community College cost increases relate to the principle (now promoted by the Board of Regents and certain legislators from places like Kenai, Kodiak, Sitka) that the Community Colleges should be staffed and equipped to enable local students to enter full "day" programs of instruction which will enable them to make a full Freshman-year progress toward their Associate or Baccalaureate degrees in one year. All libraries of smaller Community Colleges need very large increases in collections to support this.

Not this year.

Page 231 - See above discussion for page 227

Page 234 - Same

Page 241 - Same

Page 248 - Same (also see page 245)

Page 251 - The 1970 legislature instructed the University to provide the day program expansion specifically for Sitka. After setting it up as "directed," the enrollment increased from 7 to 42 and credit hours taken increased by 16 times--indicating that there was, indeed, the previously unmet demand for a full day program.

Page 256 - Equipment - Sitka - for new positions and expanded class offerings.

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Page 273-274-277 - Cooperative Extension Service

Part of the increase is for Publications and Information (\$36,706). It is part of the University's "Outreach" program, designed to provide more educational information in the villages, the homes, the farm communities and the towns of Alaska.

- A "new" program is the "Local Government Leadership Development" under Title I of the Higher Education Act (\$20,747) and the Agricultural Specialist program includes a proposed new Specialist for an Arboretum (page 278). (Note: Both George Hohman and Willie Hensley have knowledge of this program.)

Not this year!

Page 286-288 - Office equipment proposed is for new positions, if authorized. The press (\$9,680) would enable the Extension Service to turn out its printed material at twice the current speed and would retire old equipment. The consumption of such material over the State has increased at the rate of about 100,000 more pamphlets each year. There may be a chance to use the Central Mailing Center, however, to avoid this purchase. The Administrative equipment is to replace worn out furniture.

Page 291-292 - Organized Research

These pages summarize all of the Organized Research Institutes and the other research laboratories but separate treatment of each is provided in following pages.

New Bodies: 44.83 - This is the sum total of all proposed new bodies. Separate pages under each Institute list the "new positions" proposed.

Page 293 - Note that $5\frac{1}{2}$ of the "new bodies" are in the new programs set forth here.

Page 299 - See attached sheet on IBP - International Biological Program. Also see pages 289 and 290 justifications.

Page 300 - Sea Grant

This is the first of the separately administered Institutes. Having been started this year, late in the year, a full-year operation next year accounts for a major cost increase.

Note: See justifications:

Sea Grant
Water Resources
Geophysical Institute
Institute of Marine Science
Institute of Arctic Biology
Inst of Social/Econ/Gov't Res
Inst of Arctic Environ Engrg
Alaska Agric Exper Station

p. 302 *Not Justified*
p. 308
p. 314 *Hold Prog main level*
p. 325 *cut*
p. 334 *cut*
p. 342 *Hold 70-71 level*
p. 349
pp. 353, 356 and 358

INTERNATIONAL BIOLOGICAL PROGRAM

One 'new start' listed on the University's Budget Request is of very particular significance currently in Alaska and consequently of utmost priority.

IBP was conceived some years ago as a truly international effort for a multi-faceted approach to the basic processes involved in ecology. Then the major stimulus was global food production potential in view of population growth; more recently the issue of environmental quality has tended to take precedence.

The University has understandably been involved in the planning of this program since the outset and, indeed, received a small grant from the National Science Foundation (which administers the U.S.A. interests) in 1970 to make a start on the north slope when it assumed national import.

The present proposal, which we have discussed at length with the National Academy of Sciences and the National Science Foundation, is for the University to assume the lead role in ecological work on northern tundra. The object is to establish criteria and a data bank through which the impact of any change can be reasonably predicted.

For the first year this program is scheduled to cost \$1.4 million, approximately \$1 million of which would cover research and analysis within U of A and \$400,000 would support other contributing institutions.

At this moment \$615,000 has been committed by N.S.F. for U of A and a further \$500,000 is being negotiated from other agencies. The prospects for the latter appear extremely good.

There can be no question that work of this type must be undertaken promptly for optimal use of the North Slope and if further delays, often based on purely subjective grounds, are to be avoided. Information of this type will be essential for decision making at the State level.

The item \$50,000 in the University Budget Request provides the administrative framework to permit the U of A to accept these grants. Details of expenditures are listed in the Request. Unless such an organization is established, it is questionable whether the strong federal support will be forthcoming.

O.K.

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Page 300 - Sea Grant (continued)

Note: While the University desires to redirect its research more directly for Alaskan benefit, it is confronted with a decline in Federal support for such projects, as well. Evidence of the redirection to Alaskan needs is seen in all of the above justifications.

Page 365 - Fuel for Heating Plant. Addition of a third boiler this year and addition of 154,433 square feet of space to be heated and maintained (p. 368), plus a chance of another winter like this one, and coal price increases make the estimate of \$314,000 not unreasonable.

Page 368 - New Positions

Composed mainly of: Heating Plant Firemen
: Labor for moving into new buildings
: Janitorial staff in new buildings

Page 380 - Physical Plant Equipment

Current graders (2) are over 18 years old. One is borrowed from the Farm and will be scrapped as it is no longer consistently reliable. The one new one proposed would have to carry the bulk of the work as the old one is expected to be in the shop very often.

Twenty-six of the currently used pickups and vans here and on the Farm are over 10 years old. Ten of these would be traded in or junked.

*want
inventory
all vehicles.*

The dump trucks used for sanding streets and hauling ashes are 1953 and 1954 models. They will not hold up any longer. O.K. Will get Army surplus replacement.

Page 381 - President's sedan will be three years old, and will have 30-35,000 miles. It would be replaced by a new model, but the old one would be kept for the vehicle pool.

Vehicle Pool Sedans: Proposes to trade in 4 of the old cars in the current fleet. Net cost about \$2,500 each. Three used now are 1967 models and one is 1968. They get hard use and will have to be replaced.

*want mileage
on all vehicles
traded in or
junked.*

Page 384 - Night Watch

With 5 night security men at present, there are several periods of exposure in each week. When the three new buildings now under construction are completed and three other new projects placed under construction, an increase of this staff to 7 is considered by Marty Underwood to be essential.

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Page 385 - Ambulance

This would be a new vehicle. None is now available except by calling Fairbanks. A student project has been started to finance one earlier, so that the full \$8,000 may not be needed.

Where is it going to be garaged?

Page 389-390-391 - Student Services

Three "new" projects are included

- Summar program addition to the SOS program

This would bring high school students in from the "bush" for special orientation. The major travel expense is for these students.

77,098

Baloney

- Undergraduate Research projects

Students are already thinking of possible projects (mainly in pollution, poverty and ecology areas of inquiry).

25,000

- Statewide Registrar

This would employ Laura Jones (who would then be replaced on campus) for coordination of admissions all over the State.

35,000

Not NECESSARY!

Also, "Student Activities Department" is proposed to be expanded to provide for operation of the new Student Activities Center programs.

Propose to have full-time medical doctor in the Health Center here.

Page 398-399 - See comments these pages

Not IMPRESSED.

Page 402-403 - Statewide Registrar plus 1 Steno are for new office. Four new clerks (with office furniture) are for increased volume of student record handling.

Not in 1971

Page 407 - Deficit Contingency

This is constituted of various expense increases appearing early this year after the Working Budget was established. It consists of (1) an increase in Retirement Fund rates \$280,000, (2) an insurance rate increase \$114,000, and (3) a shortfall in the budget "carry-forward" balances from previous year.

NEED COMPLETE DETAIL

Mr. Hullinger (Comptroller) has made an effort to "freeze" certain budgeted items, to leave unfilled certain 1/2-year positions, and to get tough in budget control to leave unspent small balances in many departments. He will not be able to cover it all this way.

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Page 407 - Deficit Contingency (continued)

The Board of Regents has directed him to present a request for a supplemental appropriation for at least the first two items (\$394,000) after discussing the record of the University with respect to supplemental appropriations as compared to several other State agencies. No supplemental has ever been granted to the University and only two previous requests have ever been made for extra appropriation. I, too, dislike seeing us break such a record, but it does seem true that once in 50 years of operation is not excessive.

Page 410 - New Programs
See previous discussions

*Page 410 Budget Document
"Butrovich" refers back to
specific page & item.
WE WILL DETERMINE PRIORITY*

SENATE FINANCE COMMITTEE
February 23, 1971
9:00 a.m.

Present: All members of the Senate Finance Committee with the exception of Senators Hensley and Lewis.

General: Chairman Butrovich called the meeting to order.

HB 64 House Bill 64 (An Act appropriating to the Department of Administration, Alaska Pioneers' Homes; and providing for an effective date), was discussed. Senator Rettig explained that this is a request for a supplemental appropriation of \$207,500 from the general fund to the Department of Administration. This is due to the advance completion of the Palmer Pioneers' Home which is being completed four months sooner than anticipated. It was due to be completed in August with first occupancy in September. Work will now be completed in April with first occupancy in July. A breakdown of the total requested is as follows: Personal services, \$29,100; Travel, \$1,000; Contractual Services, \$10,800; Commodities, \$21,200; Equipment, \$60,400; Lands and Structures, \$75,000 (for paving); Miscellaneous, \$10,000. Expenditure of these funds will be made available only by approval of Budget & Management. Chairman Butrovich asked if there were any exceptions to the bill and Senator Ray said he objected to the \$75,000 amount being taken from the general fund for paving and Senator Rettig said that they reported there was insufficient money in the bond fund. Senator Ray felt it would be setting a dangerous precedent to pay this out of general fund monies. The \$75,000 for paving had probably been left out of the original contract. Senator Rettig said he

would obtain more details and bring it up again in a bill session in a few days.

[Senator Lewis arrived.]

SB 15

Senate Bill No. 15 (State aid for school construction) was brought up for discussion. Senator Lewis expressed the feeling that although he felt it was not right that those schools which had paid cash should be penalized, he felt that the money to pay those schools should come off the Department of Education budget this year. Senator Rettig asked what the money will be used for in Kenai, for example, and Senator Palmer said that they will use it for administrative and other costs which they were short this year. Senator Butrovich recommended that the Finance Committee come up with some suitable alternative legislation and the committee agreed to meet at a later date and try to come up with a good solution for this problem.

Adjournment: The meeting adjourned at 9:30 a.m.

SENATE FINANCE COMMITTEE

The following is Senator Butrovich's presentation of the Dept. of Fish and Game's Budget.

DEPT. OF
FISH AND
GAME

ADMINISTRATION

The Dept. requests 46 new positions as compared with an increase of 33 last year which was supposed to be a "catch up" year. The cost is in excess of \$2 1/4 million.

Administration alone requests 20 new positions. Their #1 priority is a new Department of Planning.

Office of
Commissioner
Code 800

Please note outside travel under Code 800. The Commissioner requests \$20,000 for a new item, Cooperative education extension program \$10,000 & the Commissioners Contingent Fund \$10,000.

The Governor's Budget Review Committee disallowed.

Division of
Administration

Code 200

Under the Division of Administration, outside travel includes a "Special Course on Personnel Administration" in San Francisco for 7 days, also Portland for 10 days, and dinner 5 days. The justification on page 61 of the budget document is less than impressive.

Code 300

After reviewing pages 63 through 66, we should determine whether it is in the State's best interest to own their headquarters or rent space.

Board of
Fish & Game
Code 100

The Department is asking for a full time position, \$29,800, for the Board of Fish and Game. Total funding would increase the

Code 200

Board Budget 100% over last year. Outside travel for Board member or Chairman is not justified.

Information
& Education
Code 100

The Department requests a new position, Graphic Artist. Governor Miller, by Executive Order #20 allowed a Photo Technician. The support items for these two positions are not minor.

Hatcheries Hatchery services jump from 44,000 to \$267,800. We should get a "Time Table" on this operation to see what actually will be done in 71-72. Under the Hatchery Program, the Dept. has budgeted 64 days of outside travel.

Habitat
Code 100 Note the increase in the Habitat budget--increase of 8 to 10 in personnel--"The addition of the 2 general fund positions will help to improve the section's flexibility." I am not satisfied with the "outside travel" explanation. See page 141.

COMMERCIAL
FISHERIES Commercial Fisheries request 5 new positions, a general fund increase of \$1,191,600.

Commercial Fisheries asks \$626,100 for overtime. Page 162.

There is a request for a Fishery Biologist for the Yukon River to be stationed in Anchorage. Page 166.

Transfer of a position from Homer to Anchorage? Page 167.

Commercial Fisheries requests 146 days of "Outside Travel". This item alone costs over \$125,000.

Commercial Fisheries Contractual Services for 1969-70 were \$388,000, for 70-71 they are \$273,600. The request for 71-72 is \$447,800, almost a 50% increase. Page 192.

There is a 60% increase being asked for Commercial Fish. commodities.

The Commercial Fish. equipment request is less, but they still ask for 22 outboards?/ Many items need justification or elimination. Page 196.

Commercial Fish. Research shows 33 1/3% increase in general fund monies. Almost 100% over the 1969-70 level. 14 research programs are 100% general fund monies (No Federal Funds). See page 213 of the Budget Document for details. Commercial Fish. research has \$98,400 in overtime. Note page 221 for details on the overtime request. The Commercial Fish. research for "Outside Travel" is 187 days. See page 231-232 for details. The justification on Page

234 reduces me to tears.

Professional Fees are almost 100% over 1970-1971 and 400% over the 1969-1970 budget. Note pages 235-236. It would appear the Department expects to maintain or exceed 1970-1971 equipment requests and 1970-1971 was a "catch up" year. Compare with 1969-1970 if you are in doubt.

Note Page 246-247 to see how much money we are "saving" from our purchase of the vessel Resolution. Want to buy more vessels? Please note from page 249 of the Budget Document that unspent F.Y. monies are available for expenditure in F.Y. 1971. Need details on item of \$79,400, I.A. charges page 250?

Note \$36,700 in overtime on page 257.

Note page 267. Under Code 450 in 1969-70, \$760; 1970-71 \$5300; 1971-72 \$11,300. Also on the same page, supplies 1969-70 \$596; 1970-71 \$1,000; 1971-72 \$7,900. Percentages of increase do not make any sense. I recommend we require the age of all outboard motors replaced.

Under Commercial Fish. "Anadromus Fish" on page 274 there is an interesting notation "New State matching monies are not required for this program. The state 50/50 matching is provided by monies allocated to the States research and management budgets." Do we or don't we match? See Page 278.

Page 282 shows \$76,400 in Overtime under the "Anadromus Fish" program. Even though federal aid monies are used, this is frightening.

On page 284, the Department narrative reads "The net impact of Overtime Compensation would be a serious deduction in work accomplished".

Outside travel in this program is 24 days.

On page 296, Item 3 reads "Outboard Motor 9 1/2 H.P. replaces (2) 5 year old 33 H.P. motors (unrepairable) Yukon River Study". My question is how can they replace (2) 33 H.P. motors with (1) 9 1/2 H.P. Sounds fishy--no pun intended.

Under Commercial Fish. "Test Fish" which is mostly state funds, compare these figures.

	1970-1971	1971-1972	Increase
Personal Services	\$18,100	\$57,300	300%
Travel	4,300	7,100	70%
Contractual	20,000	42,900	100%+
Commodities	6,000	11,900	100%
Equipment	1,600	4,500	300%

Overtime in "Test Fish" Program is \$19,900. On page 310 there is \$24,000 not appearing the previous year. Page 311 explains it--
Out.

Under "Test Fish" page 312, Code 400, compare these figures.

1969-70 \$5690; 1970-71 \$6000; 1971-72 \$11,900:

Under Equipment, compare 1969-70 \$1391; 1970-71 \$1600; 1971-72 \$4500. Again, small items, but 300% increase.

Pages 316-322 list several thousand in carry over from FY 1969-70 which must be available.

-End Book One-

SENATE FINANCE COMMITTEE

FISH AND
GAME

The following is Senator Butrovich's presentation of the Fish and Game Department's budget.

BOOK II

DIVISION OF
GAME

The total Game Division budget request is \$2,800,000, which is \$650,000 over the 1970-71 request. Federal funds are \$1,940,000. Special funds are \$878,000. The general funds involved in the Game Division budget are \$500,000 or most of the increase is in personal services. They are asking for 13 new bodies with support. On page 327, they list game transplants as one of their activities. Like what in 1970-71?

Management

On page 332 under Game Management, they say "Administration of guide examinations is a very important aspect of the divisions management also. Several staff members spend up to a third of their work time on this activity alone." For how many guides? Overtime requested is \$137,900.

Federal Aid

The only thing I can find under "Federal Aid" in the Division of Game to recommend it is the title. For example: on page 391, under justification "In addition, the clerical support for Polar Bear, bison, and other permit hunts has been shifted to the regional office. Much clerical help is needed to follow ^{through} ~~this~~ one of these hunts. Additional help is needed to relieve the pressure put on the new existing clerical staff during preparation for these hunts." My note "In 1970 they allowed 36 bison to be killed," some pressure.

On page 403, item 4, Transplanting is \$44,000. When, where and what are they going to transplant? If they were spending state general fund monies, I'd recommend wiping most of this budget out. Also, the \$95,000 contingency.

DIVISION OF
PROTECTION

Fish and Game Protection Budget--Now we are using general fund monies.

Page 423, the 1971-72 request is for \$403,000 over the 1970-71 full-time new positions (4). In 1969-70 (54); in 1970-71 (67); and in 1971-72 (71). Two of these new positions are support to existing programs and one new field officer.

Protection overtime which is a new item is budgeted at \$226,800.

[Note. I cannot find any law or regulation requiring or authorizing over-time to State of Alaska employees.]

Justification for the new positions pages 440-441-442 appears pretty flimsy.

Protection asks for 58 days outside travel. We should not engage in paid outside vacations with State Funds. One paragraph on page 447 tries to justify this item.

Code 300
Contractual
Code 400
Commodities

Code 300 asks for an increase of over 10%. See page 448.

Code 400, Commodities, asks for only \$1,000 increase, but after checking details, I believe no increase is justified.

Code 500
Equipment

Code 500, Equipment, requests \$40,000. If you will notice page 454, they itemize, but fail to convince. For example: "Replace 2 1967 Mercury O.B. motors. If I figure correctly, these motors are not that old yet.

Code 900
Inter-agency
Charges

Code 900, Inter-agency Charges, shows Vehicle Rental in 1970-71 at \$45,900 and for 1971-72 they have requested \$96,000--over a 100% increase.

On page 456 they show Piper Cubs for Fairbanks, Bettles, McGrath, Cordova, King Salmon, and Dillingham. I remember authorizing at least 2 new Super Cubs for the Arctic Slope last year. Senator Ray will remember, I am sure.

BONNIES

Under Code 390, other contractual services, we should have the

Department of Fish and Game furnish us with a status of the "Bounty Fund". We appropriated \$50,000 for 1970-71 and they are asking \$25,000 for 1971-72. There must be a reason.

SPORT FISH
DIVISION

The Sport Fish Division, page 463, asks for an increase of \$334,900 over 1970-71 including \$148,400 general fund money. The summary sheet shows four (4) new permanent full time positions, page 463, but on page 464, it shows seven (7) new positions which is a 20% increase in this division. The explanation for the request for general fund monies is on page 470. The committee would do well to go into this matter in depth.

Management Overtime in Sport Fish Management is \$97,730, but they are asking 75% divided Federal Aid \$40,500. The State share is \$34,500.

*Management requests 59 days (almost 2 months) out of State travel.

Federal Aid Please note page 517 of the Budget Document. The Department requests a Fishery Biologist III for Sitka. They had one there until 1969 when he was moved to Juneau. Now, 2 years later, they want a new position back in Sitka. The question I ask is, "Is history going to repeat itself?"

*Management requests to be paid by Federal Funds an additional 71 days of "Outside Travel". When this is added to State funded travel, it totals 130 days which is 4 1/2 months of outside travel.

When Finance reviews this budget we must give special attention to Codes 300-400-500. For example, page 535, item 3, requests replacement for two (2) O.B. Motors 2 years old. / Item 5 requests replacement of one (1) O.B. Motor 2 years old. This Code 500 request is an increase of almost 250%. This is ridiculous.

Sports Fish I note page 542. Governor Miller's review committee has eliminated
Special Pro- general fund expenditures. The same is true on page 543. The
Department explanation is on page 547. "The division's special

programs are to be funded from General Fund revenues. Demands placed on the Division by industry are in excess of the monies made available from fisherman license dollars." We have a choice--raise license fees or forget the program.

Inventory & Monitoring; Effects of logging; King Salmon Enhancement The programs they want general funds for are as follows: Page 548 Inventory and Monitoring of the Arctic. Page 566 Effects of Logging. Page 565 King Salmon Enhancement.

While I do not argue with the necessity of these new programs, I do object strongly to the use of general fund monies.

KING CRAB QUALITY CONTROL BOARD In the Alaska King Crab Marketing & Control Board, no general fund monies are used, but they sure do like to travel--even to Norway--126 days--over four months.

WORKING CAPITAL FUND-The Fish and Game Working Capital Fund needs a complete inspection as the back up material in the budget document does not explain it sufficiently. For example: They show no increase in positions, yet personal services have escalated as follows: 1969-70 \$200,478; 1970-71 \$328,200; 1971-72 \$536,900. [16 positions]; [24 positions]; [24 positions].

Aircraft Operating Overtime under Working Capital Aircraft is shown at \$28,050. See page 602.

On page 606 under job description, they state "The complete rebuilding of two Super Cubs". I question the verbage. What do they mean by "complete" and what will it cost?

Page 609, Code 300, they request almost 100% over 1970-71. In spite of legislative intent, I note the air fleet is gradually growing larger?

1967-68	7 aircraft
1968-69	9 aircraft
1969-70	10 aircraft
1970-71	13 aircraft
1971-72	15 aircraft

sels
Operating

With the new arithmetic 15 is still more than 2 X 7.

The Fish. and Game Working Capital Fund Operating of Vessels presents some interesting figures. For example, Personal Services page 618.

1969-70	1970-71	1971-72
\$132,771	\$246,200	\$401,500

Supporting costs are proportionally bigger also: Total 1970-71 \$470,700; Total \$470,700; Total 1971-72 \$633,600. Increase \$162,900. Overtime in this budget is \$96,974.

-End Book Two-

SENATE FINANCE COMMITTEE

EDUCATION

BOOK III
STATE-
OPERATED
SCHOOLS

The following is Senator Hensley's presentation of the Department of Education, State-Operated Schools, Budget.

The state-operated schools' budget for fiscal year 1972 shows a Departmental request total of \$37,854,800. The Governor's allowance was \$32,854,100, or an increase of \$3,479,800 over fiscal year 1971. The SOS budget is broken out of the Department of Education budget due to passage of Senate Bill 229 which grants responsibility of operation to the Board of Directors. (Chapter 46, SLA 1970).

The Miller budget reflects Federal receipts of \$15,605,700 and state general fund receipts of \$17,248,400 for a total of \$32,854,100.

Code 100 Personal Services The total Departmental request for this code was \$26,461,100. The Governor's allowance was \$28,261,400 for an increase of \$2,903,100 over fiscal year 1971 which was \$20,538,300.

Code 200 Travel The total Departmental request was \$617,700. The Governor's Budget Review Committee allowed \$385,500. The fiscal year 1971 authorization was only \$104,000.

Code 300 Contractual Services The total Departmental request was \$135,500. The Governor's Budget Review Committee allowed \$83,000. The fiscal year 1971 figure was \$52,300, for an increase of \$3,700.

Code 400 Commodities The total Departmental request for fiscal year 1972 was \$3,737,200. The Governor's Budget Review Committee allowed \$3,045,200. The fiscal year 1971 authorization was \$2,300,400.

Code 500 Equipment The total Departmental request for fiscal year 1972 was \$1,078,800. The Governor's Budget Review Committee allowed \$570,400. The fiscal year 1971 allowance was \$363,500.

Code 900 Interagency Charges Page 95. \$2,007,600 Interagency Charge to the Division of Buildings. I have requested a breakdown on costs and reason for increase. See

page 197 for detail. The fiscal year 1971 authorization was \$1,560,000.
for Personal Services

District
Office

The District Office request/was \$1,231,800. The Governor's allowance was \$794,900 for an increase of \$203,200 over fiscal year 1971 which was \$591,700.

The fiscal year 1972 travel request in the District Office was \$135,500. The Governor's Budget Review Committee allowed \$83,000 up from \$52,300 in fiscal year 1971.

Board of
Directors

A new item is \$10,900 for a Secretary II for the new SOS Board of Directors. This position was requested as a Secretary III but was knocked down by the GBRC.

For the Board of Directors travel there already exists \$28,400, yet the GBRC allowed another \$20,000 for fiscal year 1972. Perhaps this could be reduced altogether.

Director/
Superintendent

for Personal Services
The Department request/was \$74,700 but the Governor's allowance was \$56,900. The cut was primarily in the request for additional clerical help. The new position allowed is a publications specialist III.

The Department request for travel is \$13,600. The Director appears to always be on the road. The GBRC allowed \$8,000.

for Equipment
The District Office request/for Board of Directors and Director/Superintendent's office was \$3,200. The GBRC allowed \$1,500.

Adminis-
trative
services

The Departmental request for Personal Services was \$604,800 and the Governor's allowance was \$392,100. This cut reflects a decision to keep accounting and payroll functions within the DOE rather than setting up a separate staff in Anchorage. The new positions authorized are one certificated and one accountant V.

The Department requested \$18,300 for travel. The GBRC allowed \$10,000. Travel primarily for area superintendents?

For contractual services the GBRC allowed maintenance level of \$92,000.

*Letter written to Armstrong.

The request for equipment was \$18,900 in anticipation of new personnel. The GBRC allowed \$1,600 since they allowed only 2 of 20 positions requested.

Instruc-
tional
Services

The Program maintenance level in personal services is \$184,000. The Departmental request was \$360,100 and the Governor allowed \$212,600. The Department requested 10 new positions but the Governor allowed only one--a federal programs coordinator. (Education specialist, R-18). Departmental requests for 4 certificated staff was denied. These were associate superintendent, assistant superintendent/curriculum, director for program services, and coordinator for educational facility planning. Current positions total 9.

The Department requested \$66,000 for travel and the GBRC allowed \$42,000.

The Department requested \$46,900 for contractual services and the GBRC allowed \$25,000.

Percy

No new positions were allowed by the GBRC. Six full-time and three part-time positions were denied. There was an increase over fiscal year 1971 of \$30,200 for personal services.

There is a \$700 increase asked for travel in fiscal year 1972.

There is a Department request of \$97,400 for contractual services.

The GBRC allowed \$50,000. The budget is slightly increased over last year. Possibly Code 360 (MTST, etc.) and Code 390 (Film leases) could be reduced.

The Department request for equipment was \$81,300. The GBRC allowed only \$10,000.

Schools

The total Departmental request for personal services for schools is \$23,646,300. The Governor's allowance was \$21,103,000, up \$1,948,700 over fiscal year 1971.

The Department request for contractual services was \$1,775,300. The GBRC allowed \$1,560,000. The fiscal year 1971 budget was \$1,526,200. The minor increase allowed was \$33,800.

The Department request for area school travel for fiscal year 1972 was \$402,700 as compared to \$35,700 authorized in fiscal year 1971. The GBRC allowed \$236,500 for fiscal year 1972.

There is an increase in commodities of \$700,000. The Department request was \$3,502,600 and the GBRC allowed \$2,850,000. The budget for fiscal year 1971 was \$2,150,000.

The Department request for equipment was \$903,100. The GBRC allowed \$520,000. the fiscal year 1971 authorization was \$270,000.

Area 10 Of 30 new positions requested, 5 were allowed: Maintenance Mech. I for Prince of Wales, Cook I, Custodial Worker I, and two teachers. The total cost is \$63,500. *A letter has been sent to SOS. Temporary/part-time allowance was 19.7 rather than the Department's request of 30. The total cost is \$79,500.

The GBRC allowed \$25,000 for travel. The Department request was \$66,400. This should be justified. I believe \$4,000 could be cut from this item.

*I have sent a letter asking clarification of cost analysis on Code 300.

Apparently, the hot lunch program was deleted for Prince of Wales Islands by the GBRC (-\$105,000).

Area 20 The Departmental request for Area 20 was \$5,276,200. The GBRC allowed \$4,838,800 for personal services.

Temporary/part-time employees authorized were 35.9 at a cost of \$106,000 rather than the 81 positions requested. Of the 48 positions requested, only 10 were allowed by the GBRC at a cost of \$141,000. No new teacher aides were allowed.

The GBRC allowed \$65,000 for travel despite the department request of \$110,700. Included in this was a \$46,200 item which was deleted by

by the GBRC. It was for "all teachers to duty station round trip". The cut was a wise one. I believe the \$65,000 could be reduced by \$5,000. It should not cause havoc for superintendents to be limited to travel to the main office.

*I've sent a letter regarding contractual services.

The GBRC allowed slightly less than program of maintenance level.
for Personal Services

Area 30 The Departmental request/was \$6,390,400. GOV allowance was \$6,002,800 up from program level of \$5,893,300. Increase allowed in temporary/part-time positions of 25.9 for a total of \$79,500, rather than the Department request of 39 costing \$119,700. New positions requested totaled 50 costing \$497,100. The GBRC allowed for 10 amounting to \$149,700: 6 teachers, one Cook I, one Cook II and two Maintenance Mechanics. I'm not impressed with the need for the new teachers. The GBRC cut \$1,200 to allow \$21,500 for travel for area 30. Recommend a cut in travel here also. Number of teachers traveling to curriculum workshop could be cut by 50%; also superintendent travel could be cut 10% for a total legislative cut of \$4,250.

*Letter to SOS regarding items under contractual services. Why so much in communications, Code 310? What is to be altered, Code 340? What is in Code 390? How many teachers to move, Code 360?

Area 40 Departmental request for area 40 personal services was \$5,039,400. The GBRC allowed for \$3,514,900. The massive cut in the Department request was in new positions. Obviously it is a decision not to accept transfer of 20 schools from the BIA. Temporary/part-time positions allowed were 32 costing \$79,500 rather than Department request of 88 at \$206,370.

The Department request for new positions was 184 full-time and 16 temporary at \$2,352,500. The GBRC allowed 55 new permanent positions and 6.2 temporary at \$748,500. Most of the increase was for 30 new

teachers. *Letter on this to SOS.

Department request for travel totaled \$202,900. The GBRC cut out transfer schools (\$26,900) and teachers round trip to duty station (\$44,600). Would recommend annual cut of \$10,000 or legislative allowance of \$115,000.

Code 370--Why do we need fire insurance here and not in other areas?

*Questions sent to SOS on Code 300 also.

The GBRC allowed for program maintenance level under commodities.

They deleted the BIA takeover increases.

Special
Education

The Governor allowed full department request of \$438,800 for personal services. The increase from fiscal year 1971 is due to legislative increase in salaries. *Letter to SOS requesting confirmation of this.

The Department request for travel, \$18,000, was allowed by the GBRC.

Supple-
mental
Programs

TC/COP

The Department's request for personal services for TC/COP was \$1,005,400 and the GBRC allowed \$847,800. In fiscal year 53 positions (aides) were authorized for a 9-month period for a total of 477 man months costing \$267,100. For fiscal year 1972 53 positions (aides) requested for 636 man months at \$537,200 which the Governor allowed.

New positions requested totaled 33 at cost of \$468,200. The GBRC allowed 22 at \$310,600. The major increases were for team leaders and aides (10 each), a clerk steno III was approved, plus a program director.

The Department request for travel was \$50,800. The GBRC allowed \$40,000. Much of this travel is federally required inasmuch as the bulk of the funds are federal. (More than 60%).

*Requested copy of contract for services between SOS, AMU, and U of A.

Bilingual

This originated as a federally funded program. The Department requested \$138,800 for personal services. The GBRC allowed \$76,900. New positions allowed were 5 bilingual aides and a clerk steno III plus a program director.

SENATE FINANCE COMMITTEE
Tuesday, March 2, 1971
9:00 a.m.

Present: All members.

Chairman Butrovich called the meeting to order. Handout sheets giving the Governor's revised budget requests and the estimates regarding the status of the current year's general fund appropriations were passed out. Sen. Butrovich noted that the committee will be meeting soon with the Governor's budget review committee to go over the budget changes reflected in the totals on the handout sheet.

HB 64

Senator Rettig moved and asked unanimous consent that HOUSE BILL NO. 64 (Appropriation, Dept. of Administration, Palmer Pioneers' Home) be brought up for consideration. No objection, so ordered. Senator Rettig suggested an amendment on line 13, after "Alaska" to put a period and delete ", for the period ending June 30, 1972." The amendment was adopted but was later rescinded and the committee adopted an amendment to change "1972" to "1971." Senator Rettig moved that HB 64 amended be reported out of committee with a "do pass" recommendation. Senator Ray objected. He expressed the feeling, as he had in an earlier hearing on this bill, that it would be a poor policy to pay for the paving of the driveway - a cost of \$75,000 - out of the general fund. Sen. Palmer expressed the feeling that perhaps the Highways Department there in Palmer could put gravel on the driveway until such time as there were sufficient funds to do the paving. Senator Palmer moved and asked unanimous consent that the \$75,000 for paving be deleted, leaving an appropriation of

\$132,500. Although there was objection, the motion passed. Senator Rettig moved and asked unanimous consent that Senate Finance Committee Substitute for House Bill 64/be reported out of committee with a "do pass" recommendation. There being no objection, it was so ordered.

Bill
Assignments

Senator Butrovich assigned the following bills:

SB 72 (Approp. - Highways)	Sen. Lewis
SB 110 (Approp. Education, Scholarship grants)	Sen. Hensley
SCR 15 (Security personnel at airports)	Sen. Ray

SCR 15

Sen. Ray brought SCR 15 (Security personnel at airports) up for discussion. This resolution was previously before the State Affairs Committee, of which Sen. Koslosky is chairman and Sen. Ray a member. Sen. Ray explained that the resolution is really superfluous, as the reclassification referred to has already been carried out. Sen. Butrovich asked Senator Koslosky if he agreed, and he did. The security personnel are being brought up to one grade below the state police. Sen. Palmer asked Sen. Ray if they belong that close to the state police, and Sen. Ray said that although he personally did not think so, the people in personnel making the reclassifications did.

Recess: Meeting recessed at 9:40 until 2:00 this afternoon when there will be a joint House and Senate finance and judiciary meeting with the Judicial Council.

FINANCE AND JUDICIARY COMMITTEES

March 2, 1971

2:00 p.m.

Present: Judicial Council, members of the Senate Judiciary Committee, Senate and House Finance Committees, and several members of the Senate and House of Representatives.

Judicial Council Chief Justice George F. Boney called the meeting to order and introduced the members of the Judicial Council: Michael A. Stepovich, Ken Brady, Frank Doogan, A. Paul Gavora, and Lester Miller. The biennial report required by the Alaska constitution will be distributed tomorrow to the legislators.

Justice Boney said the Council has a number of proposals and recommendations to make to this legislature. The first proposal discussed was the recommendation that jurisdiction of State of Alaska District Courts be increased to \$10,000 from the current \$3,000 maximum limitation, and that the District Courts be given jurisdiction to handle lien and foreclosure cases, heretofore heard by the Superior Court. The quality of cases on the District Court level has increased dramatically over the years since the courts were set up, according to Justice Boney; and, by increasing jurisdiction, the Superior Court judges will be provided a substantial measure of relief. Discussion followed on the legal complexities of increasing the jurisdiction of the District Courts.

Senator Miller questioned the workload factor at the District Court level and Justice Boney said Anchorage and Fairbanks are the most active. The type of cases handled, mainly municipal ordinance infractions, do not require great expertise. There is a request for one more District Court judge in Fairbanks and a minimum of two additional judges in

Anchorage, ultimately up to six will be requested for Anchorage. Senator Josephson commented he was concerned about the cost of the judicial branch and asked who receives the fines when collected. Justice Boney answered the state provides the judicial services and the cities should reimburse the state; however, some cities do not. Justice Boney recommended collecting the debt from the City of Anchorage, but concluded with the remark that whether the city or state pays the cost is a political question.

Senator Lewis asked if the Judicial Council has studied or made any recommendations on drug traffic in the state and Justice Boney answered no. In the proposed budget is a request to fund a study on criminal justice; drugs not being as much a problem as the crimes committed in order to buy drugs.

The number of judges in the Superior Court was questioned by Senator Ray and Justice Boney said there are 16. He added the Superior Court is requesting more judges, but the Judicial Council has not recommended any additions due to lack of space, both offices and courtrooms. Justice Boney stated the Judicial Council also has recommended a court house to be built in Juneau and asked Mr. Doogan to report on the request. Mr. Doogan explained in detail the shortage of space, describing the crowded conditions, poor ventilation and noise. The cost was questioned and 75,000 square feet is requested for the new building. Justice Boney said the minimum cost is \$50/square foot, but Mr. Doogan added this is the cost in Anchorage and the Juneau estimate is not known. Senator Ray stated \$3.5 million would fund a 65,000 square foot building. Renovating the present building was discussed and Justice Boney said there is just not enough room.

The next proposal mentioned by Justice Boney was that salaries for state judges be put on a par with federal judges. A salary commission should be appointed to keep salaries in line with inflation, after the initial upgrading to the federal level. Mr. Stepovich commented on this matter and noted the benefits and salaries for the state are better now than in the past and, as a result, they are attracting better candidates for judges with more maturity and stability. Discussion continued on the caseload handled by judges and Justice Boney said Alaska's caseload per judge is as heavy as any state in the Union. The nature of Alaskans tends to be litigious, to the extent that four cases are now pending before the U. S. Supreme Court.

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

After Recess

Judge Boney stated that the Judicial Council has made certain recommendations pertaining to the Anchorage Court facility. In 1969 \$4 1/2 million was authorized for building an addition to the Anchorage Court House through Alaska State Housing Authority Bonds. However, because of ceiling on interest rates, the bonds did not sell. In 1970 the legislature raised the ceiling on interest and the bonds were sold. At the moment \$3.79 million is available to build an addition to the Anchorage Court House. There's a possibility of getting another \$350,000, which would make the total a little under \$4.1 million, which is derived from interest on bond receipts. After the bonds were sold, an architect was not appointed until November. The Judicial Council has been working with the architect and the Commissioner of Public Works in an effort to work out a plan for building. Judge Boney appointed a committee of judges and involved agencies to come up with space recommendations. Their recommendations was that they needed approximately 128,000 square feet. The money available would only provide for 60,000 or 65,000 square feet. Mr. Miller said that the Judicial Council had considered the question at some length and recommended that they not proceed with the building at the present time as had been the plan last year. Mr. Miller went into the history of the existing facility saying that it had been built in 1962, designed as if they were never going to have to expand, but it is now obvious that expansion or an alternate facility is necessary. He said that there is a serious question at this time as to whether they want to continue to work around the existing facilities and add on in a haphazard manner or whether they should attempt to build a building that they could be proud of. They realize that bonding has been

obtained and that there would be a loss in not utilizing monies presently available. However, if they do utilize the monies they will be constructing a facility somewhat similar to the present building. Among other things, it will not look very good. The new facility would have to be connected to the existing one and would be a not very functional connection of miscellaneous buildings built on a catch-up basis. Mr. Miller is convinced that it would be worthwhile for the state to purchase a site somewhere away from the downtown area. He added up the cost and it would probably save money by building a more permanent facility. Unfortunately, he couldn't produce the dollars and cents figure. Mr. Miller felt that a new site would give them the opportunity to plan for many years hence. The way things are handled now is to build buildings that are on marginal sites and they become obsolete rather fast. The existing court facility is an excellent example. A minor factor is that of agencies and personnel in an uncohesive building. Summing up, he said that perhaps it is time for the state to start considering spending money for capital improvements in the right way. Judge Boney said that due to the method of acquiring money to build, it would have to be a decision of the legislature. He said that they had contemplated recommending to Governor Egan an appropriation of \$2.6 million plus additional monies over and above the \$3.78 million to acquire the 4 lots on the East of the present Court House site and to build a complex on them. The District Court should ultimately take over the present building. The others would consist of the Superior Court, the Supreme Court and the State Court Library. Mr. Rose felt that even if the 4 additional lots could be acquired, there would be a tremendous parking problem. Mr. Moran wondered if there had been any consultation with the Planning Authority

regarding the prospective location. Judge Boney said that it had to be realized that this was on an advisory basis. There has been consultation by the architect with Borough Planning on some aspects. He went on to say that since they have the money the tendency is to say O.K. build with this money and get the best possible and in the future get additional monies to take care of the situation. Very little thought is given to different locations, and a lot of the little thought is negative thought. Mr. Miller said that the acquisition of the 4 remaining non-state owned lots was estimated from \$500,000 to \$900,000. He felt that a full block somewhere else could be purchased for \$600,000 which gives an idea of relative costs. Mr. Moran asked if consideration had been given to the kind of static that would be gotten from members of the Bar with investments when the structure is moved. Mr. Miller thought that most of the investments of the members of the Bar were in office space and could be leased to somebody else. Judge Boney indicated favoring the move to a new location. However, there is the practical problem of retiring the bonds, law suits, and breach of contract. Mr. Rose asked if the bonds couldn't be used for the new location, and Judge Boney answered that the bonds were for a particular court house at a particular location. The Commissioner of Revenue had advised that the bonds may have to be retired. They are frozen in by this type of financing. If the approval of the bond holders can't be received, the bonds will have to be retired. He has been told that this is practically impossible. A new bond issue might be necessary. They will be easier to sell now since the bond rate is lower. Judge Boney felt that it would be beneficial to have a joint public hearing on this matter in Anchorage and inspect the problem. Mr. Reeves said that he had a letter from Sen. Ziegler in which he wrote that

he was not opposed to meeting in Anchorage, but that he wanted the Judicial Council to work up an agenda and have everyone concerned, such as the Attorney General, so that the legislators wouldn't come up for nothing.

The Alaska Judicial Council with the support of the Criminal Justice Council held a Public Justice Conference. They have not been able to come up with any final recommendations. Their recommendations will be in their bi-annual report. Judge Boney said that tapes were available. They had been taken by the Public Safety Authority and could be gotten through Mr. John Abbot, Deputy Administrator. Judge Boney went on to talk about the Superior Court. They are going to put out a new rule on requirements to hold court in some of the smaller communities in the state.

Mr. Duncan spoke on aspects of the budget. He said that the Anchorage Judicial Council had met with the Administrative Director of the Court System and was advised to list all funds available for jury costs. They recommended asking the legislator to provide sufficient funds to the Court System for jury costs and additional court expenses for the rest of the fiscal year. They are in the red on jury money over \$50,000. This was occasioned because the legislature last year passed a joint resolution recommending jury fees be increased from \$10 to \$21 per day. The rule was changed in response to that mandate. A letter of intent shows that the legislature realized that the Court System hadn't had money present in their appropriation for jury services. The money for juries is now gone. The Supreme Court was made aware of this, and after careful interpretation said that juries must go on. To stop jury trials would free a lot of people who may have committed crimes. An aspect of the increase in impact is that a lot of people are taking their

constitutional right to a jury trial. By law, if one has to go to jail for an offense, he is entitled to a jury trial. Sen. Rettig asked if jurors that are called and not accepted are paid, and was told that sometimes as many as 270 jurors are being paid in order to have 31. Judge Boney said that if the legislature wants the Supreme Court to stop jury trials, the Supreme Court would like to be told to stop them.

Sen. Koslosky asked about the \$50,000 figure which had been mentioned earlier. He wondered whether it was last year's figure. Judge Boney said that they have used up all of their jury money for this fiscal year and are in the red to the tune of \$50,000 as of a week ago. The Court System will keep going into debt and will eventually end up with no money in the budget and then the Commissioner of Administration will have to stop honoring warrants. He said that the administrative office and the comptroller will be supplying data when the time comes to justify the supplemental appropriation. Mr. Moran said that the supplemental had been assigned to the Judiciary Committee last Friday and they had met Tuesday and passed it out with a 4-2 Do Pass Recommendation. It is now in the House Finance; he had heard that it is receiving their attention. Judge Boney said that his staff might not be able to come up with the exact dollars as they will be projecting on some schedule. In the event that they over-estimate, he wants the money to lapse into the general fund, not to be used for some other purpose. He repeated that he had been advised by his comptroller to stop juries. This has been referred to the Supreme Court.

Sen. Groh asked the effect of a rule saying that only jurors who actually serve be paid. He was told it could be done.

Sen. Butrovich asked what the federal government pays jurors and

Judge Boney wasn't sure. Sen. Butrovich felt that the federal and state should be comparable. Judge Boney agreed, but mentioned that one rarely is called for a federal jury. He and Sen. Butrovich agreed that it was the civic duty of every citizen to serve as jurors when asked.

Sen. Groh felt that only jurors who actually started should be paid. He didn't feel that it was a good idea to pay 200 jurors when only a limited number actually served. Such a rule might bring the cost within reason.

Mr. Moran pointed out that most state employees are compensated for by the state, and often private employers will make some provision for their employees who are called to jury duty. Thus, in some instances there is double payment.

Judge Boney felt that serious consideration should be given to the idea of eliminating the 12 man jury and replacing it with a 6 man jury. He thought that just as good a representation from the general public could be gotten out of a 6 man jury as a 12 man jury. He went on to say that they could conceivably deprive the jury of all compensation, but the rule-making power has not recommended it. He said that the power is actually quasi-legislative. When the Court System gets a mandate from the legislature saying they want jurors paid \$21 a day by a joint resolution, the Court System responds. If the legislature wants nothing to be paid, he suggested they pass a resolution.

Sen. Koslosky asked if jurors were also paid mileage and was told that mileage was only paid if they lived more than 15 miles away. At the present time they only call in people within a 15 mile radius. Judge Boney added that sometimes when juries have to be kept in confinement for a number of days, the Court System has to pay for

hotel space and food.

Sen. Rettig suggested paying jurors who actually serve only to the extent of loss of pay. He felt that almost everyone except housewives are paid anyway. He couldn't see why the public should have to pay twice. A system could be worked out to reimburse for loss of pay. Mr. Reeves stated that some jurisdictions pay a juror only if he brings an affidavit from his employer saying that he is not being paid. He added that of course commissioned salesmen and housewives couldn't bring such an affidavit.

Sen. Merdes felt that the basic problem was in the right to a jury trial. He said that perhaps a constitutional amendment could be made in order to get to the root of the problem. Maybe the right could be restricted.

Judge Boney said that he thought two things kept a judge from being a tyrant: good defense and the jury.

What the state pays for the judicial system is about 40% of the budget. Judge Boney felt that when one considers the other indirect services they provide to the state (public defender, court libraries, transcripts), it's probably the cheapest dollars ever spent.

There are also fundamental 6th amendment problems. He suggested deleting jail requirements for non-criminal offenses, asking the question, who should go to jail for speeding or parking tickets. Judge Boney said that they used to have 99% conviction before they had jury trials. Now it is about 50-50.

Mr. Rose suggested the recommendation come from the Council to have a constitutional amendment reducing the number of jurors to 6.

Mr. Groh said that he had been looking at Senate Bill 103, "An Act relating to the Governor's Commission on the Administration

of Justice; and providing for an effective date." He brought their attention to Page 2, Line 14, the Powers of the Commission which states: "The Commission will establish a center for the administration of justice in the State of Alaska." He then referred them to Article 4, Section 9 of the Constitution. It seemed to him that the powers of the commission conflict with the constitutional mandate given to the Judicial Council.

Mr. Doogan agreed.

Judge Boney said that this could be construed as an indirect effort to get the Judiciary and the Judicial Council by taking away money that they need to perform their functions and thus get them completely out of law reform. Mr. Stepovich felt strongly that this bill was an attempt to give the executive branch powers in the judicial branch.

Sen. Groh asked for the views of the Council on the bill and Judge Boney said that he would consult the members.

ADJOURNMENT: Meeting adjourned at 5:05 p.m.

SENATE FINANCE COMMITTEE

DEPT. OF
LABOR

The following is Senator Lewis's presentation of the Department of Labor's budget.

BOOK I

Budget
Summary

The budget request this year is \$8,279,900, up \$697,200 from last year's \$7,582,700, an increase of approximately 9%. The Governor has allowed \$7,903,200. I have allowed \$7,848,600. The Department has requested 402 positions, up 49 from last year's 353 full-time positions. The Governor has allowed 395 full-time positions. I have allowed 392.

ADMINIS-
TRATION

The overhead of the Department is as usual higher than the operation--13% compared to an overall increase of 9%. The Department has requested \$671,500 for this activity--up \$77,200 from last year's \$594,300. The Governor has allowed \$666,800. I have allowed

Code 100

\$654,900. Authorized full-time employees in 1970-71 were 21 1/2 positions. The Department has requested the same and the Governor has allowed the same. I have allowed the same.

Office of
Commissioner

Under the Office of the Commissioner the Department has requested \$292,600 up \$58,200 from last year's \$234,400. An increase of 24%. The Governor has allowed \$290,100. I have allowed \$284,100. Under

Code 100

this activity I have allowed the 11 1/2 permanent full-time positions as has the Governor and as requested by the Department. I have disallowed the overtime funding of \$1,640. I have applied

Code 200

\$2,700 in vacancy and turnover. I have allowed all in-state travel requested and disallowed all outside state travel.

Fisherman's
Fund

This activity was authorized \$215,800 in 1970-71. The Department has requested \$213,600, a decrease of \$2,200. The Governor has allowed this figure and so have I.

Employ The Handicapped The Employ The Handicapped activity was authorized last year for \$6,200. The Department has requested \$6,200, no increase. The Governor has allowed \$6,200 as have I. This comes from a special fund reserve account and apparently makes no impact on the general fund.

Wage and Hour Under the Wage and Hour activity the Department has requested \$159,100, up \$21,200 from last year's authorization of \$137,900, an increase of 15%. The Governor has allowed \$156,900. I have
Code 100 allowed \$151,000. I have allowed eight full-time positions, the same as last year and the same as the Department requests and the same as the Governor has allowed. I have deducted a \$2,300 vacancy and turnover factor.

Code 200 Transportation within Alaska--the Department has requested \$14,000, up \$2,000 from last year's \$12,000. The Governor has allowed the \$14,000. I have allowed \$13,000 deleting by suggestion three seminars in which they discussed methodology, mutual problems, formulate policy, compose legislation, draw up rules and regulations. I believe this can be done without seminars. \$1,000 will take care of the increase in per diem from \$21 to \$30 a day and what extra travel will be required as a result of HB 2 repealing the overtime exception for cannery operations.

Code 300 Under contractual services the Department has requested \$27,400, an increase of \$3,000 over last year's authorization. The Governor has allowed \$26,200, I have allowed \$24,400. This figure is a result of line by line study and evaluation.

Code 500 Under equipment the Department has requested an IBM excutory sender and a ditto receiver for a total of \$850.00. I have allowed \$100 for a dictating machine and \$300 for the transcriber.

They can buy a Norelco companion set for this money, which is what many businessmen are going to these days and in the austerity program of the state I feel they can use the equipment that is good enough for private enterprise.

INDUSTRIAL SAFETY The Governor has allowed \$540,500. The Department has requested \$543,500, up \$53,500 from last year's \$490,000, an increase of just under 11%. I have allowed \$521,900.

Safety & Electrical Inspections The Safety and Electrical Inspections function of the Industrial Safety Program last year accounted for \$320,000, this year the Department has asked for \$375,200, an increase of \$55,200 or 17%. The Governor has allowed \$372,200, I have allowed \$356,600. I have allowed the 17 permanent full-time positions requested but have deducted a vacancy and turnover factor of \$2,800 and have disallowed the new position of clerk-typist II.

Code 210 Under Code 210, travel classification, I have allowed all instate travel and a safety training institute in Seattle for four safety inspectors. I have disallowed a junket to New York to a safety conference and a trip to Los Angeles for oil field safety training for the safety engineer.

Code 300 Contractual services--the Department has requested \$42,500, the Governor has allowed \$39,500 and I have allowed \$38,000. The deletion is related to the position not allowed.

Code 400 I have disallowed commodities requested for the new position.

Code 500 Equipment--I have deleted desk, chairs, typewriter and file cabinet which relate to the unallowed new position, thus giving a legislative allowance of \$300 as opposed to the Department request of \$1,200.

Pressure
Vessel
Inspection

The 1970-71 authorization was \$170,000. The Department request for this year is \$168,300, a decrease of \$1,700 or 10%. The Governor has allowed the \$168,300. The legislative allowance is \$165,300. I have allowed the request for personal services of \$131,400. I have allowed all in-state travel but disallowed out of state travel. I have allowed all other Code classifications under this activity.

Code 100

Code 200

WORKMEN'S
COMPEN-
SATION

Under this program we find the 1970-71 authorization \$248,000; the Department request for this year \$351,900, an increase of \$103,900 or approximately 42%. The Governor has allowed \$311,000; I have allowed \$286,900.

Adminis-
tration

Under the administration of Workmen's Compensation fund, we find a 1970-71 authorization of \$140,000. This year's Department request is \$231,900, up \$91,900 or over 65%. The Governor has allowed \$191,000. The legislative allowance is \$166,900. It should be noted this function is up 65% this year and was up 35% last year. I have allowed the eight current full-time positions but have disallowed requests for new positions. The Governor allowed two positions out of a request for five.

Code 100

Code 200

Travel--I have disallowed all out of state travel and allowed in-state travel up to \$36,200 which is the Governor's allowance. This is below the Department request for \$44,200 but is practically double last year's authorization of \$18,700.

Code 400

I have allowed \$3,300. The \$200 decrease is related to the deleted positions.

Code 500

Equipment--The Department requested \$2,900 of equipment based on new positions. The Governor allowed \$1,100. I allowed nothing because I allowed no new positions.

Second
Inf.

BOOK II
EMPLOY-
MENT
SECURITY

MANPOWER
TRAINING

There was \$108,000 authorized in 1970-71. The Department has requested \$120,000 this year, an increase of \$12,000. The Governor has allowed the \$120,000 and I have allowed \$120,000. This comes out of a special fund reserve account and does not affect the general fund directly.

The summary shows that the 1970-71 authorization was \$4,447,400. The Department has requested \$5,410,100, an increase of \$962,700 or 21%. The Governor has allowed \$5,410,100 exactly as the Department requested. Based on this allowance federal receipts account for \$5,105,900; inter-agency receipts for \$134,000; and the general fund impact is \$170,200. For the moment, at least, I am going to take the easy way out and concur with the Governor's recommendation and the Department's request and make the legislative allowance \$5,410,100.

Under the Manpower Training Program of the Department of Labor we have the following activities: Administration, Skill Center, OJT (on job training), New Careers, Hire, Advisory Council and World of Work. These exotic activities were funded in 1970-71 for \$1,803,000. The Department has requested this year \$1,302,900, a reduction of \$500,100 approximately 28%. The Governor has allowed \$974,800 and I have allowed \$974,800. Federal receipts account for \$751,600 but under the Department request the effect on the general fund is \$551,300. Under the Governor's allowance the general fund is reduced by \$233,200. I have just come up with the same allowance for the manpower training program of \$974,800 so the legislative allowance impact on the general fund will also be \$223,200 down from \$404,500 in 1970-71.

SENATE FINANCE COMMITTEE
Wednesday, March 3, 1971
1:30 p.m.

Present: All members were present with the exception of Senators Hensley and Koslosky, who came into the meeting at a later point. Also present were Commissioner Henri and Deputy Commissioner Freer of the Department of Administration, Mr. Charney, Director of Budget and Management, Commissioner Wohlforth of Department of Revenue, Phil Wall, Director of Administrative Services in Dept. of Revenue.

General: Chairman Butrovich called the meeting to order and explained that the purpose of the meeting was to discuss the contents of the Governor's recommendations for a write-down of the budget and for a presentation of revenue projections which are the basis for the Governor's finding it necessary to reduce the budget.

Revenue
Projections
& Gov.'s
Budget cuts

Commissioner Wohlforth distributed handout sheets which are an attempt to pull together the revenue estimates to the committee. He explained that these have been developed the last three weeks.

He referred to the document entitled "General Fund Cash Flow Projections." He explained that following the Washington hearing and the clear indication of pipeline delay, revenue projections were prepared for the years until fiscal 1980. He emphasized that these figures are significant only for trendline purposes, since they extend five years beyond the MAC model which is in turn based on the detailed revenue and expenditure estimates prepared by Departments of

Revenue and Administration and submitted in the Revenue Sources Document to the Legislature in January. He said that the estimates for 1976-1980 / ^{assume} neither optimistic nor pessimistic events. The oil and gas estimates are based on the best estimates from Natural Resources. The third to the last document [all these documents were passed out to the committee members and can be found in the department files] which gives revenues anticipated in the first four years and beyond from North Slope revenues, is based on a wellhead price of \$1.60. In the presentation Mr. Wohlforth made to the Oil Impact Hearing Board, he said that based on historical projections with the revenue estimating techniques at their command, the 1980 accumulated general fund deficit amounts to \$170,000,000 in 1980, based on a \$290,000,000 budget with growth at a rate of 8.8% annually. With final completion of the Governor's budget review, new revenue-expenditure estimates were run. These projections start with the Governor's \$297,232,000 newly proposed budget and assume 10% budgetary growth with \$2,000,000 of capital expenditures from the general fund and \$50,000,000 in general obligation bonds in each year after the current authorization is exhausted. By 1976, the general fund balance is \$134,600,000 and by 1980 on the current budget the accumulated deficit amounts to \$462,000,000. This \$462,000,000 figure, he emphasized, has only trendline significance. One of the documents also shows the projected general fund deficit in 1980 based on the original budget, for purposes of comparison. That figure is \$1,677,827,000.

Sen. Ray asked if it ^{is} correct that even if oil begins to flow in 1975, the state will be faced with a deficit by 1978, and

Mr. Wohlforth said that that is what their figures tell them, due to the increased demands on the general fund.

Senator Butrovich asked why they used the North Slope oil at all in these projections. He felt that it invalidated the projections, as it is a complete guess as to whether there will be any oil or not. Mr. Wohlforth felt that these were educated guesses; however, he said that they can have MAC (Management Analysis Corporation) run another estimate based on no North Slope oil at all. Senator Butrovich requested that they do so.

Speaking of the budget cuts, Mr. Henri mentioned that if they go below the \$290,000,000 budget figure, they are going to go below statutory restrictions in certain items, i.e. Public

School Foundation. Sen. Hensley requested a list of these statutory items.

Senator Rettig mentioned the increase to the general fund from sources other than oil, and asked about the percentage increase of those monies. He was answered that it comes to an average of about an 8% increase in tax and license fees per annum - the last four years this is what it has been, approximately, and a 1.5% increase in shared taxes.

Sen. Rettig questioned the 8% revenue increase each year, stating that increases have varied widely year to year. He gave the following percentage increases for the years 1966-1970: 1966, 5%; 1967, 0%; 1968, 25%; 1969, 0%; 1970, 15%. He said that over the past 10 years the average increase is 10%, approximately. However, for this year the 10% has not been reached. Sen. Ray expressed the concern which Sen. Butrovich had earlier voiced about the inclusion of North Slope oil revenues

in the revenue projections, and asked that this be broken out so the committee knows what amount is anticipated in other sources and what is anticipated in oil revenues.

A question was raised over the difference between the general fund expenditures and the amount of decrease in general fund balance each year. Mr. Freer explained that the continuing decrease is the difference between what is being expended each year and the revenues accruing each year - the difference depleting the general fund balance. Sen. Palmer still felt additional explanation was necessary, and Mr. Freer agreed to furnish this information.

Sen. Palmer noted that projections for North Slope oil revenues assume a \$1.60 per barrel wellhead price, and he stated that Mr. Gilbreth, in testimony earlier in the year, had mentioned a \$2.00 per barrel wellhead price. Obviously, this makes quite a difference. Mr. Wall said that this has been revised, and that should it again be revised upward, of course, then the balance would be higher. Sen. Butrovich reiterated his feeling that consideration of North Slope revenues was pointless, as it is so indefinite.

A number of committee members expressed the feeling that the charts provided in the documents were incomplete and would be more valuable if more figures than the bare essentials were provided, and they requested that these be made more complete, which was agreed to.

Sen. Palmer referred to page 61 of the Revenue Projections document, and asked for how many of the years shown the figures are still good, and Mr. Freer said they are good through 1974.

Sen. Ray requested figures for the 1973 budget be developed assuming 60%, 70%, and 75% of the school support being funded. He was told these would be prepared. Senator Butrovich requested the same thing on amortization of the construction debts, assuming that the state drops the policy of picking up one half the bond retirement - not in this present budget but next year's. Mr. Wall also mentioned that, looking at revenues from taxes and licenses, that included in this was an amount for individual income tax based on the assumption of construction due to the pipeline, and this is not correct, then. Sen. Ray asked if in figuring the general fund balances, the supplementals and lapses should be considered, and Mr. Freer said that for these kinds of estimates, it is best to assume that the two offset each other. Sen. Ray noted that historically projections of revenues have been lower percentagewise than the actual, and he asked if this makes a difference. Mr. Henri said that it will not significantly alter the picture - only thing that will is a cut in spending.

Sen. Butrovich stated that since the respective budget review committee members knew now what additional information the finance committee wanted, they could go on to explaining the Governor's budget cuts.

Commissioner Henri explained that the bulk of the work in cutting these budgets, based on Mr. Wohlforth's revised cash flow figures, has been done in the last three weeks. He said that they have achieved a maintenance level budget, for performance at existing capacity, adding on statutorily required items and a few other items considered essential by the Governor,

deducting, in addition to new programs, those positions which have been vacant 9 months or longer. He said that they have not yet analyzed sufficiently all the possible areas for reducing general fund expenditures ; however, an example of one suggestion they are making is in Fish and Game, where they have requested general fund monies for a program and they have suggested to Fish and Game that they increase their fishing license fees, which is where they have always gotten the money before. Senator Palmer expressed the feeling that he was sure the department would agree with that, and the general consensus of the committee seemed to be that that was a good plan. Senator Ray asked about the condition of the state's investments, and asked if the state was going to be losing money on forced sales, and Mr. Wohlforth said that he did not anticipate any forced sales. Sen. Ray's question had been based on the forced sale's amount listed on the cash flow sheet, and Mr. Wohlforth explained that this is to provide the state with liquidity. In response to questioning on the Governor's reduction of new programs in the various departments, Mr. Charney stated that the total program increases were taken out of each department, and where something was added back in, it is noted as an addition on the summary which was passed out to the members giving the budget changes. [see files] Mr. Charney further brought the committee's attention to certain errors in the budget presentation just referred to. He explained that since these changes were made hurriedly, without an opportunity for everyone's work to be checked, it was inevitable that some errors would occur.

He went on to explain to the committee where the errors were. Fish and Game should be increased by \$45,200. Something was deleted as a program increase which was not, in fact, a program increase, so this is to put that back in the budget.

Education can be reduced by \$1,500,000 more; the increase in pupil transportation was in error in the original budget; and so the total program decrease for Education is \$7,001,700. The question was raised about projections for the Public School Foundation, and Mr. Charney stated that if they over-project, they cannot lapse any money - it is pro rated among the schools.

Public Safety can be reduced \$153,100 for the LEAA.

Governor's Office should be increased \$9,300 for INPFC.

Law should be increased by \$100,000. There was a mistake made in the program increase so the total decrease due to reduction of program increases is only \$270,900.

The net result of all these changes is a decrease of \$1,498,600, giving a revised budget figure of \$295,744,700.

Mr. Henri mentioned that in the Department of Administration, they are enacting further measures to reduce expenditures. They are planning what program budgeting will help in this. They are going to go on an allotment system, so that the Department may not spend money for the second quarter, for example, on the first quarter - and any money not spent during the first quarter which they had allocated for the first quarter, they will lapse.

There was a discussion on capital expenditures, and Mr. Freer said that although it is true that by cutting down on replacement

of office equipment, major differences will come only from cutting out personnel. He said that another big source of costs is whenever a new facility is built, there is a tremendous cost in equipping that facility and hiring the people to work in it.

Returning to the subject of the deficit, Mr. Freer noted that actually there is no such thing as running the state on a deficit budget. For purposes of discussion, this is the terminology used, but in actuality, it cannot be done.

Senator Ray requested that the Highways working capital fund be looked into, as he felt the rents being charged were excessive. Senator Palmer mentioned that he thought the firefighting costs being paid BLM should be looked into, also, as there were instances of men being reportedly firefighting, when in fact there were no fires. He felt the state was really being taken in this area.

Adjourned: Meeting adjourned at 3:15 p.m.

JOINT FINANCE COMMITTEE MEETING

March 4, 1971

9:10 a.m.

Present: Members of the Senate and House Finance Committees; interested members of the Senate and House of Representatives; Dr. Cliff R. Hartman, Commissioner; Robert L. Thomas, Deputy Commissioner, Department of Education; School Superintendents Montgomery, Anchorage; Hartenberger, Kenai; Hall, Cordova; Overstreet, Juneau; Taylor, Fairbanks; Page, Matanuska-Susitna; and Charles White, State-Operated Schools.

School
Superin-
tendents

Senator Butrovich called the meeting to order and introduced the members of the finance committees. Mr. Thomas introduced the school superintendents. Senator Butrovich asked for testimony from the superintendents and Mr. Montgomery, Anchorage, reported as follows: A difficult financial problem is facing the entire state and Anchorage has been as conservative as possible in preparing their budget. The budget has been presented to a Citizens Review Committee; however, the most difficult problem is estimating the unknowns involved. The largest portion of the budget is the salary of the teachers, and present salary figures have been used since negotiations with the teachers are not complete. Negotiations with the Teachers Association have reached a stalemate, and this is a big factor in the finalization of the budget. Another factor is the House bill introduced requesting shared participation in the transportation of students, which would add \$500,000 to the Anchorage budget. Negotiations are also going on with other unions, involving bus drivers, maintenance personnel, food service personnel, and office force, which will have a definite effect on the budget. Last year when the substitute teachers salaries were

increased, the cost to Anchorage was an additional \$50-60,000. Senator Rettig asked when the budget will be completed and Mr. Montgomery answered the Citizens Review Committee should finish their review by Monday. The budget will be presented to the school board on Tuesday for a general work session, and then the revised budget will be presented to the borough. Senator Rettig questioned the transportation charges and how they are presently handled. Mr. Montgomery said the state reimburses the districts. In answer to another question from Senator Rettig, Mr. Montgomery replied the local mill rate would decrease by 4 mills if the budget is carried as now presented. This reduction is caused by a heavy increase in evaluation, and Senator Palmer asked if the increase is a result of growth or an increase in the assessment of property bases. Mr. Montgomery said both areas affect the increase, and there is constant change in evaluation of property. Senator Lewis asked the effect of the Citizens Review Committee and Mr. Montgomery answered it has provided excellent results. The budget document consists of 9 portions, and the 10 or 11 people on the committee each review a different section. The committee consists of broad representation, including a member of the PTA, League of Women Voters, a student, a public accountant, a former legislator, an attorney, etc. Senator Rettig reported a substantial tax increase resulted from the re-evaluation of tax assessments and gave examples of the increase. Senator Thomas asked if there were any recommendations for changes in the Foundation Act, now that the school districts have had one year's experience with it, and Mr. Montgomery said they had a few technical problems with it at first, but basically

no big problems. Senator Thomas then questioned the sale of school construction bonds and Mr. Montgomery said \$10 million were sold last year, a second \$10 million is scheduled for sale on March 5, and the remaining \$20 million will be scheduled for sale. They are behind on the sale of bonds and currently 7500 students are on double shift, but there is no real problem in selling the bonds when issued.

Testimony was heard from Mr. Hartenberger, Kenai, as follows: Both House Bill 35 and Senate Bill 66 deal with housing, and in the Kenai peninsula they are faced with a critical housing shortage. Several committee members questioned the use of the word "housing" and Mr. Hartenberger said it refers to classroom space, but he used the term since it is used in the bills. He continued with his explanation by saying the main high school has over 800 students in a school designed for 650, with a projection of 1,000 enrolling in September. They are within \$2-1/2 million of the total bonding limit and the minimum projection for construction exceeds \$5 million. Senator Hensley asked if there was any law about the number of students in a class and Mr. Hartman said they know the desirable number, which depends on the type of class. Public Safety, through the Fire Marshal, has regulations on the number of students. Senator Butrovich asked if Mr. Hartman wished to testify and Mr. Hartman said no, the superintendents were here to testify. Senator Butrovich then asked Mr. Hartman at what point of time the budgets were prepared and Mr. Hartman said the latter part of October, first of November. Projections are applied to the formula in the foundation support program when the pupil projections come from the districts in late October.

Senator Butrovich then questioned the effect of salary increases and Mr. Hartman said the additional costs must come from local revenues. Mr. Hall, Cordova, testified as follows: A great deal of good came from legislation passed last year, and Mr. Hall wished to discuss the situation from the point of view of a small district. Cordova is bonded to the hilt, and taxes and the mill rate cannot be increased further. Good programs are available, but funds are lacking to hire skilled people or provide classrooms. The traditional programs can be presented, but quality programs are not possible, such as vocational education and special education. Vocational education should begin at the 6th grade level in order to prepare students for a choice in later grades between continuing in vocational education or preparing for college. In answer to questions from various committee members, Mr. Hall said there are 510 students at Cordova, 307 in the elementary school. An introduction to manual arts should begin at the elementary level, offered to all students, and upgraded to the level of academic programs. Senator Rettig referred to the bond limit reached by Cordova and asked the effect of annexation. Mr. Hall replied he has taken a neutral stand on the issue, but if Cordova loses the state rate on students coming from outside the district, they will lose in the neighborhood of \$60,000. Mr. Hall described the Cordova area and said the City Council has estimated the assessment in the proposed area is approximately \$2 million. This would raise the bonding capability by \$200,000. The current mill rate is 18, with 10 for the schools. Discussion followed on the various programs in vocational education and Senator Rettig noted in the Arctic area the schools work in conjunction with unions to present programs. It was generally

agreed by committee members that more effort should be put in vocational education and Mr. Haugen added it has been talked about for years with very little constructive results.

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

AFTER RECESS
10:45 a.m.

Mr. Overstreet, Juneau, commented on the adequacy of the foundation program and believes generally it is an excellent approach. He added the fear that it may get out of date if ignored and his hope that the legislature will adjust the unit each year. He supports HB 141, which would increase the allotment to \$21,000, and said the questionnaire received from the House Finance Committee would show that basically every item would be affected by the increase. Mr. Haugen asked what effect the increase would have on the Department of Education's budget and Mr. Hartman answered it would result in a \$6.2 million increase, raising the budget request from \$68.5 to \$74.7 million.

George Taylor, Fairbanks, distributed copies of the Summary of Revenues and Summary of Expenditures for the Fairbanks district (see department file). He briefly summarized the figures listed and noted Fairbanks is at about the same stage as Anchorage as far as salary negotiations, but the board is adopting a tough policy. Mr. Taylor also recommended passing HB 141. 12.11 mills went to the school budget last year, and this year they estimate 13.57 mills. The actual levy last year was 8 mills, with the balance provided from sales tax. Next year the actual levy must be increased to 11 mills, since the instructional unit cost was \$23,000 last year and \$26,746 estimated for next year. Senator Rettig noted the cafeteria sales figure and

asked if this was correct, to which Mr. Taylor answered yes, and the cafeteria was subsidized by tax sources. Senator Ray questioned the large increase in instructional cost and Mr. Taylor said it resulted from the increase in teachers' salaries and the addition of teachers to the staff. Hopefully this will cut down the pupil/teacher ratio. Senator Ray then asked how the schools would get by on 60% state support instead of 90% and Mr. Taylor said they would increase class size. Mr. Taylor added that 75 classrooms were built last year due to the bond issue. Vocational education was discussed and Mr. Taylor said the only problem was that Fairbanks has 271 students enrolled in vocational education courses, for which they receive only one instructional unit for every 50 students. Mr. Hartman clarified this by pointing out that vocational education students have been funded once and vocational education credits are in addition to the original unit. In effect, they are funded twice to encourage development of vocational education programs. Mr. Thomas said the scale does decrease with the number of students enrolled: 5 to 10 students receive 1 unit, 11 to 20 students receive 2 units, up to 241 students where the instructional unit drops to 1 unit for every 50 students. Senator Lewis returned to the question of the effect of the state decreasing support from 90% to 60%; but when Senator Butrovich said he did not believe this was a valid question, Senator Lewis withdrew the question. Mr. Taylor, however, said courses would be dropped, staff reduced, and a general cut-back in programs with elective courses the first to go. Senator Ray commented that the first programs to be dropped would be the popular ones, in order to arouse the public.

Mr. Page, Matanuska-Susitna, was the next to testify and he said most of the general problems have been stated. The pending bill on transportation costs would result in \$90,000 local money used to pay the 25% required. The increase of the instructional unit last year did not fund the added expenses created by programs instituted by legislative action. Last year the substitute teachers' salary was increased but not funded. The retirement cost increased but was not funded. Additional help is now required to **supervise** lunch periods since teachers are now relieved of this duty. The largest increase, however, came from just a cost-of-living increase in the purchase of supplies and materials. If the instructional unit remains at the present figure, drastic cuts must be made in the program. At least \$500,000 will need to be cut from a \$4 million budget, but if the \$21,000 instructional unit is put into effect, only \$1/4 million will need to be cut. The increase in pupil enrollment is due to the close **proximity** to Anchorage, with 200 commuters. The population is increasing at a rapid percentage rate, resulting in a 13.7% increase in school population, and three new buildings are on the drawing board for the projection of 200 new classrooms necessary in the next ten years. Senator Palmer asked the mill rate and Mr. Page said 14-1/2, with a present evaluation of \$58 million. Senator Palmer then questioned the evaluation in comparison to Anchorage and Mr. Page said they are assessing at 100%, and re-evaluation of the property is a continuing process. Senator Koslosky questioned HB 152 and the sponsor and Mr. Wright had sponsored the bill. Mr. Fink said the sponsor wanted to get away from the 2% profit on transportation, since the state reimburses the districts at the level of 102%. Mr. Page said the 2% is put in for supervision, since it takes much time for maintenance

and scheduling of buses.

Charles White, State-Operated Schools, testified on the rural school problems. They strive to be responsive to the needs of rural Alaska and involve communities in planning; however, the programs needed cost money. Two things primarily are requested: pre-school programs and more training for people on the public school boards. Three bills are now pending in the legislature providing aid in the pre-school programs, and hopefully Johnson-O'Malley funds can be generated in this area. A lack of participation and lack of knowledge exists in the local school boards, and training can be obtained from the University of Alaska but funding is not available. The needs are known, but they can't deliver due to lack of money. It is not known if there will be enough funds for the transfer of the BIA schools coming under state supervision. Senator Hensley noted that transfer of the BIA schools has been deleted, and Mr. White said villages are voting now and possibly five or six will be ready to transfer shortly. Senator Hensley said he understood they had no choice, since the BIA accepted the idea and will not provide any more funds for construction. Discussion continued on the possibility of schools voting to transfer back to the BIA and Mr. Hartman noted it would take one or two years for the federal government to fund reverse action. Senator Hensley asked what percentage comes from federal sources after the take-over and Mr. Hartman said it is approximately a 50-50 split as far as funding is concerned.

Adjourned: The meeting adjourned at 12:00 noon.

SENATE FINANCE COMMITTEE

DEPT. OF
EDUCATION

The following is Senator Hensley's presentation of the Department of Education's budget.

BOOK I

The total Department of Education budget request for fiscal year 72 is \$106,502,800. The Miller GBRC allowed \$103,112,800. The fiscal year 71 authorization was \$94,387,300. This would be an increase of \$8,725,500 if the GBRC figure were allowed. (The largest single item requested is \$81,633,000 for district school support which the GBRC allowed.)

GENERAL
ADMINIS-
TRATION

Total Department request for General Administration was \$3,594,400. The GBRC allowed \$2,797,600, an increase over fiscal year 71 of \$1,986,400.

Board of
Education

There is a minimal increase of \$400 over fiscal year 71 and a total GBRC allowance of \$28,800. It would seem to me that this cost should decrease inasmuch as fewer days will be spent on SOS business. (They will have their own board.)

Office of
Commissioner

The total request is \$188,900. The GBRC allowed \$152,600. Fiscal year 71 allowance was \$157,600, a decrease of \$5,000.

Code 100

An evaluation coordinator was denied by the GBRC.

Code 200

There's a nominal \$500 increase over fiscal year 71. Another \$500 to \$1,000 could be cut without drastic consequences.

Code 300

Under Contractual Services, the Department requested \$8,900. The GBRC allowed \$7,400, only \$400 over fiscal year 71.

Advisory
Commissions

The request for fiscal year 72 is \$100,500; the GBRC allowed \$85,600. This is an decrease over fiscal year 71 which was \$98,300.

Code 200

The request for travel in fiscal year 71 was \$32,000; the GBRC allowed \$39,600, an increase of \$7,600. The increase was due in part to two additional meetings required by scholarship loan program,

and teacher education and certification requirements.

In Code 380, Contractual Services, the decrease is due to a change of category for Title III EEEA funds, which is now shown in 700 category and EBC is in a separate budget.

Scholar-
ship Loans

The Department request for fiscal year 1972 is \$1,400,000 and the GBRC allowed the total request. The allowance for fiscal year 71 was \$250,000. A supplemental has been requested to fund Article 2, Chapter 270, SLA 1970 for \$950,000. I have requested the Department to provide information on this and the number of students expected to utilize loans.

Code 300 Contractual Services provides \$1,150,000 for state support to colleges and universities in Alaska for cost differentials compared to the University of Alaska. This particular question has been determined by the legislature, now it's a question of funding.

Management
Information
Systems

The Department request is \$329,000; the GBRC allowed the full request.

Code 100 Under Personal Services, five positions have been transferred to OMIS from other Department divisions. This added \$65,404 to this Code. I question the increase in the Coordinator's salary (\$2,841) and the increase in employee benefits (\$14,326). I also question the Prin. Ed. Specialist salary increase of \$1,920. Three positions have been approved via Executive Order 20: a Principal Education Specialist, Senior Education Specialist, and a statistical clerk III, at a total cost of \$68,150. (Salaries, \$47,652). One permanent Clerk Typist III (\$7,452) is requested plus two temporary typists (Clerk typist III, \$2,484 and clerk typist II, \$6,924).

I have requested justification for this entire program. In fact, as long as the program has been instituted, I recommend that for

fiscal year 72 we allow only the maintenance level requested of \$294,800, deleting the salary increase of \$2,841.

Publica-
tions

The Department request for fiscal year 72 is \$111,400 and the GBRC allowed the full amount. State cost in this activity is \$48,900.

Code 100

The six positions are transfers from other Department branches, totaling \$75,000. *I have requested costs borne by the State that could be cut.

Educa-
tional
Broad-
casting
Commission

Total Department request is \$1,425,800 and the GBRC allowed \$680,200. Fiscal year 71 budget was \$121,600. A new program was enacted in 1970.

Code 100

Why such a large increase in Director's salary? (\$22,308 to \$29,172) New positions allowed are: Engineering consultant and clerk-steno III for a total of \$33,900.

Code 200

Travel could be cut from the Governor's allowance of \$21,300 to \$19,000.

Code 300

Contractual Services could be cut \$2,000.

Code 500

The Department request is \$1,257,500 for educational radio, T.V. and program planning. The GBRC allowed only \$538,400. I would recommend allowance for the educational radio stations but hold off on the educational T.V. *(Letter to DOE on this.)

ADMINIS-
TRATIVE
SERVICES

The total Department request for fiscal year 72 is \$5,309,400. The GBRC allowed \$5,310,500. Total state funds involved are only \$433,400. Included in this branch are school lunch (\$971,400) and federal programs (\$3,934,000).

Director's
Office

Code 100

The decrease in Personal Services shown is due to transfers out of three positions. *I would question increase in salaries and benefits totaling \$7,294.

Code 200

Travel is up from \$5,300 to \$9,400 for the next fiscal year. I

recommend a 25% cut.

● e 300 Under Contractual Services, I would recommend a total cut of \$4,000.

Budgeting & Accounting Under Personal Services, I would question increases in salaries.
Code 100 * I have asked for further information.

Code 200 There is a travel increase of \$1,300 over last year. I would delete outside travel (-\$500) and in-state travel by -\$600.

Code 300 Contractual Services remain the same as last year.

Statistical Services Transferred to Management Information Systems (05-05).

Secretarial Services The total Department request was \$98,600--the GBRC allowed \$99,600.
Fiscal year 71 was \$90,000.

Code 100 Under Personal Services two positions were requested and approved by the GBRC--clerk typist II and messenger II for a total increase of \$9,900.

● School Lunch The Department request is \$971,400--the GBRC allowed the full request. Fiscal year 71 authorization was \$473,400. Only \$64,400 of state funds allowed for this program. Have requested purpose of state share--to see if required by federal law.

Code 200 *I have requested reasons for so much outside travel.

Federal Programs Is it possible to break out state funds? The Department request is \$3,933,900--the GBRC allowed \$3,934,000. Fiscal year 71 allowance was \$3,797,300. State funds are \$256,100, down \$180,300 from last year.

Code 100 Four educational specialists are receiving increases in pay. *I have requested justification. Decrease in this Code is due to transfers (-\$27,200) An Administrative Assostant II was allowed (total \$15,200).

Code 200 Under Travel there is an increase of \$6,100 over last year. I

would recommend cuts if not required or paid for by federal funds.

Code 300 Under Contractual Services I would recommend a general 10% cut.

Code 500. Under Equipment I would recommend a cut of \$200.

INSTRUC- The Department request is \$841,100--the GBRC allowed \$814,500.

TIONAL 71
SERVICES Fiscal year/authorization was \$646,300. (General fund impact would be \$543,000.)

Director's Office Under Personal Services why the \$10,000 increase in salaries in

Code 100 current employees?*

Code 200 Under Travel I would recommend \$1,500 cut. There is too much outside travel.

Code 300 *I have requested justification on workshop.

Consultant Services The Department request is \$430,000--the GBRC allowed \$404,200, up from fiscal year 71 allocation of \$306,700. State general fund impact is \$206,200, up \$15,500 over last year. *What is the State's financial responsibility?

Code 100 Under Personal Services, the net increase in salary and benefits is \$37,200. Also, two new positions were allowed by the GBRC-- senior education specialist and a clerk typist III which exist due to Executive Order 20 (\$27,800).

Code 200 Under Travel I recommend a reduction in both inside and outside travel of 20% (-\$9,420).

Code 300 Under Contractual Services, do we want to continue the Drug Abuse Team? *

Code 400 Under Commodities I recommend a \$700 decrease.

Code 500 Equipment cut \$500.

Certifica- There is a minor increase in this program of \$4100.
tion

Code 200 Under travel, delete outside travel \$1,100.

Code 300 There's a general cut of \$900 under Contractual Services.

Correspon- The Department request is \$138,400--the GBRC allowance is \$137,600.
dence
ady Fiscal year 71 allocation was \$102,800 (all state funds).

Code 100 Why salary increases? (letter)

Code 200 Cut travel by -\$300.

Code 300 Under Contractual Services how are advisory teachers used and
can it be cut? (letter)

Code 400 Decrease Commodities by -\$1800.

Code 500 Under Equipment 20 tape recorders are wanted. Are these returned?
(\$1,000) (letter)

Code 900 I requested copy of Scattered Chatter.

Special Under Personal Services I requested justification for increase in
Education
Code 100 salaries.

Code 200 Cut travel by \$600.

Code 300 Under Contractual Services, Code 390, should we allow a conference?
(Special Education). (letter)

SENATE FINANCE SUBCOMMITTEE
March 9, 1:30 p.m.

Present: Senator Ray and Senator Butrovich, Subcommittee for the Court System Budget; Mr. Robert Reeves, Administrative Director of Courts; Mr. John Abbott, Deputy Administrative Director of Courts; and Mr. George Morrison, Budget Analyst.

ALASKA
COURT
SYSTEM

Senator Butrovich called the meeting to order, explaining that its purpose was to review the Court System budget.

Mr. Reeves, who was hired last May, began the budget presentation by explaining the reason for the Amendment to their budget, which is that the people who were to prepare the budget did not do so correctly, necessitating the hiring of Mario Martini to complete the work hurriedly. After the budget was submitted, Mr. Morrison was hired and he discovered items that were mistakenly not included. They should have been in the original budget.

Mr. Reeves went on to talk about the supplemental budget in which jury fees is the biggest item. After last year's budget was completed, the legislature passed a joint resolution that jurors be paid \$21 instead of \$10. As it was a legislative mandate, fees were raised. He added that the caseload in the Third Judicial District has gone up considerably and showed a chart plotting normal increase opposed to where they are above it. This and the case backload in Anchorage forced the Superior Court to go to a double shift which means that one courtroom is used twice a day with two different juries.

Mr. Reeves noted that the Supreme Court in Fairbanks proposed to do the following: limit jury service to 30 days instead of 120 days, reduce fees to \$15 per day (if the juror serves 1/2 day or less--\$7.50), and only paying Jurors if they have a signed

affidavit saying they aren't being compensated by an employer or some other source. He felt that it would take 90 days to fully implement this program.

Mr. Abbott stated they are working with Superior and District Court judges to get them to use prospective jurors knocked off by the Superior Court in the District Courts.

Inefficient calendar problems are also being worked on--the Federal government has provided \$30,000 to set up a calendar.

Mr. Reeves felt the alternative to the supplemental is stopping all courts in Alaska until July 1. He pointed out that the legislature had created five new Superior Court Judge positions which are filled and in need of funding and accommodations.

Mr. Reeves told the Senators that the Chief Justice would like a joint resolution to the Supreme Court recommending things the legislature wants done.

He said there were three things the Court System had no control over: (1) the 14% increase in traveling which occurred after July 1; (2) the jury fees, and (3) the cost in setting up the five new Superior Courts.

Code 100 Mr. Reeves briefly went through the attachments to the supplemental. Under Personal Services, ^{five} new positions of guards are asked for, the rationale being that Superior Courts ^{now} have no armed bailiffs for security and protection. The funding for these positions can be cut to three months since that is what remains until July 1. The guards would be stationed in Anchorage, the most active place. However, there is a provision in the 71-72 budget for additional guards, and Fairbanks, Juneau, and Ketchikan (in that order) would be the next to receive them.

The five new judges have created a need for more court transcribers. Two additional judges, plus people to keep things running smoothly are needed in Anchorage as back-up for the double shifting.

Code 200 Mr. Reeves stated that it was not known that the federal government was going to take away the 5% tax exemption on state travel or that the tax rate would be increased 3% causing the state to pay 8% more this year than last. He stressed that travel could not be cut--the Supreme Court has felt it necessary to travel more. Instead of taking all of the people to the Supreme Court, the Supreme Court was taken to Fairbanks, and this meant travel. The attempt to get better magistrates has resulted in additional increases because the offices need straightening up and auditing after turnovers which means traveling in terms of field audits and people to correct mistakes. In addition, magistrates are being brought to Anchorage for training.

Upon being asked about the Magistrate Conference, Mr. Morrison replied this was the third of three programs. (The first took place in March of 1969 and the second in April of 1970.) They come under Title 1 of Federal Aid to Education, so in effect, the University of Alaska funded the first two and there is a chance that they will provide \$2,900 for the third which would allow the \$10,000 to be cut to \$7,000.

Mr. Abbot said that when they came into office, they adopted the Federal Rules since no substantial regulations or rules have been issued formally since statehood to allow members of the Bar to make recommendations to the Supreme Court. There is a great need to rework the rules, and after the Chief Justice took office in May, he set up four different committees for this purpose. What is

involved in (1) Appellate Rules and (2) Children's Rules can be handled by members of the Bar or Bench. However, (3) Criminal Rules and (4) Civil Rules require law school professors because of rapid changes over the past five years.

Code 300 In response to questioning, Mr. Morrison said that the two reporters come under Contractual Services. Code 310 provides a power warning system for Superior Courtrooms. The \$18,000 for rents and utilities funds new judge accommodations. The Recorder's office had to be moved out of the Anchorage Court House to make space for a courtroom. The rationale for IBM Selectric Typewriters is that twice as much work could be accomplished.

Code 500 The main thing under Equipment is courtroom remodeling. Mr. Reeves said the Commissioner of Revenue has agreed it has to be done. The \$34,000 is for building the two courtrooms and furnishing them. The \$66,000 funds tearing up the Recorder's office and putting in the courtroom and has pretty much been contracted for.

Mr. Reeves reminded them of the mix-up created over Autopsies last year when it was somehow put under the Department of Law and the Attorney General refused to accept them or pay the bills. The Court System had had to make a deal with the ^{Dept. of Law} /and take the Autopsies back with an interdepartmental transfer of funds. After the transfer, they found they were \$20,000 short of what was needed to end the year.

Recess: Sen. Ray asked for a five minute recess.

After Recess
3:00 p.m.

ALASKA
COURT
SYSTEM

Having completed a review of the supplemental to the 70-71 budget, the subcommittee next turned to the original 71-72 budget for the Court System. Before going through this budget, however, Mr. Reeves made the point that this actually is not a correct budget - per the explanation given earlier in these minutes, there were several items inadvertently left out of this budget and those additions are included in another book to be gone over after this original budget is looked at [original budget meaning the one in the red budget workbook, having come over from Budget and Management].

He stated that there are certain new programs and expansions that he wanted to mention before going through the line itemed budget. A chief item is the microfilming system. This is not exactly a new program, he said, but they do want to develop a statewide microfilming system. With Alaska beginning to emerge as a commercial and industrial state, land records are very valuable. At this point, there is no system whatever for keeping these. Another large item is improvement of the law libraries. Alaska ranks very low, if not the lowest, in the American Bar Association evaluation of law libraries. The facilities here are most inadequate, and that fact is further complicated by Alaska's isolation. The program for expansion of the libraries has been broken into three years, as the expenditure would be too great for any one year, Mr. Reeves explained. The costs in this budget are mainly reflected in equipment. The largest portion shows up in the Capital Improvements budget.

Another important program in individual districts, Mr. Reeves continued, is the upgrading in quality of personnel serving as magistrates, and an attempt to provide for more equitable compensation. Stressing the importance of the magistrates, Mr. Reeves pointed out that about 24% and possibly even a higher percentage of the population in the state only sees the magistrate as administrators of justice, and yet this program in Alaska is, in his opinion, antiquated and inadequate.

COURT
SYSTEM
Supreme Ct.

Code 100

Turning now to the budget itself, it was noted that there is a request for 8 new position in Personal Services for the Supreme Court. Mr. Reeves explained that the reason for the Assistant Administrative Director, to be located in Juneau, is that at this point there is no one here in Juneau to assist him. He feels that with this individual, there would be a more efficient operation of the Court System. He noted the amount of travel that he must do, and felt that this alone is a good justification for having someone permanently stationed in Juneau.

A legal secretary has also been requested for the Juneau location. Mr. Reeves stated that in Juneau they have gone to two law clerks per justice, and so an additional secretary is needed. The current ratio is three professionals to one secretary, which is too much work for one girl.

In Anchorage, they have requested two Attorney positions, an Attorney III and Attorney IV. The Attorney IV is a supervisory position. He would distribute the workload of the law clerks. An additional legal secretary is needed to put out the work of the attorneys. They also are requesting a Clerk of the Court II to help with the justice's work.

the

Code 200

Senator Butrovich noted that the travel request is almost doubled.

Mr. Reeves said that the justices are finding it necessary to hold more sessions, thus necessitating more travel expenses. Also, there was not enough money in last year's budget, Mr. Reeves stated, and so they ran out.

Senator Butrovich asked if any money is going to lapse this year, and Mr. Morrison said no, that their financial state right now is very critical. The whole budget will be short. Senator Ray expressed the feeling that there is always a fair amount of latitude in Personal Services, vacancy and turnover, usually in the amount of 10%. Mr. Morrison said that he realized this is generally true, but that although he cannot explain it there is only a 1% vacancy and turnover factor in effect - out of the whole department, there are only 4 vacant positions. Sen. Ray asked how long the positions have been filled, and Mr. Morrison said most of the year. Sen. Ray seemed to feel that a 10% vacancy factor could still be assumed, but Mr. Morrison was in strong disagreement. Mr. Reeves noted that they generate about 40% of their entire budget; Sen. Ray said that after the supplementals, he thinks it's more around 27%.

Code 300

The large increase in Professional Fees and Services and Transportation of Things was noted. Senator Butrovich asked what is meant by attrition costs, and Mr. Reeves said that law clerks are on a contract basis, most of them only working for one year and then they must be replaced. The state pays their moving costs to Alaska, although they do not pay their costs of moving out of Alaska again. Sen. Ray was dissatisfied with this explanation.

Under Professional Fees and Services, there are monies for credentials investigation, which Mr. Reeves explained becomes

more and more important as Alaska grows in size. It is too easy otherwise for an attorney to come into the state who has even perhaps been indicted or lost his license to practice elsewhere; and it is important to protect the public from this.

Code 400 Sen. Ray questioned the stationery increase, and Mr. Reeves explained that this is not only for letter paper and envelopes, but for multiliths, duplicating paper, and other such paper supplies.

Code 500 Senator Ray asked what the videotape machine is, and Mr. Reeves said that it is a machine which records both sound and pictures.

Administration
Code 100 There is a \$168,040 increase in the request for Personal Services in Administration. In response to questioning, Mr. Reeves stated that he really does feel these additional positions are needed.

Code 200 There is an increase of \$3400 in the Travel request. Mr. Reeves said that there was not enough in this past year's budget. He requested further that the subcommittee note the minimal amount of outside travel.

Code 300 Sen. Ray questioned the \$7,000 request for Professional Fees and Services, which is justified as maintenance of a consulting firm to conduct a study of the existing budget and accounting system of the Court System. Mr. Reeves felt this is necessary as he is not an accountant and yet feels there are a number of things that need to be straightened out along these lines. In answer to further questioning by Sen. Ray, Mr. Reeves said that he does not know who he would hire to do this.

Code 400 Mr. Reeves explained that the increases in Commodities are due to the new courts established during this fiscal year and for maintenance of libraries.

Code 500 No questions.

Code 700 No questions.

Judicial
Districts

1st Judicial
District

Sen. Butrovich noted the request for overtime in the 1st Judicial District, and informed the Court System people that all overtime in all departments is being eliminated due to the budgetary straits the state is in.

Code 200 Sen. Ray noted the Travel increase. Mr. Reeves said that there was not nearly enough money in this year's budget for travel in the First Judicial District. More travel is further necessary due to the new judge.

Code 300 Sen. Ray questioned the increase in Rents and Utilities. Mr. Reeves said that is partly to create an office for the new judge.

Code 400 No questions.

Code 500 No questions.

2nd Judicial District Sen. Ray asked about the judge in Barrow, and Mr. Reeves said

Code 100 that although he has been authorized, there is no one filling the position yet.

Code 200 Mr. Reeves noted that there is a reduction in travel in the 2nd Judicial District.

Code 300 No questions.

Code 400 No questions.

Code 500 Mr. Morrison said that the largest single item in the Equipment request is a Soundscriber with mikes, which is \$3,400 and two have been requested. This however would take the place of a traveling stenographer, which would be a considerably higher cost.

3rd Judicial
District

Code 100 No questions.

ode 200 No questions.

Code 300 The question was raised about Code 390, which is justified as "Amount requested is for payment of local taxes as indicated by the division of buildings." This same item shows up under the Fourth Judicial District. No one was certain as to whether the state owned these buildings or why they were having to pay taxes. In a later meeting, Mr. Reeves reported that he had checked into this matter, and the state had a couple years ago secured the court buildings in both Anchorage and Fairbanks and had signed contracts with the cities that they would pay a certain amount in lieu of taxes in a decreasing amount each year for five years, he believed. This was to help the city shoulder the burden of having a large sum in taxes taken off their tax rolls in one lump sum.

Code 400 No questions.

Code 500 No questions.

Code 900 No questions.

4th Judicial
District No questions.

Council,
Commissions
Committees No questions.

Adjourned: Meeting adjourned at 4:30 p.m.

SENATE FINANCE COMMITTEE
Wednesday, March 10, 1971
9:00 a.m.

Present: All members were present with the exception of Senators Ray and Palmer.

General: Chairman Butrovich called the meeting to order, and explained that the reason for the meeting was to allow members to report on any bills that they have assigned and are ready to report. Senator Hensley moved and asked unanimous consent that SENATE BILL NO. 110 (Appropriation to Dept. of Education for scholarship loans) be brought up. No objection, so ordered. Senator Hensley explained that this is a ^{supplemental} /appropriation request for \$70,000 to be deposited from the general fund to the Scholarship Grant and Loan fund. According to the fiscal note prepared by the Dept. of Education, which Sen. Hensley read to the committee, the supplemental need is \$31,329.

SB 110

Sen. Lewis asked if there hadn't been a limit established by the \$50,000 appropriation last year, and it was explained that there has been a limit but the supplemental fiscal note shows the number of students who would qualify for the grants or loans but couldn't get them because there was no money.

Sen. Hensley expressed the feeling that perhaps the way the program is administered should be checked into, as the administering committee, made up of the presidents of the colleges in Alaska, has not met with any regularity and in fact there is now over \$40,000 which has not been used by Out-of-State students or Sheldon Jackson students (which was considered in coming up with the supplemental need, however) which can be transferred to AMU and the University of Alaska.